IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY

In re:	:	Chapter 11
	:	
NEW ENGLAND MOTOR FREIGHT, INC, *et al*.,[1]	:	Case No.: 19-12809 (JKS)
	:	
	:	(Jointly Administered)
Debtors.	:	

DEBTORS' AND OFFICIAL COMMITTEE OF UNSECURED CREDITORS' THIRD AMENDED JOINT COMBINED PLAN OF LIQUIDATION AND DISCLOSURE STATEMENT

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Dated: November 19, 2019

[1] The Debtors in these chapter 11 cases and the last four digits of each Debtor's taxpayer identification number are as follows: New England Motor Freight, Inc. (7697); Eastern Freight Ways, Inc. (3461); NEMF World Transport, Inc. (2777); Apex Logistics, Inc. (5347); Jans Leasing Corp. (9009); Carrier Industries, Inc. (9223); Myar, LLC (4357); MyJon, LLC (7305); Hollywood Avenue Solar, LLC (2206); United Express Solar, LLC (1126); and NEMF Logistics, LLC (4666).

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NEMF - Eastern Carrier Proposed Distribution Summary
November 7, 2019

Accounts Currently at JP Morgan Chase

NEMF	4,344,831		
Eastern		3,441,237	
Carrier		316,056	
NEMF Log	32,764		
NEWT	218,193		
APEX	-		
MYAR	-		
JANS	-		
Total Available Cash	4,595,789	3,757,293	8,353,082
Eastern/Carrier Sale ESCROW	5,958,117		
Available Cash - NEMF, et al.	4,595,789		
Available Cash - Eastern/Carrier	3,757,293		
Total Available Cash for Distribution	**14,311,199**		
Misc. Equipment ESCROW	116,385		
Travelers (Claims Acct.)	-		
Utility Deposit	142,985		
WARN Act 2 ESCROW	650,000		
Total Blocked Cash to be Paid	**909,370**		
Bank Balance as of 11/3	**4,595,789**	**3,757,293**	**8,353,082**

FORECASTED Source of Funds : By Entity		**NEMF***	**Eastern/Carrier**	**Totals**
Proposed Settlement for the Distribution of the Eastern Escrow Acct. ($5,958,117)	75%	4,676,809	1,281,308	5,958,117
Unencumbered Rolling Stock - Missing Titles		39,000		39,000
Settlement Recovery from T&M - (Final)		100,000		100,000
		4,815,809	**1,281,308**	**6,097,117**
Note Receivable - Life Insurance Policies - (Insider Settlement)	75%	2,250,000	750,000	3,000,000
Settlement Recovery from Insiders - (Insider Settlement)	75%	1,950,000	650,000	2,600,000
		4,200,000	**1,400,000**	**5,600,000**
Potential Recovery from Preference Actions		-	-	-
Total Forecasted Source of Funds		**9,015,809**	**2,681,308**	**11,697,117**
Expenses : By Entity		**NEMF**	**Eastern/Carrier**	**Totals**
Wind Down Expense thru December		**(627,294)**		(627,294)
Re-Allocation of Professional Fees Paid thru 9/29 - Accrued Thru June		**996,249**	**(996,249)**	-
Allocation of Accrued Prof Fees Thru June		**(178,972)**	**(35,290)**	(214,262)
Professional fees Accrued for July + August		**(1,267,302)**	**(241,391)**	(1,508,693)
Professional Fees (Sept. - Dec.) Still Needed - Estimate		**(2,100,000)**	**(400,000)**	**(2,500,000)**
Total Forecasted Expenses		**(3,178,318)**	**(1,671,921)**	**(4,850,239)**
Estimated Bank Cash Balance at 12/31		10,433,279	4,766,680	15,199,960
Estimated Book Cash Balance at 12/31		**10,433,279**	**4,766,680**	**15,199,960**

NEMF Claim - $6,235,745.68	$4,676,809.19	75%
Eastern/Carrier Residual	$1,281,307.82	

Allocation Calculation:			
Based on asset value as of Filing Date (2/11/2019)			
NEMF	$160.3 Million	84%	75%
Eastern/Carrier	$30.0 Million	16%	25%
	$190.3 Million		

Eastern/Carrier Distribution

Cash for Distribution	**4,766,680**
Less:	
Total Priority Claims	**$7,347**
Administrative Claims:	
Post Petition Health Care-Related Claims (From Deloitte Valuation)	$80,960
Post Petition Auto Liability Claims	$191,395
503(b) (9) Claims	$6,828
Other Admin. Claims	$16,476
Total Admin. Claims	**$295,659**
Total Priority & Admin. Claims	**$303,006**
Cash Available for General Unsecured Claims ("GUC")	**$4,463,674**

General Unsecured Claims:

Secured Lender Deficiency Claims and LOC Claims	LC's	%	Deficiency Claim	Total Est Unsecured Claims	%	% of Total GUC's	Estimated Amount to Receive
TD Bank	$7,340,216	33%	$9,046,156	16,386,372	21.2%	20.69%	$922,315
East West Bank	$5,966,570	27%	$9,805,641	15,572,111	20.1%	19.64%	$876,484
Santander	$4,337,344	20%	$5,529,001	9,916,345	12.8%	12.50%	$558,146
Chase	$3,891,759	18%	$10,388,523	14,280,282	18.4%	18.01%	$803,773
Daimler			$6,097,597	6,097,597	7.9%	7.69%	$343,206
5th 3rd			$7,630,028	7,630,028	9.9%	9.62%	$429,460
Capital One	$428,000	2%	$2,024,213	2,452,213	3.2%	3.09%	$138,024
Wells Fargo			$3,325,771	3,325,771	4.3%	4.19%	$187,193
VFS			$1,677,885	1,677,885	2.2%	2.12%	$94,441
Webster			$74,516	74,516	0.1%	0.09%	$4,194
Bank Claim Totals	**$22,013,890**		**$55,399,242**	**77,413,131**	**100.0%**	**97.62%**	**$4,357,236**
Auto Liability Claims						0.00%	$0 -
Executory Contract Rejection Damages Claims						2.23%	$99,458 1,767,024
Auto Insurer Indemnity Claims							$0 -
Other GUC's						0.16%	$194 124,024
						2.38%	$99,652 1,891,048
Total Preliminary General Unsecured Claims							79,304,179
Cash Available for General Unsecured Claims ("GUC")						100.00%	$4,456,887 **$4,463,674**
Preliminary Potential Percentage Recovery for GUC's							**5.6%**

NEMF and Other(s) Distribution

											Two Pot Plan	Recovery
Cash for Distribution												**10,433,279**
Less:												
Priority Claims:												
Priority Tax Claims												$1,314,528
Non-Tax Priority Claims												$333,154
Other Secured Claims												$126,424
Total Priority Claims												**$1,774,106**
Administrative Claims:												
Post Petition Health Care-Related Claims (From Deloitte Valuation)												$425,040
Post Petition Auto Liability Claims												$27,104
503(b)(9) Claims												$2,387,168
Other Admin. Claims												$269,677
Total Admin. Claims												**$3,108,989**
Total Priority & Admin. Claims												**$4,883,095**
Cash Available for General Unsecured Claims ("GUC")												**$5,550,184**
General Unsecured Claims:												
Secured Lender Deficiency Claims and LOC Claims	**LC's**	**%**		**Deficiency from Auction Sales**	**Total Est. Unsecured Claims**	**%**	**% of Total GUC's**	**Estimated Amount to Receive**				
East West Bank	$5,966,570	27%		$3,830,649	9,797,215	12.7%	14.01%	$777,798				
TD Bank	$7,340,216	33%		$2,002,072	9,342,288	12.1%	13.36%	$741,681				
Santander	$4,387,344	20%		$1,177,727	5,565,071	7.2%	7.96%	$441,809				
Chase	$3,891,759	18%		$116,059	4,007,818	5.2%	5.73%	$318,179				
Daimler				$2,133,725	2,133,725	2.8%	3.05%	$169,396				
5th 3rd				$2,070,654	2,070,654	2.7%	2.96%	$164,389				
Capital One	$428,000	2%		$1,351,428	1,779,428	2.3%	2.55%	$141,268				
Wells Fargo				$719,493	719,493	0.9%	1.03%	$57,120				
VFS				$583,577	583,577	0.8%	0.83%	$46,330				
Webster				$74,516	74,516	0.1%	0.11%	$5,916				
Bank Claim Totals	**$22,013,890**			**$14,953,897**	**36,873,787**	**46.6%**	**51.68%**	**$2,863,886**		**36,873,787**		
Auto Liability Claims							0.00%	$0		-		
Executory Contract Rejection Damages Claims							19.28%	$1,069,839		13,477,064		
Auto Insurer Indemnity Claims								$0		-		
Lease Rejection Claim from Insider Settlement							7.15%	$396,948		**5,000,000**		
Other GUC's							21.97%	$1,219,411		**15,358,823**		
							48.40%	$2,686,298		33,835,887		
Total Preliminary General Unsecured Claims										**69,910,674**		
Cash Available for General Unsecured Claims ("GUC")							100.00%	$5,550,184		**$5,550,184**		
Preliminary Potential Percentage Recovery for GUC's												**7.9%**

EXHIBITS

NOTICE

THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THIS COMBINED PLAN OF LIQUIDATION AND DISCLOSURE STATEMENT. THIS COMBINED PLAN OF LIQUIDATION AND DISCLOSURE STATEMENT WAS SUBSTANTIALLY COMPILED FROM THE DEBTORS' BOOKS AND RECORDS TO THE BEST OF THE DEBTORS' AND COMMITTEE'S KNOWLEDGE, INFORMATION AND BELIEF.

UNLESS ANOTHER TIME IS SPECIFIED, THE STATEMENTS CONTAINED HEREIN ARE MADE AS OF THE DATE HEREOF. THE DELIVERY OF THIS COMBINED PLAN OF LIQUIDATION AND DISCLOSURE STATEMENT SHALL NOT BE DEEMED OR CONSTRUED TO CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AT ANY TIME AFTER THE DATE HEREOF.

THIS COMBINED PLAN OF LIQUIDATION AND DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(c) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER RULES GOVERNING DISCLOSURE OUTSIDE THE CONTEXT OF CHAPTER 11 OF THE BANKRUPTCY CODE. NO GOVERNMENTAL AUTHORITY HAS PASSED ON, CONFIRMED OR DETERMINED THE ACCURACY OF THE INFORMATION CONTAINED HEREIN.

THIS COMBINED PLAN OF LIQUIDATION AND DISCLOSURE STATEMENT PROVIDES FOR THE SUBSTANTIVE CONSOLIDATION OF THE ASSETS AND LIABILITIES OF CERTAIN DEBTORS FOR LIMITED PURPOSES AND CONTEMPLATES THE APPOINTMENT OF A LIQUIDATING TRUSTEE TO WIND-DOWN THE DEBTORS' ESTATES.

NO REPRESENTATION CONCERNING THE DEBTORS OR THE VALUE OF THE DEBTORS' ASSETS HAS BEEN AUTHORIZED BY THE BANKRUPTCY COURT OTHER THAN AS SET FORTH IN THIS COMBINED PLAN OF LIQUIDATION AND DISCLOSURE STATEMENT OR ANY OTHER DISCLOSURE STATEMENT APPROVED BY THE BANKRUPTCY COURT. THE DEBTORS AND COMMITTEE ARE NOT RESPONSIBLE FOR ANY INFORMATION, REPRESENTATION OR INDUCEMENT MADE TO OBTAIN YOUR ACCEPTANCE, WHICH IS OTHER THAN OR INCONSISTENT WITH INFORMATION CONTAINED HEREIN.

NOTHING STATED HEREIN SHALL BE DEEMED OR CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE COMBINED PLAN OF LIQUIDATION AND DISCLOSURE STATEMENT ON THE DEBTORS OR HOLDERS OF CLAIMS OR INTERESTS. CERTAIN STATEMENTS CONTAINED HEREIN, BY NATURE, ARE FORWARD LOOKING AND CONTAIN

ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL REFLECT ACTUAL OUTCOMES.

EACH HOLDER OF A CLAIM OR EQUITY INTEREST SHOULD CONSIDER CAREFULLY ALL OF THE INFORMATION IN THIS COMBINED PLAN OF LIQUIDATION AND DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN GREATER DETAIL HEREIN. HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD NOT CONSTRUE THE CONTENTS OF THIS COMBINED PLAN OF LIQUIDATION AND DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. THEREFORE, EACH SUCH HOLDER SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS AS TO ANY SUCH MATTERS CONCERNING THE COMBINED PLAN OF LIQUIDATION AND DISCLOSURE STATEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY.

FOR EASE OF REFERENCE ONLY, AND WITH CERTAIN EXCEPTIONS, ARTICLES I, II AND III HEREIN GENERALLY CONTAIN THE DISCLOSURE STATEMENT PROVISIONS AND ARTICLES IV THROUGH XIV HEREIN GENERALLY CONTAIN THE PLAN PROVISIONS OF THE COMBINED PLAN OF LIQUIDATION AND DISCLOSURE STATEMENT.

INTRODUCTION

The Debtors and the Official Committee of Unsecured Creditors propose a joint plan of liquidation for the resolution of all outstanding Claims against and Equity Interests in the Debtors as of the Petition Date. Capitalized terms used and not otherwise defined herein have the meanings ascribed to such terms in Article I.B hereof.

The Combined Plan and Disclosure Statement constitutes a liquidating Chapter 11 plan for the Debtors and provides for Distribution of the Debtors' assets already liquidated or to be liquidated over time to Holders of Allowed Claims in accordance with the terms of the Combined Plan and Disclosure Statement and the priority provisions of the Bankruptcy Code. The Combined Plan and Disclosure Statement contemplates the appointment of a Liquidating Trustee, *inter alia*, to implement the terms of the Combined Plan and Disclosure Statement and make Distributions in accordance therewith. Except as otherwise provided by Order of the Bankruptcy Court, Distributions will likely occur at various intervals after the Effective Date.

The Joint Combined Plan and Disclosure Statement provides for limited substantive consolidation of the assets and liabilities of the Debtors. Accordingly, for Plan purposes only, the assets and liabilities of the Debtors are deemed the assets and liabilities of two substantively consolidated entities, as set forth herein. Except to the extent provided otherwise herein, claims filed against multiple Debtors seeking recovery of the same debt shall be treated as a single, non-aggregated Claim against one or both of the consolidated Estates, as applicable, to the extent that such Claim is an Allowed Claim.

The Debtors and the Committee are proponents of the Plan contained herein within the meaning of section 1129 of the Bankruptcy Code.

Subject to the restrictions on modifications set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 9019, the Debtors and Committee expressly reserve the right to alter, amend or modify the Combined Plan and Disclosure Statement one or more times before substantial consummation thereof.

ARTICLE I.

DEFINED TERMS AND RULES OF INTERPRETATION

A. Rules of Interpretation and Construction

1. For purposes herein: (i) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine, and the neuter gender; (ii) any reference herein to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (iii) any reference to an existing document or exhibit having been filed or to be filed shall mean that document or exhibit, as it may thereafter be amended, modified, or supplemented; (iv) unless otherwise specified, all references to "Articles" or "Sections" are references to Articles or Sections hereof; (v) the words ''herein,'' "hereof" and ''hereto'' refer to the Combined Plan and Disclosure Statement in its entirety rather than to a particular portion of the Combined Plan and Disclosure Statement; (vi) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (vii) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (viii) any term used in capitalized form herein that is not otherwise defined shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

2. The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed hereby.

B. Defined Terms

Unless the context otherwise requires, the following capitalized terms used in this Combined Plan and Disclosure Statement shall have the meanings set forth below:

1. "Accrued Professional Compensation" means, at any date, all accrued fees and reimbursable expenses for services rendered by Retained Professionals in the Chapter 11 Cases through and including such date, to the extent that such fees and expenses have not been previously paid and regardless of whether a fee application has been filed for such fees and expenses. To the extent that there is a Final Order denying some or all of a Retained Professional's fees or expenses, such denied amounts shall no longer be considered Accrued Professional Compensation.

2. "Administrative Claims Bar Date" means that date which is thirty (30) days from the entry of the Confirmation Order, unless otherwise fixed by prior order of the Court.

3. "Administrative Expense Claim" means a Claim arising under sections 503(b), 507(a), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors, (b) Professional Fee Claims (to the extent Allowed by the Bankruptcy Court), and (c) Statutory Fee Claims.

4. "Affiliate" means, with respect to any Entity, "affiliate" as defined in section 101(2) of the Bankruptcy Code.

5. "Allowed" means, with reference to any Claim (a) any Claim against the Debtors which has been listed by the Debtors in their Schedules, as such Schedules may be amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and for which no contrary proof of claim has been Filed; (b) any Claim or Equity Interest arising on or before the Effective Date for which a Proof of Claim has been timely Filed before the applicable Bar Date (x) as to which no objection to allowance has been interposed or (y) as to which any objection has been determined by a Final Order to the extent such objection is determined in favor of the respective Holder, (c) any Claim or Equity Interest as to which the liability of the Debtors and the amount thereof are determined by a Final Order of a court of competent jurisdiction other than the Bankruptcy Court and for which a Proof of Claim has been timely Filed before the applicable Bar Date, or (d) any Claim expressly Allowed hereunder or pursuant to an Order of the Bankruptcy Court; provided, however, that Claims allowed solely for the purpose of voting to accept or reject the Combined Plan and Disclosure Statement pursuant to an Order of the Bankruptcy Court shall not be considered "Allowed Claims" hereunder. Unless otherwise specified herein or by order of the Bankruptcy Court, "Allowed Administrative Expense Claim" or "Allowed Claim" shall not, for any purpose under the Combined Plan and Disclosure Statement, include interest, punitive damages or any fine or penalty on such Administrative Expense Claim or Allowed Claim from and after the Petition Date. Unless otherwise provided in an Order of the Bankruptcy Court, for purposes of determining the amount of an Allowed Claim, there shall be deducted therefrom an amount equal to the amount of any claim which the Debtors may hold or assert against the Holder thereof, to the extent such claim may be set off pursuant to sections 502(d) or 553 of the Bankruptcy Code.

6. "Amended Schedules" means the amended schedules of assets and liabilities and statement of financial affairs filed by New England Motor Freight, Inc. and Eastern Freight Ways, Inc. on May 7, 2019 [Dkt. 550-1], and any and all amendments and modifications thereto, including Dkt. 822-1, and any subsequent amendments and/or modifications.

7. "Amended Schedules Bar Date" means the later of (a) the General Bar Date and (b) 5:00 p.m. (prevailing Eastern Time) on the date that is 60 days after the Debtors or Liquidating Trustee provides notice to the Holder of an amendment to the Debtors' Amended Schedules of Assets and Liabilities.

8. "Avoidance Actions" means any and all actual or potential Claims and Causes of Action to avoid a transfer of property or an obligation incurred by the Debtors pursuant to any applicable section of the Bankruptcy Code, including sections 502, 510, 542, 544, 545, 547 through 553, and 724(a) of the Bankruptcy Code or under similar or related state or federal statutes and common law, including fraudulent transfer laws, whether or not litigation has been commenced as of the Effective Date to prosecute such Claims or Causes of Action.

9. "Auto Insurer" means one or more of Protective Insurance Company and/or United States Fire Insurance Company and each of their predecessors, successor(s) and/or assigns.

10. "Auto Insurer Secured Claim" means any and all claims held by an Auto Insurer relating to and/or arising under one or more Excess Indemnity Contracts (as such term is defined in Article II(C)(12)(e) of this Combined Plan and Disclosure Statement), Surety Bonds (including MCS-82 surety bonds) as defined in Article I(12) herein), and/or any collateral and/or indemnity agreements between one or more of the Debtors and/or an Auto Insurer relating to in any way one or more Excess Indemnity Contracts or Surety Bonds, including, but not limited to, any claim held by an Auto Insurer for the settlement and payment of Auto Liability Claims and for amounts within the Debtors' self-retention obligation as set forth in any Excess Indemnity Contract and/or Surety Bond, which Claim shall be secured up to the amount of the Auto Liability LC Proceeds (as such term is defined in Article II(C)(12) herein) held by such Auto Insurer.

11. "Auto Insurer Unsecured Indemnity Claim" means a claim, whether arising before or after the Petition Date, other than an Auto Insurer Secured Claim, if any, held by an Auto Insurer relating to and/or arising in any Excess Indemnity Contracts, any Surety Bonds and certificates issued and/or filed by an Auto Insurer with any federal and/or state regulatory agencies and others guaranteeing the Debtors' payment of Auto Liability Claims (collectively, the "Surety Bonds"), and/or any collateral and/or indemnity agreements relating to in any way one or more Excess Indemnity Contracts or Surety Bonds.

12. "Auto Liability Claims" means all claims against the Debtors for personal injury or property damage, whether arising before or after the Petition Date, relating to or arising out of the Debtors' trucking and transportation operations, which may be covered by or subject to the Excess Indemnity Contracts (as defined in Article II(C)(12) of this Combined Plan and Disclosure Statement).

13. "Auto Liability Claims Protocol" means the procedure described in this Combined Plan and Disclosure Statement, the terms of which are set forth in Exhibit C hereto, which shall provide for the orderly determination and resolution of all Auto Liability Claims and determination of the Auto Insurer Secured Claims and Auto Insurer Unsecured Indemnity Claims.

14. "Auto Liability Claims Released Parties" means the Debtors, the Drivers, the Debtors' Estates, all Estate representatives, the Released Parties, and the Liquidating Trust.

15. "Ballot" means the ballot forms distributed with the Combined Plan and Disclosure Statement to Holders of Impaired Claims entitled to vote in connection with the solicitation of acceptances of the Combined Plan and Disclosure Statement.

16. "Bankruptcy Code" means title 11 of the United States Code, 11 U.S.C. §§ 101-1532.

17. "Bankruptcy Court" means the United States Bankruptcy Court for the District of New Jersey having jurisdiction over these Chapter 11 Cases.

18. "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure.

19. "Bar Date Order" means the *Order Establishing Bar Dates and Procedures and Approving the Form and Manner of Notice Thereof* entered in the Chapter 11 Cases by the Bankruptcy Court on May 1, 2019 [Docket No. 519].

20. "Bar Dates" means those dates and times defined as the Bar Dates in Article II(C)(11)(c) hereof or in the Bar Date Order.

21. "Books and Records" means those books, records and financial systems of the Debtors, including any and all documents and any and all computer generated or computer maintained books and records and computer data, as well as electronically generated or maintained books and records or data, along with books and records of the Debtors maintained by or in the possession of third parties, wherever located.

22. "Business Day" means any day, other than a Saturday, Sunday or "legal holiday" (as that term is defined in Bankruptcy Rule 9006(a)), which commercial banks in New York, New York are required or authorized to close by law or executive order, and the Friday after Thanksgiving.

23. "Cash" means the legal tender of the United States of America or the equivalent thereof.

24. "Causes of Action" means all actions, causes of action (including Avoidance Actions), liabilities, obligations, rights, suits, debts, damages, judgments, remedies, demands, setoffs, defenses, recoupments, cross-claims, counterclaims, third-party claims, indemnity claims, contribution claims or any other claims whatsoever, in each case held by the Debtors, whether disputed or undisputed, suspected or unsuspected, foreseen or unforeseen, direct or indirect, choate or inchoate, existing or hereafter arising, in law, equity or otherwise, whether direct, indirect, derivative, or otherwise, and any and all commercial tort claims against any party, including, the Debtors' current and former directors and officers, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date, or during the course of the Chapter 11 Cases through the Effective Date.

25. "Chapter 11 Cases" means (a) when used with reference to a particular Debtor, the Chapter 11 case filed for that Debtor under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court and (b) when used with reference to all Debtors, the jointly administered Chapter 11 Cases for all Debtors.

26. "Claim" means any claim (as defined in section 101(5) of the Bankruptcy Code) against a Debtor.

27. "Claims Objection Deadline" means the first Business Day that is three hundred sixty-five (365) days after the Effective Date or such later date as may be approved by Order of the Bankruptcy Court upon motion of the Liquidating Trustee.

28. "Class" means a category of Holders of Claims or Equity Interests as set forth in Article VI hereof pursuant to section 1122(a) of the Bankruptcy Code.

29. "Clerk" means the clerk of the Bankruptcy Court.

30. "Combined Plan and Disclosure Statement" means this joint combined disclosure statement and Chapter 11 plan of liquidation, including, without limitation, all exhibits, supplements, appendices and schedules hereto, either in their present form or as the same may be

altered, amended or modified from time to time and is referred to herein as (the "Plan"). *See also* paragraph 90 for a more comprehensive definition of the "Plan".

31. "Committee" shall mean the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases on February 21, 2019.

32. "Confirmation" means the entry of the Confirmation Order by the Bankruptcy Court on the Docket of the Chapter 11 Cases.

33. "Confirmation Date" means the date on which the Bankruptcy Court enters the Confirmation Order on the Docket of the Chapter 11 Cases.

34. "Confirmation Hearing" means the hearing conducted by the Bankruptcy Court pursuant to section 1128(a) of the Bankruptcy Code to consider confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

35. "Confirmation Order" means the Order of the Bankruptcy Court confirming the Combined Plan and Disclosure Statement pursuant to section 1129 of the Bankruptcy Code.

36. "Confirmation Notice" means the notice to be provided to all Creditors and parties in interest regarding the Confirmation Hearing and which shall contain instructions for obtaining a copy of the Combined Plan and Disclosure Statement.

37. "Consolidated Eastern Debtor(s)" shall mean Eastern Freight Ways, Inc. and Carrier Industries, Inc., individually or collectively.

38. "Consolidated NEMF Debtor(s)" shall mean New England Motor Freight, Inc.; NEMF World Transport, Inc.; Apex Logistics, Inc.; Jans Leasing Corp.; Myar, LLC; MyJon, LLC; and NEMF Logistics, LLC, individually or collectively.

39. "Contingent" shall mean, with reference to a Claim, a Claim that has not accrued or is not otherwise payable and the accrual of which, or the obligation to make payment on which, is dependent upon a future event that may or may not occur.

40. "Creditor" means any Entity that is the Holder of a Claim against any of the Debtors.

41. "Debtor(s)" means New England Motor Freight, Inc.; Eastern Freight Ways, Inc.; NEMF World Transport, Inc.; Apex Logistics, Inc.; Jans Leasing Corp.; Carrier Industries, Inc.; Myar, LLC; MyJon, LLC; Hollywood Avenue Solar, LLC; United Express Solar, LLC; and NEMF Logistics, LLC, individually or collectively.

42. "Disbursing Agent" means the Liquidating Trustee.

43. "Disputed" means every Claim, or any portion thereof, that has not been Allowed pursuant to the Combined Plan and Disclosure Statement or a Final Order of the Bankruptcy Court and:

(a) if a Proof of Claim has been timely Filed by the applicable Bar Date, such Claim is designated on such Proof of Claim as unliquidated, contingent, or disputed, or in zero or unknown amount, and has not been resolved by written agreement of the parties or a Final Order of the Bankruptcy Court;

(b) if either (1) a Proof of Claim has been timely Filed by the applicable Bar Date or (2) a Claim has been listed on the Schedules as other than unliquidated, contingent or disputed, or in zero or unknown amount, a Claim (i) as to which any Debtor has timely filed an objection or request for estimation in accordance with the Combined Plan and Disclosure Statement, the Bankruptcy Code, the Bankruptcy Rules, and any orders of the Bankruptcy Court, in each case which objection, request for estimation or dispute has not been withdrawn, overruled or determined by a Final Order;

(c) that is the subject of an objection or request for estimation Filed in the Bankruptcy Court and which such objection or request for estimation has not been withdrawn, resolved, or overruled by Final Order of the Bankruptcy Court; or

(d) that is otherwise disputed by any Debtor in accordance with the provisions of the Combined Plan and Disclosure Statement or applicable law, which dispute has not been withdrawn, resolved or overruled by Final Order.

44. "Distribution" means any distribution to the Holders of Allowed Claims.

45. "Distribution Record Date" means the date of the Confirmation Hearing or such other date as designated in an Order of the Bankruptcy Court.

46. "Docket" means the docket in the Chapter 11 Cases maintained by the Clerk.

47. "Drivers" means any of the Debtors' employees and/or former employees who may be individually liable for Auto Liability Claims.

48. "Effective Date" means a Business Day after all conditions specified in Article XII(B) have been satisfied or waived, but in no event shall it occur prior to February 3, 2020.

49. "Entity" has the meaning ascribed to such term in section 101(15) of the Bankruptcy Code.

50. "Equity Interest" means any issued, unissued, authorized, or outstanding shares of common stock, preferred stock, membership interest or other instrument evidencing an ownership interest in a Debtor, whether or not transferable, together with any warrants, equity-based awards or contractual rights to purchase or acquire such equity interests at any time and all rights arising with respect thereto that existed immediately before the Effective Date.

51. "Equity Holders and Affiliates" means all Persons and Entities identified on Schedule 1 to the Settlement Agreement and Mutual Release attached to this Combined Plan and Disclosure Statement and incorporated herein as Exhibit D.

52. "Estate" or "Estates" means the estates of the Debtors created upon the commencement of the Chapter 11 Cases pursuant to section 541 of the Bankruptcy Code.

53. "Estate Assets" shall mean assets of the Estate, including claims arising under Chapter 5 of the Bankruptcy Code.

54. "Eastern Distribution Reserve" shall mean the funds available for Distribution to creditors of the Consolidated Eastern Debtors from which any Prepetition Lender holding an Allowed Claim against Eastern and/or Carrier shall share in the Distribution pro rata with other Creditors holding Allowed Claims against the Consolidated Eastern Debtors. The Eastern Distribution Reserve shall be funded with (i) Eastern's Cash on hand as of the date hereof (less any amounts paid pursuant to an order of the Bankruptcy Court prior to the Effective Date), plus (ii) $1,281,308 retained from the Eastern Escrow Account after the satisfaction of 75% of the NEMF Administrative Claim, plus (iii) $1,400,000 to be received pursuant to the Equity Holders and Affiliates Settlement.

55. "Eastern Sale Motion" means the Debtors' Motion for Order (I)(A) Approving Bidding Procedures and Auction and (B) Scheduling Sale Hearing and Approving Notice Thereof; (II) Authorizing the Sale of Substantially All of the Debtors' Eastern Freight Ways, Inc. and Carrier Industries, Inc.'s Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests; (III) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (IV) Granting Related Relief [Docket No. 335].

56. "Exculpated Parties" means, collectively, the Debtors, the Committee, and each of their respective current and former officers, directors, managers, members, employees, agents, attorneys, financial advisors, accountants, investment bankers, investment advisors, consultants, agents, representatives and other professionals, specifically including, Chief Restructuring Officer (Vincent J. Colistra and Phoenix Executive Services, LLC); Counsel for the Debtor (Gibbons P.C.); Claims Agent, Noticing Agent and Administrative Agent to the Debtors (Donlin Recano & Company, Inc.); Conflicts Counsel to the Debtors (Wasserman Jurista & Stolz); Special Counsel for the Debtors (Whiteford Taylor & Preston LLP and Akerman LLP); Accountants to the Debtors (WithumSmith+Brown PC); Consultants to the Debtors (Deloitte Consulting LLP); Real Estate Brokers to the Debtors (Cushman & Wakefield of Florida, LLC); Appraiser to the Debtors (A. Atkins Appraisal Corp.); Counsel to the Official Committee of Unsecured Creditors (the "Committee") (Lowenstein Sandler LLP and Elliott Greenleaf P.C.); Financial Advisor to the Committee (CohnReznick LLP); and Investment Banker to the Committee CohnReznick Capital Market Securities, LLC).

57. "Executory Contract" means a contract, as it may have been amended, restated or otherwise modified and including any codicils, amendments, exhibits or annexes thereto, if any, to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

58. "File," "Filed" or "Filing" means filed, filed or filing with the Bankruptcy Court in the Chapter 11 Cases.

59. "Final Fee Application" means an application for final allowance of Accrued Professional Compensation.

60. "Final Order" means an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the subject matter, as entered on the docket in any Chapter 11 Cases or the docket of any court of competent jurisdiction, and as to which the time to appeal, seek reconsideration under Rule 59(b) or 59(e) of the Federal Rules of Civil Procedure, seek a new trial, reargument, or rehearing and, where applicable, petition for certiorari has expired, and no appeal or petition for certiorari or other proceedings for a new trial, reargument, or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be timely Filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing shall have been denied, resulted in no stay pending appeal of such order, or has otherwise been dismissed with prejudice; provided, however, that the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure or Bankruptcy Rule 9024, or any analogous rule, may be filed relating to such order or judgment shall not cause such order or judgment not to be a Final Order.

61. "General Administrative Expense Claim" means any Administrative Expense Claim, other than a Professional Fee Claim or a Statutory Fee Claim.

62. "General Bar Date" means June 18, 2019 at 5:00 p.m. (prevailing Eastern Time).

63. "General Unsecured Claims" means any unsecured Claim (other than an Administrative Expense Claim, a Priority Tax Claim, a Priority Non-Tax Claim, an Intercompany Claim, an Auto Liability Claim, or an Auto Insurer Unsecured Indemnity Claim) against one or more of the Debtors including, but not limited to Claims arising from any litigation or other court, administrative or regulatory proceeding, including, without limitation, damages or judgments entered against, or settlement amounts owing by a Debtor related thereto.

64. "Governmental Unit" has the meaning ascribed to such term in section 101(27) of the Bankruptcy Code.

65. "Holder" means the beneficial holder of a Claim or Equity Interest.

66. "Impaired" means, with reference to any Claim or Equity Interest, a Claim or Equity Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

67. "Insider" has the meaning set forth in Section 101(31) of the Bankruptcy Code.

68. "Insurance Policies" means all insurance policies of the Debtors including, but not limited to, the Excess Indemnity Contracts and Surety Bonds and any other collateral and/or indemnity agreements related thereto, as such terms are defined in Article II(C)(12).

69. "Insurer Secured Claim (WC)" means a claim held by an Insurer arising under one or more workers compensation policies, which claim is secured by possession of letter of credit proceeds.

70. "Intercompany Claims" means, collectively, any Claim held by a Debtor against another Debtor.

71. "Lender Deficiency Claim" means any portion of a Claim held by a Prepetition Lender (a) to the extent the value of the Holder's interest in the Estate Property securing such Claim is less than the amount of such Claim, or (b) to the extent the amount of a Claim subject to setoff is less than the amount of the Claim, each as determined by the Bankruptcy Court under Bankruptcy Code section 506(a).

72. "Lender Secured Claim(s)" means all Class 2A through 2J Claims held by Prepetition Lenders, individually or collectively.

73. "Lien" has the meaning ascribed to that term in section 101(37) of the Bankruptcy Code.

74. "Liquidating Trust" shall mean the liquidating trust established by the Plan and described in Article VII of the Plan and in the Liquidating Trust Agreement.

75. "Liquidating Trust Agreement" shall mean the agreement establishing and delineating the terms and conditions of the Liquidating Trust, a copy of which shall be provided in a supplement to the Plan.

76. "Liquidating Trust Assets" shall mean all of the Assets of the Consolidated NEMF Debtors, which shall be transferred to the Liquidating Trust pursuant to the Plan. For the avoidance of doubt, the Assets of the Consolidated Eastern Debtors shall not be transferred to the Liquidating Trust.

77. "Liquidating Trust Beneficiaries" shall mean the Holders of Allowed Claims against the Consolidated NEMF Debtors under the Plan.

78. "Liquidating Trust Expense Reserve" shall mean the reserve of no more than $500,000 established by the Confirmation Order or other order of the Bankruptcy Court, pursuant to Article VII of the Plan, which shall be funded with $500,000 earmarked pursuant to the Equity Holders and Affiliates Settlement Agreement.

79. "Liquidating Trust Expenses" shall mean all actual and necessary costs and expenses incurred on or after the Effective Date in connection with the administration of the Plan, including, but not limited to, (i) the Liquidating Trustee's costs, expenses and legal fees incurred related to filing and prosecuting objections to Claims, (ii) the Liquidating Trustee's costs, expenses and legal fees incurred to litigate or settle Causes of Action, including, but not limited to attorneys' fees, accounting fees, expert witness fees, and all costs related to obtaining and distributing such recoveries, (iii) all fees, costs or expenses of the Liquidating Trustee incurred pursuant to the Liquidating Trust Agreement, including, but not limited to, any professional retained by the

Liquidating Trustee and (iv) all fees payable pursuant to Section 1930 of Title 28 of the United States Code.

80. "Liquidating Trust Protected Parties" shall mean, collectively, the Liquidating Trust, the Liquidating Trustee, and their respective members, designees, agents, professionals, employees, managers, partners, actuaries, financial advisors, and attorneys.

81. **"**Liquidating Trustee" shall mean the Person designated pursuant to Article VII of the Plan to act in accordance with the terms and authority granted under the Plan and Confirmation Order; provided, however, that the Liquidating Trustee shall not have served as a member of the Committee. The initial Liquidating Trustee will be Kevin P. Clancy. A copy of the Liquidating Trustee's curriculum vitae is attached hereto as Exhibit E.

82. "Local Bankruptcy Rules" means the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of New Jersey, and the general and chambers rules of the Bankruptcy Court.

83. "NEMF Administrative Claim" shall mean the Administrative Claim asserted by the NEMF Estate against the Estates of Eastern and Carrier in the amount of $6,235,745 relating to post-petition expenses of Eastern and Carrier that were funded by NEMF during the administration of these Chapter 11 Cases.

84. "Order" means an order or judgment of the Bankruptcy Court, as entered on the Docket.

85. "Other Secured Claim" means any Claim other than a Claim held by the Prepetition Lenders or by Holders of Auto Insurer Secured Claims and/or Insurer Secured Claims (WC) that is secured by a Lien on property in which the Estates have an interest, to the extent of the value of the Holder's interest in the Estates' interest in such property, as determined in accordance with section 506(a) of the Bankruptcy Code, or, in the event that such Claim is subject to a permissible setoff under section 553 of the Bankruptcy Code, to the extent of such permissible setoff.

86. "Permissible Investments" has the same meaning as set forth in the Liquidating Trust Agreement.

87. "Person" has the meaning ascribed to such term in section 101(41) of the Bankruptcy Code.

88. "Petition Date" means February 11, 2019, the date on which the Debtors Filed their respective petitions for relief commencing the Chapter 11 Cases.

89. "Plan" shall mean this Combined Plan of Liquidation and Disclosure Statement under Chapter 11 of the Bankruptcy Code, as it may be altered, amended, modified or supplemented from time to time including in accordance with any documents submitted in support hereof and the Bankruptcy Code or the Bankruptcy Rules. Depending on the context of the reference "Plan" may mean either or both the Plan of Liquidation contained therein and/or the Disclosure Statement.

90. "Plan Administrator" means the Liquidating Trustee, acting in its capacity as the Person responsible for liquidating and winding down the Estate of the Consolidated Eastern Debtors as set forth in Article VII of this Plan.

91. "Plan Documents" means the Plan and all of the exhibits and schedules and other documents attached hereto or Filed in connection herewith, including the Plan Supplements.

92. "Plan Supplements" means, collectively, those exhibits or other documents included (or to be included) in an appendix to the Plan and filed with the Bankruptcy Court at least seven (7) calendar days prior to the Voting Deadline.

93. "Post-Petition Health Care-Related Claim" shall mean any Claim for incurred but not paid health care-related liabilities, including but not necessarily limited to medical and dental care, asserted against the Debtors, which Claim arose after the Petition Date through the termination of the Debtors' health care plan(s) effective July 31, 2019.

94. "Prepetition Lender Parties" or "Prepetition Lenders" shall mean, collectively, JPMorgan Chase Bank, N.A. ("JPMorgan Chase"), TD Bank, N.A. ("TD Bank"), East West Bank, Santander Bank, N.A. ("Santander"), Capital One, N.A. ("Capital One"), Wells Fargo Equipment Finance, Inc. ("Wells Fargo"), Fifth Third Bank ("Fifth Third"), Mercedes Benz Financial Services USA LLC ("Mercedes Benz"), Webster Capital Finance, Inc. ("Webster Capital") and VFS US LLC ("Volvo").

95. "Priority Claims" means, collectively, Priority Non-Tax and Priority Tax Claims.

96. "Priority Non-Tax Claim" means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim.

97. "Priority Tax Claim" means a Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

98. "Privilege" means the attorney client privilege, work product protections or other immunities (including those related to common interests or joint defenses with other parties), or protections from disclosure of any kind held by the Debtors or their Estates.

99. "Proof of Claim" means a timely proof of Claim Filed against any Debtor in the Chapter 11 Cases.

100. "Pro Rata" means the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that Class, or the proportion of a particular recovery that a Class is entitled to share with other Classes entitled to the same recovery under the Plan.

101. "Professional" or collectively "Professionals," shall mean a Person or Entity employed pursuant to a Final Order in accordance with Sections 327, 328, or 1103 of the Bankruptcy Code and to be compensated for services rendered prior to the Effective Date, pursuant to Sections 327, 328, 329, 330, and 331 of the Bankruptcy Code, or for which compensation and reimbursement has been allowed by the Bankruptcy Court pursuant to Section 503(b)(4) of the Bankruptcy Code.

102. "Professional Fee Claims" means Claims of Retained Professionals for services rendered and expenses incurred in the Chapter 11 Cases.

103. "Real Property Motion" means *Debtors' Motion for Order (I)(A) Authorizing the Private Sale of Certain Real Property Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (II) Approving the Purchase Agreement; and (III) Granting Related Relief* [Docket No. 701].

104. "Real Property Sale Order" means the *Order (I) Authorizing the Private Sale of Certain Real Property Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (II) Approving the Purchase Agreement; and (III) Granting Related Relief* [Docket No. 761].

105. "Rejection Claim" means a Claim arising out of the rejection of Unexpired Leases or Executory Contracts to which a Debtor is a party.

106. "Rejection Claim Bar Date" means the later of (a) the General Bar Date, and (b) 5:00 p.m. (prevailing Eastern Time) on the date that is 35 days following the entry of an Order approving the rejection of an Executory Contract or Unexpired Lease.

107. "Released Parties" means, collectively, the Debtors, their Estates, and each of their respective current and former owners, shareholders, members, managers, agents, representatives, employees, officers, directors, landlords (to the extent any such landlord is or was owned or controlled by any current or former owner of any Debtor), successors and assigns.

108. "Reserves" shall mean, collectively, the reserves, which shall be in one or more interest bearing accounts, which are established by the Liquidating Trustee as set forth herein and in accordance with the Plan, the amounts of which shall be set by the Bankruptcy Court in the Confirmation Order, or by another order of the Bankruptcy Court entered prior to the Effective Date, and which reserves can be modified by entry of an order by the Bankruptcy Court. The Reserves shall include, but not necessarily be limited to: (i) an account for the payment of Secured, Administrative Expense, Post-Petition Health Care-Related Claims, and Priority Claims, and (ii) an account for the payment of Professional Fee Claims.

109. "Retained Professional" means an Entity employed in the Chapter 11 Cases pursuant to a Final Order in accordance with sections 327 and 1103 of the Bankruptcy Code and to be compensated for services rendered prior to the Effective Date, pursuant to sections 327, 328, 329, 330, or 331 of the Bankruptcy Code.

110. "Rolling Stock Sale Order" means the *Order (A) Authorizing the Debtors to Sell at Auction Substantially All of Debtor NEMF's Personal Property Assets Free and Clear of All Liens, Claims, Interests, and Encumbrances, (B) Approving Auction Procedures Relating to Such Auction Sales, and (C) Granting Related Relief* [Docket No. 434].

111. "Rolling Stock Sale Motion" means *Debtors' Motion for Order (I)(A) Approving Bidding Procedures and Auction and (B) Scheduling Sale Hearing and Approving Notice Thereof; (II) Authorizing the Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests; (III) Authorizing the Assumption and Assignment of*

Certain Executory Contracts and Unexpired Leases; and (IV) Granting Related Relief [Docket No. 141].

112. "Sale" means the sale of substantially all of the Debtors' assets as authorized by the Eastern Sale Order, Real Property Sale Order, and the Rolling Stock Sale Order.

113. "Schedules" means the Schedules of Assets and Liabilities and Statement of Financial Affairs filed by each of the Debtors on April 5, 2019 and any and all amendments and modifications thereto.

114. "Statutory Fees" means any and all fees payable to the United States Trustee pursuant to section 1930 of title 28 of the United States Code and any interest thereupon.

115. "Special Administrative Claims Bar Date" means August 12, 2019 at 5:00 p.m. (prevailing Eastern Time).

116. "Special Administrative Claims Bar Date Order" means the *Amended Order Establishing a Special Administrative Claims Bar Date for Filing Certain Post-Petition Auto-Related Claims and Approving the Form and Manner of Notice Thereof* entered in the Chapter 11 Cases by the Bankruptcy Court on June 26, 2019 [Docket No. 700].

117. "Unclaimed Distribution" means a Distribution that is not claimed by a Holder of an Allowed Claim on or prior to the Unclaimed Distribution Deadline.

118. "Unclaimed Distribution Deadline" means the date that is sixty (60) days from the date the Liquidating Trustee makes a Distribution under the Plan to a Holder of an Allowed Claim.

119. "Unexpired Lease" means a lease, as it may have been amended, restated or otherwise modified and including any codicils, amendments, exhibits or annexes thereto, if any, to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

120. "Unimpaired" means, with respect to a Claim, Equity Interest, or Class of Claims or Equity Interests, not "impaired" within the meaning of sections 1123(a)(4) and 1124 of the Bankruptcy Code.

121. "United States Trustee" means the United States Trustee for Region 3.

122. "Voting Agent" means Donlin Recano & Company, Inc., or any successor thereto.

123. "Voting Deadline" means the date and time by which all Ballots to accept or reject the Plan must be received in order to be counted, as set forth on the Ballots.

ARTICLE II.

BACKGROUND

A. General Background

1. Overview of the Debtors

The Debtors offered a broad range of transportation services. Debtor New England Motor Freight, Inc. ("NEMF") was founded in 1918 in Elizabeth, New Jersey and was a leading less-than-truckload ("LTL") carrier with a focus in the Mid-Atlantic, Midwest and Northeast United States. NEMF also offered LTL services to its customers across the United States and Canada through a number of partnerships and interline carrier arrangements with other LTL providers. In addition to the LTL business, the Debtors provided truckload ("TL") services through Debtor Eastern Freight Ways, Inc. ("Eastern"). Debtor Jans Leasing Corp. ("Jans Leasing") was a trucking equipment lessor; Debtor Carrier Industries, Inc. ("Carrier") offered dedicated third party logistics services; Debtor Apex Logistics, Inc. ("Apex") offered transportation brokerage services, and Debtor NEMF World Transport, Inc. ("NEWT") provided non-vessel operation common carrier operations between the United States and Puerto Rico. Debtor NEMF Logistics, LLC ("Logistics") was a third-party logistics company specializing in logistics management services, including warehousing, software, brokerage and support. Debtors Myar, LLC ("Myar") and MyJon, LLC ("MyJon") are both dormant and had no economic actively in 2018. Debtors Hollywood Avenue Solar, LLC ("Hollywood Solar") and United Express Solar, LLC ("United Solar") were formed to acquire solar arrays for terminals in South Plainfield and Pennsauken, New Jersey, respectively, at which the Debtors formerly operated.

MyJon, Hollywood Solar and United Solar were wholly-owned subsidiaries of NEMF. Myar was a wholly-owned subsidiary of Eastern. The remaining Debtors were all sister entities

owned solely by The Shevell Dynasty Trust, or by the Shevell Dynasty Trust and Myron P. Shevell ("Mr. Shevell").

(a) *NEMF: LTL Business*

NEMF operated as a super-regional provider of LTL trucking services in fifteen (15) states, spanning from Maine to Chicago, and into northeastern Kentucky and all of Virginia. This was the Debtors' core business segment. NEMF had approximately $345 million in gross revenues in 2017, representing approximately 92% of combined total gross revenues for the Debtors in 2017. The Debtors estimated that NEMF generated gross revenues of approximately $343 million in 2018. In addition to its operations through terminals located in fifteen (15) states in the Northeast, Mid-Atlantic and Midwest, NEMF was able to reach an estimated 85% of the U.S. population through partnerships with other leading regional carriers. Likewise, through partnerships with Canadian carriers, NEMF was also able to reach the entire Canadian population.

(b) *Eastern: TL Business*

Eastern was based in South Brunswick, New Jersey and was established in 1994 to provide TL services within the Northeast and Mid-Atlantic. Gross revenues for Eastern were approximately $30.2 million in 2017, representing approximately 8% of the combined total gross revenues for the Debtors in 2017. The Debtors estimated that Eastern generated gross revenues of approximately $31.0 million in 2018. Eastern principally provided overnight or same-day delivery with an average length of haul of about 400 miles. Eastern used many of the same terminals and facilities as NEMF.

(c) *Carrier: Third Party Logistics Business*

Carrier was a third-party logistics company that provided supply chain management and logistical planning services. Carrier's gross revenues represented less than 1% of the Debtors combined total gross revenues in 2017 and 2018.

(d) *Apex: Brokerage Business*

Apex was a brokerage company offering transportation solutions across the country. Apex provided LTL and TL management services and parcel audit from origin to point of sale, including full track and trace systems, as well as partial and periodic reports to monitor shipping progress, service levels, cost effectiveness and other performance indicators. Apex typically handled shipping assignments that NEMF and Eastern choose not to handle. Gross revenues for Apex in 2017 and 2018 were *de minimis*.

(e) *NEWT: Puerto Rico Business*

NEWT was a non-vessel operation common carrier that provided service between the United States and Puerto Rico. NEWT offered a barge service with a carrier out of the port of Pennsauken, New Jersey to San Juan, Puerto Rico. NEWT also offered vessel services out of the ports of Jacksonville, Florida and Houston, Texas to Puerto Rico. NEWT's gross revenues in 2017 and 2018 represented less than 1% of the Debtors' gross revenues.

(f) *Jans Leasing: Equipment Rental Business*

Jans Leasing was in the business of leasing trucking rigs, trailers and related equipment. Jans Leasing's gross revenues in 2017 and 2018 represented less than 1% of the Debtors' gross revenues.

(g) *Hollywood Solar, United Solar, NEMF Logistics, MyJon and Myar*

Hollywood Solar, United Solar, NEMF Logistics, MyJon and Myar were either dormant or generating *de minimis* revenues. Collectively, they generated less than four-tenths of one percent of the Debtors' 2018 revenues.

2. Prepetition Capital Structure

(a) *Secured Debt*

i. Vehicle Financing

The Debtors' primary secured debt is for vehicle and related equipment financing related to its fleet of vehicles. The Debtors believe that each of these vehicle financing transactions is evidenced by a separate note and security agreement providing for liens on specific financed fleet vehicles and related equipment (the "Vehicle Financing Agreements"). As of the Petition Date, the Debtors had outstanding obligations for vehicles and equipment with 10 separate lenders[2] (together, the "Vehicle Lenders") in the outstanding principal aggregate amount of approximately $57.1 million exclusive of interest and fees. Of that amount, approximately $47.4 million was owed by NEMF and approximately $9.7 million was owed by Eastern. Pursuant to ¶12(h) of the Rolling Stock Sale Order, the Committee was to conduct a review of the Vehicle Financing Agreements by June 17, 2019 (the "Initial Challenge Deadline"). The Initial Challenge Deadline was extended through and until August 9, 2019 (the "First Extended Challenge Deadline"). [Docket No. 688]. The First Extended Challenge Deadline was extended through and until September 9, 2019 (the "Second Extended Challenge Deadline"). [Docket No. 785]. In accordance with the Second Extended Challenge Deadline, the Committee reviewed approximately one hundred and sixty (160) Vehicle Financing Agreements and over 2,000 titles to vehicles and equipment.

ii. Letters of Credit (Partially Secured Up to Deposit Amounts)

NEMF obtained various letters of credit to support workers compensation insurance and fleet vehicle and automobile insurance, in the aggregate amount of approximately $30.4 million

[2] The lenders under the Vehicle Financing Agreements are JPMorgan Chase, TD Bank, East West Bank, Santander, Capital One, Wells Fargo, Fifth Third, Mercedes Benz, Webster Capital and Volvo.

(the "Letters of Credit"). As of the Petition Date, none of the Letters of Credit were drawn upon. However, because NEMF was unable to successfully renew or replace the existing Letters of Credit prior to the expiration of the current Letters of Credit, each insurance company beneficiary under each Letter of Credit drew upon its Letter of Credit, as explained more fully below.

The Letters of Credit lenders are JPMorgan Chase, TD Bank, Santander, East West Bank and Capital One (the "L/C Lenders"). The Letters of Credit, and the principal amount of claims based on the Letters of Credit, are as follows:

Bank	**L/C Amount**	**Beneficiary**	**Purpose**	**Exp. Date**
JPMorgan Chase	$ 7,850,000	Hartford	Work. Comp.	4/1/19
	$ 2,450,000	United Fire	Fleet	4/10/19
	$ 46,000	Travelers	Work. Comp.	3/31/20
TD Bank	$ 6,000,000	Hartford	Work. Comp	2/1/20
	$ 1,585,000	Fidelity	Work. Comp	5/1/19
	$ 1,000,000	Arch	Work. Comp	4/1/19
	$ 573,000	Liberty	Work. Comp	3/31/19
	$ 125,000	Hartford	Personal Auto	4/10/19
East West Bank	$ 5,966,570	Protective	Fleet	4/10/19
Santander	$ 1,419,907	Protective	Fleet	4/10/19
	$ 2,167,437	Protective	Fleet	4/10/19
	$ 800,000	Hartford	Work. Comp.	3/31/19
Capital One	$ 428,000	Liberty	Work. Comp.	3/31/19
Total:	**$ 30,410,914**			

The East West Bank Letters of Credit are supported by unsecured guarantees provided by Eastern and Carrier. The JPMorgan Chase Letters of Credit are supported by unsecured guarantees provided by Eastern, Carrier and Apex. The TD Bank Letters of Credit are also supported by unsecured guarantees provided by Eastern, Carrier and Apex, which entities guaranteed, inter alia, NEMF's obligations in connection with the TD Bank Letters of Credit in an amount up to but not exceeding $1 million pursuant to three (3) Limited Guaranty Agreements, each effectively dated April 5, 2013 (collectively, the TD Limited Guaranty Agreements"). In addition, Eastern, Carrier and Apex guaranteed, inter alia, NEMF's obligations in connection with the TD Bank Letters of

Credit, among other obligations, pursuant to three (3) Guarantee Agreements executed by each for the benefit of TD, each dated May 27, 2015, each in an amount up to but not exceeding $12.5 million (plus interest, costs, expenses and such other items described therein).

Certain of the L/C Lenders held deposit accounts belonging to the Debtors which may give rise to liens or setoff rights. Prior to the Petition Date, TD Bank had frozen approximately $2.8 million of the Debtors' cash in deposit accounts with TD Bank. As of the Petition Date, the Debtors also had cash in deposit accounts with JPMorgan Chase (approximately $6.45 million); East West Bank ($506.90); Capital One ($534.80); and Santander ($836.48). None of those four (4) banks took action to freeze their deposit accounts.

iii. Insurance Premium Financing

The Debtors also had secured insurance premium financing debt with: (i) Bank Direct Capital Finance with regard to workers compensation insurance and umbrella insurance in the approximate outstanding amount of $968,728 (as of December 31, 2018); and (ii) Agile Premium Finance for cargo insurance in the outstanding approximate amount of $40,818 (as of December 31, 2018).[3] The amounts owed are secured by the Debtors' reversionary interest in unearned premiums held by the relevant insurance companies.

(b) *Unsecured Debt*

i. Letters of Credit

As discussed above, the Debtors' obligations under the Letters of Credit on the Petition Date totaled approximately $30.4 million. The claims of the L/C Lenders are only partially secured to the extent an L/C Lender had a deposit account holding the Debtors' cash, and only as

[3] These obligations were satisfied under the authority of the order entered at Dkt. No. 47

to those L/C Lenders' rights to setoff. In the aggregate, the L/C Lenders are substantially unsecured.

ii. Trade and Other Debt

The Debtors owed their trade creditors approximately $9.5 million as of the Petition Date. The Debtors also owed approximately $3.2 million in other unsecured liabilities as of the Petition Date, including approximately $1.7 million pursuant to a pension settlement agreement. Pursuant to the Bar Date Order, the deadline to file all or substantially all general unsecured claims against the Debtors' estates, including, without limitation, any claims arising under section 503(b)(9) of the Bankruptcy Code (each, a "503(b)(9) Claim") was June 18, 2019. Certain trade creditors have asserted 503(b)(9) Claims in the total amount of approximately $2,684,349, which, if Allowed, will constitute Allowed Administrative Expense Claims. The Debtors estimate that, net of certain credits and setoffs, the Estates' liability on 503(b)(9) Claims is approximately $1,970,523.

(c) *Equity Holders*

The equity interest in each of the Debtors are owned as follows:

a. NEMF's equity interests are owned by Shevell Dynasty Trust (97.3041%) and Myron P. Shevell (2.6959%);

b. Apex's equity interests are owned by Shevell Dynasty Trust (90%) and Myron P. Shevell (10%);

c. Carrier's equity interests are owned by Shevell Dynasty Trust (96.9%) and Myron P. Shevell (3.1%);

d. Eastern's equity interests are owned by Shevell Dynasty Trust (96.9%) and Myron P. Shevell (3.1%);

e. Jans Leasing's equity interests are owned by Shevell Dynasty Trust (100%);

f. NEWT's equity interests are owned by Shevell Dynasty Trust (100%);

g. MyJon, Hollywood Solar and United Solar are wholly-owned subsidiaries of NEMF; and

h. Myar is a wholly-owned subsidiary of Eastern.

B. Events Leading to the Chapter 11 Filing

Prior to the Petition Date, several factors severely impacted the profitability of the Debtors' businesses, ultimately prompting the liquidity crisis that dictated the Debtors' decision to commence the Chapter 11 Cases in order to conduct an orderly liquidation of their assets. While the Debtors' operations were profitable for decades since the current ownership group acquired NEMF in 1977, the Debtors suffered a downward trend over recent years, which was exacerbated in late 2018 by the unexpected loss of key accounts, the shortage of drivers, a new Union contract with onerous retroactive terms, and the L/C Lenders' ultimate unwillingness to restructure the Debtors' letters of credit obligations under terms acceptable to the Debtors.

Changes and competition within the industry had an ongoing negative impact on the Debtors' revenues. Prior to the Petition Date, the Debtors' workforce comprised of approximately 3,450 full-time and part-time employees. The Union workforce consisted of approximately: 1,425 truck drivers, and 475 dock workers, for a total of approximately 1,900 Union employees. The non-union workforce consisted of, approximately: 145 truck drivers at Eastern, 600 part-time workers (primarily dock workers), and 805 other employees, for a total of approximately 1,550 non-union employees. Employee costs for the Debtors were, in the aggregate, substantially above industry norms. Most of the LTL companies competing with the Debtors operate under non-unionized conditions. At the same time, there has been an industry-wide shortage of drivers, which put the Debtors, with an aging fleet of vehicles, at a severe disadvantage.

Due to the above-described factors, among others, prior to the Petition Date, the Debtors experienced severe liquidity constraints. While the Debtors made extensive efforts to reduce costs and re-focus business, such efforts were not enough to effectively reduce losses and stave off a bankruptcy filing.

The Debtors engaged in negotiations with the L/C Lenders in an attempt to renew each of the thirteen (13) Letters of Credit, ten (10) of which had expiration dates in March and April of 2019, with corresponding renewal deadlines in February and March of 2019. These negotiations were ultimately unsuccessful.

Beginning in the second half of 2018, the Debtors entered into negotiations with JP Morgan Chase to consolidate all of the Letters of Credit. These negotiations continued for several months and the Debtors believed they would ultimately be successful. On December 20, 2018, the Debtors retained Phoenix Executive Services, LLC ("Phoenix") to assess the situation, analyze the Debtors' liquidity position, and take over the negotiations with the L/C Lenders to implement a debt consolidation and restructuring plan. Shortly thereafter, NEMF released its results for the third quarter of 2018. Unfortunately, after JP Morgan Chase reviewed those results, it determined not to proceed under the original terms it had proposed to the Debtors with respect to the debt consolidation and restructuring proposal that had been under negotiation.

Beginning in early January 2019, and continuing for approximately three (3) weeks, the Debtors' Chief Restructuring Officer, Vincent Colistra (the "CRO"), (who was acting as the Debtors' Chief Restructuring Advisor ("CRA") until being appointed as CRO on February 7, 2019) attempted to negotiate renewals of the Debtors' thirteen (13) letters of credit with five (5) different banks, ten (10) of which had expiration dates in March and April of 2019.

On January 18, 2019, TD Bank advised it would agree to hold off on making a determination not to renew its Letters of Credit in order to give Phoenix time to complete its cash flow analysis, but also advised that it would agree to renew its Letters of Credit only if all the other L/C Lenders agreed to renew their respective Letters of Credit. At that point, the CRA had secured

tentative commitments from three (3) of the other four (4) L/C Lenders to renew.[4] The following week, however, one of the L/C Lenders informed the CRA that it would not proceed with the renewal commitment unless the Debtors agreed to (i) provide additional collateral as security for the Letters of Credit, and (ii) obtain a commitment from the Debtors' equity holders to put additional capital into the companies.

On January 25, 2019, TD Bank declared a default under its Letters of Credit agreement and placed an administrative freeze on Debtors' deposit accounts with TD Bank, which held at that time approximately $2.8 million. The Debtors disputed TD Bank's administrative freeze on their deposit accounts, and also disputed the defaults alleged by TD Bank. During the Chapter 11 cases, the Debtors, the Committee and TD Bank resolved these disputes pursuant to settlement agreement, which the Bankruptcy Court approved pursuant to Bankruptcy Rule 9019. [*See* Docket No. 882].

On January 29, 2019, on the last day to provide notice of non-renal under the applicable agreements, TD Bank sent a notice to Arch Insurance Company of non-renewal of a $1.0 million Letter of Credit which was issued for the benefit of Arch Insurance Company in support of certain workers compensation insurance. This Letter of Credit was due to expire on April 1, 2019.

Shortly thereafter, the CRA reached out to Santander Bank and East West Bank, both of which also advised that they would not renew their Letters of Credit without security. JPMorgan Chase advised that, because it had not received the additional collateral it requested, it did not plan to renew.

[4] Capital One advised the CRA that it would not renew, but due to the relatively small size of its letter of credit ($428,000), the Debtors had the ability to offer, and the Debtors did offer, to collateralize the Capital One debt with cash at another one of the L/C Lenders. At that point, the Capital One negotiations were effectively put on hold while the Debtors focused on the more material negotiations with the other L/C Lenders.

Around this same time, the CRA received several significant financial reports concerning the Debtors. First, Phoenix completed its seventeen (17) week cash flow projection for each of the eleven (11) Debtors individually, and on a consolidated basis, which showed that NEMF would burn approximately $18 million cash during that period; the Debtors overall would burn approximately $16 million cash during the same period. Second, the Debtors' chief financial officer provided Phoenix with the Debtors' preliminary 4th quarter and year-end results for 2018. The results showed NEMF had experienced a 4th quarter operating loss of $8.4 million; the Debtors overall experienced a 4th quarter operating loss of $7.3 million. NEMF's 12-month results for 2018 showed an aggregate operating loss of $20.9 million; the Debtors overall experienced an aggregate operating loss of $16.2 million in 2018. Additionally, the Debtors' 2018 EBITDA was only $1.5 million. Significantly, however, the Debtors were facing a projected debt service in 2019 of over $19 million, comprised primarily of principal payments on the rolling stock, plus applicable interest on the overall debt. At the same time, the Debtors' year-end cash position for 2018 was $7.8 million, representing a $16.4 million year over year reduction from year-end 2017. Finally, the Debtors' management provided Phoenix with a preliminary 2019 budget showing a projected 12-month loss of $24 million.

Armed with the foregoing financial analysis and projections, and in light of the anticipated non-renewal of the Letters of Credit, the CRA determined that the only viable option was to begin a process of orderly liquidation of all of the Debtors' assets. On January 30, 2019, the CRA recommended to the Debtors' equity holders and board of directors that the Debtors commence an orderly liquidation process after considering an out-of-court workout and a reorganization proceeding.

The Debtors therefore determined to transition all of their focus and efforts immediately into wind-down operations and liquidation, under the protection of chapter 11, and immediately engaged Debtors' counsel.

C. The Chapter 11 Cases

On February 11, 2019, the Debtors commenced these Chapter 11 Cases. To minimize the adverse effects of the commencement of these Chapter 11 Cases, and to provide the Debtors with the liquidity necessary to implement their wind-down and liquidation plan, the Debtors requested a variety of relief in the "First Day" Pleadings. The relief sought therein was necessary to permit an effective transition into Chapter 11 and wind-down operations. In sum, the First Day Pleadings were intended to provide the Debtors with the infrastructure necessary to conduct an orderly liquidation.

Absent the ability to access cash and continue existing business processes to conduct an orderly liquidation, as sought in the First Day Pleadings, the Debtors' Estates would have suffered immediate and irreparable harm. Included in the First Day Pleadings was the retention of Vincent Colistra as CRO. In the CRO's opinion, approval of the relief requested in the First Day Pleadings would minimize disruptions to the Debtors' wind-down operations, thereby preserving and maximizing the value of the Debtors' Estates for the benefit of their creditors, employees and customers.

1. <u>"First Day" and Related Motions</u>

On or shortly after the Petition Date, the Debtors filed a number of motions and applications seeking certain relief, commonly referred to as "first day" motions, that were essential for the Debtors' transition to Chapter 11 and an orderly wind-down and liquidation of the Debtors. A summary of the relief obtained pursuant to these motions is set forth below:

- *Debtors' Application for Expedited Consideration of First Day Matters*. The Debtors sought entry of an Order designating their First Day Pleadings as requiring expedited consideration before this Court. On February 11, 2019, the Bankruptcy Court entered an Order granting the relief requested in the application [Docket No. 24].

- *Debtors' Motion for an Order Pursuant to Bankruptcy Rule 1015 Directing Joint Administration of the Debtors' Chapter 11 Cases.* The Debtors sought entry of an Order directing the joint administration of the Chapter 11 Cases and consolidation thereof for procedural purposes only. On February 13, 2019, the Bankruptcy Court entered an Order granting the relief requested in the motion [Docket No. 44].

- *Application for Designation as Complex Chapter 11 Cases*. The Debtors sought entry of an Order designating the Debtors' Chapter 11 Cases as a complex Chapter 11 case pursuant to Exhibit F to the Court's *General Order Governing Procedures for Complex Chapter 11 Cases*. On February 13, 2019, the Bankruptcy Court entered an Order granting the relief requested in the motion [Docket No. 45].

- *Debtors' Motion for Entry of an Order Extending Debtors' Time to File Their Schedules and Statements*. The Debtors sought authorization to extend their deadline for filing Schedules and Statements in connection with the Chapter 11 Cases. On February 13, 2019, the Bankruptcy Court entered an Order granting the relief requested in the motion [Docket No. 41].

- *Debtors' Motion for an Order: (I) Granting the Debtors an Extension of Time to File Their List of Creditors; (II) Authorizing the Debtors and/or Their Agent to (A) Prepare a Consolidated List of Creditors in Lieu of a Mailing List and (B) Mail Initial Notices; and (III) Granting Related Relief.* The Debtors sought entry of an Order granting them an extension of time to file their list of all creditors, granting them authorization to file a consolidated list of creditors and interest holders as well as filing a consolidated list of the Debtors' thirty five (35) largest unsecured creditors. On February 13, 2019, the Bankruptcy Court entered an Order granting the relief requested in the motion [Docket No. 40].

- *Debtors' Application for Entry of an Order Authorizing the Retention and Appointment of Donlin, Recano & Company, Inc. as Claims and Noticing Agent Effective as of the Petition Date*. The Debtors sought authorization to retain DRC as their claims and noticing agent for the Chapter 11 Cases. On February 13, 2019, the Bankruptcy Court entered an Order granting the relief requested in the application [Docket No. 48].

- *Application of Debtors (i) to Retain Phoenix Executive Services, LLC and (ii) Designate Vincent J. Colistra as Chief Restructuring Officer to the Debtors, Nunc Pro Tunc to the Petition Date*. The Debtors sought authorization to retain Vincent J. Colistra and Phoenix as their CRO. On February 13, 2019, the Bankruptcy Court entered an Order granting the relief requested in the application [Docket No. 42].

- *Debtors' Motion for Order: (I) Authorizing but not Directing the Debtors to (A) Pay Prepetition Wages, Salaries and Related Obligations, (B) Pay and Remit Prepetition Payroll Taxes and Other Deductions to Third Parties, and (C) Honor Employee Benefit Programs in the Ordinary Course of Business, (II) Authorizing and Directing Banks to Honor Checks and Transfers for Payment of Prepetition Employee Obligations; and (III) Granting Related Relief*. The Debtors sought authorization to pay prepetition wages, salaries, benefits and related obligations, pay and remit prepetition payroll taxes and other deductions to third parties, honor employee benefit programs, including severance payments, in the ordinary course of business; and authorizing and directing banks to honor checks and transfers for payment of prepetition employee obligations. On February 13, 2019, the Bankruptcy Court entered an Order granting the relief requested in the motion [Docket No. 46].

- *Debtors' Motion for Entry of Interim and Final Orders: (A) Authorizing the Debtors to (I) Continue Their Cash Management System, (II) Honor Certain Related Prepetition Obligations, (III) Maintain Existing Business Forms, and (IV) Continue to Perform Intercompany Transactions; (B) Authorizing and Directing the Debtors' Banks to Honor All Related Payment Requests; (C) Granting Interim and Final Waivers of the Debtors' Compliance With Section 345(b) of the Bankruptcy Code; (D) Scheduling a Final Hearing; and (E) Granting Related Relief*. The Debtors sought entry of interim and final orders authorizing the Debtors to (i) continue their Cash Management System; (ii) honor certain related prepetition obligations; (iii) maintain existing Business Forms in the ordinary course of business, and (iv) continue to perform Intercompany Transactions in the ordinary course as necessary during the wind-down period. The Debtors also request the order provide additional relief, including: (a) the authorizing and directing the Debtors' Banks to honor all related payment requests; (b) granting interim and final waivers of the Debtors' compliance with the deposit and investment guidelines set forth in section 345(b) of the Bankruptcy Code, (c) scheduling a final hearing to consider entry of an order approving the relief requested in the Cash Management Motion on a final basis, and (d) granting related relief. On February 13, 2019, the Bankruptcy Court entered an Order granting the relief requested in the motion on an interim basis [Docket No. 39] and thereafter entered an Order granting the relief requested in the motion on a final basis on May 22, 2019 [Docket No. 603].

- *Debtors' Motion For Interim and Final Orders Under Section 366 of the Bankruptcy Code (A) Prohibiting Utility Providers From Altering, Refusing, or Discontinuing Service, (B) Deeming Utilities Adequately Assured of Future Performance, (C) Establishing Procedures For Resolving Requests For Additional or Different Adequate Assurance of Payment, and (D) Scheduling a Final Hearing*. The Debtors sought entry of interim and final orders (i) prohibiting utility providers from altering, refusing, or discontinuing service to the Debtors merely because of the filing of bankruptcy or the failure to pay pre-petition amounts due; (ii) deeming utility providers adequately assured of future performance; and (iii) establishing procedures for resolving requests for additional or different adequate assurance of payment. On February 13, 2019, the Bankruptcy Court entered an Order granting

the relief requested in the motion on an interim basis [Docket No. 43] and thereafter entered an Order granting the relief requested in the motion on a final basis on March 6, 2019 [Docket No. 171].

- *Debtors' Motion for Order (I) Authorizing the Debtors to (A) Continue Prepetition Insurance Programs, (B) Pay any Prepetition Premiums and Related Obligations, and (C) Renew or Enter Into New Insurance Arrangements; and (II) Granting Related Relief.* The Debtors sought entry of an order (i) authorizing, but not directing, the Debtors, in their sole discretion, to (a) continue various pre-petition insurance policies and premium financing agreements; and (b) pay all pre-petition and post-petition obligations in respect thereof in the ordinary course of their business. On February 13, 2019, the Bankruptcy Court entered an Order granting the relief requested in the motion [Docket No. 47].

- *Debtors' Motion for Entry of Order (I) Authorizing the Debtors to Pay Certain Prepetition Taxes and Fees in the Ordinary Course of Business and (II) Authorizing Banks and Financial Institutions to Honor and Process Checks and Transfers Related Thereto*. The Debtors sought entry of an Order authorizing the Debtors to pay (i) certain prepetition use, mileage/highway use, fuel, franchise, *ad valorem* and other taxes and (ii) certain prepetition tolls, fees, licenses and other similar charges and assessments, which accrued or arose in the ordinary course of business before the Petition Date. On February 15, 2019, the Bankruptcy Court entered an Order granting the relief requested in the motion [Docket No. 57].

- *Debtors' Motion for Interim and Final Orders (I) Authorizing Use of JP Morgan Chase Bank, N.A.'s Cash Collateral Pursuant to 11 U.S.C. § 363, (II) Granting Adequate Protection Pursuant to 11 U.S.C. §§ 361 and 363, (III) Modifying the Automatic Stay, and (IV) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001 (the "Chase Cash Collateral Motion"); and Debtors' Motion for Interim and Final Orders (I) Authorizing Use of TD Bank N.A.'s Cash Collateral Pursuant to 11 U.S.C. § 363, (II) Granting Adequate Protection Pursuant to 11 U.S.C. §§ 361 and 363, (III) Modifying the Automatic Stay, and (IV) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001* (the "TD Cash Collateral Motion," and together with the "Chase Cash Collateral Motion," the "Cash Collateral Motions"). On February 24, 2019, the Bankruptcy Court entered the interim Order granting the relief requested in the Cash Collateral Motions [Docket No. 101] and thereafter entered the second interim order on March 9, 2019 [Docket No. 202]. On June 11, 2019, the Bankruptcy Court entered the third interim order [Docket No. 665]. As set forth in the interim, first interim, second interim, and third interim Orders, the Debtors were authorized to utilize the cash collateral during the interim periods. The third interim order permitted the Debtors interim use of the cash collateral through September 3, 2019 in an amount not to exceed $2,943,100, which is funded by and apportioned between Chase and TD in the amounts of $2,043,100 from Chase and $900,000 from TD. As of the date hereof, the Debtors have returned all cash collateral to Chase and TD, respectively.

2. Appointment of the Committee

On February 26, 2019, the Office of the United States Trustee for the District of New Jersey notified the Court that, on February 21, 2019, it had appointed the Committee in accordance with section 1102 of the Bankruptcy Code. The Committee consists of the following members: (a) Raymond E. Goad, Jr., IAM National Pension Fund; (b) Tiffany Engelhuber, AAA Cooper Transportation; (c) Spryte Kimmey, Landstar Transportation Logistics, Inc.; (d) Richard Klein, Superior Distributors Co., Inc., and (e) Gregory J. Creighan, Guttman Oil Co. The Committee selected Dawn Bower, Landstar Global Logistics, Inc., as its Chairperson.

3. Employment of Professionals and Advisors by Debtors and the Committee

The Bankruptcy Court entered Orders authorizing the Debtors to retain Gibbons P.C. as bankruptcy counsel [Docket No. 239] and to retain and compensate the following professionals and advisors:

(a) Phoenix Executive Services, LLC, as Debtors' financial advisor, and Vince Colistra as Chief Restructuring Officer [Docket No. 42];

(b) Wasserman, Jurista & Stolz, as conflicts counsel [Docket No. 240];

(c) Donlin, Recano & Company, Inc., as administrative advisor [Docket Nos.102, 285];

(d) Whiteford Taylor & Preston LLP, as special counsel [Docket No. 448];

(e) Taylor & Martin, Inc., as auctioneers [Docket Nos. 288, 740];

(f) WithumSmith+Brown PC, as accountant [Docket No. 299];

(g) A. Atkins Appraisal Corp., as appraiser [Docket No. 531]; and

(h) Akerman LLP, as special counsel [Docket No. 582].

In addition, the Bankruptcy Court entered Orders authorizing the Committee to retain Elliott Greenleaf, P.C. [Docket No. 398] and Lowenstein Sandler LLP, as its counsel [Docket No. 400] and to retain CohnReznick LLP as the Committee's financial advisor [Docket No. 399].

4. Sale Processes

(a) *Eastern and Carrier*

On March 25, 2019, the Debtors filed a motion to approve bidding procedures and auction in connection with the sale of substantially all of Debtors Eastern Freight Ways, Inc. and Carrier Industries, Inc.'s assets and certain rolling stock owned by NEMF (the "Eastern Sale Motion") [Docket No. 335]. The Eastern Sale Motion sought (i) approval of the bid procedures in connection with the sale and (ii) approval of the sale to the stalking horse purchaser or the highest or otherwise best bidder at an auction.

On April 8, 2019, the Bankruptcy Court held a hearing on the bid procedures portion of the relief requested in the Sale Motion and, that same day, entered an Order [Docket No. 427] approving such relief. Pursuant to such Order, the Debtors were authorized to conduct an auction on May 14, 2019 if they received one or more qualified bids (other than the stalking horse bid) by May 9, 2019.

On April 18, 2019, the Debtors filed their notice of stalking horse designation with bid protections and amended bidding procedures [Docket No. 477]. In accordance with the bidding procedures Order, the Debtors designated Estes Express Lines ("Estes") as the stalking horse purchaser.

On May 10, 2019, the Debtors filed a notice of cancellation of auction and selection of stalking horse bidder as the successful bidder [Docket No. 560]. The notice stated that the Debtors did not receive any qualified bids prior to the bid deadline and that the Debtors selected Estes, the stalking horse bidder, as the successful bidder.

The Bankruptcy Court approved the sale to Estes at the May 16, 2019 sale hearing and entered the Eastern Sale Order on May 16, 2019 [Docket No. 583]. The Order authorized the going concern sale (the "Going Concern Sale") of Eastern and Carrier to Estes.

The Going Concern Sale closed on May 31, 2019. As part of the sale, 500 items of trucking rolling stock were conveyed to Estes for a total purchase price of just over $15 million, and satisfied the principal amount of nine (9) secured loans.

(b) *Auction Motion*

On February 28, 2019, the Debtors' filed a motion to authorize the sale of certain NEMF rolling stock through an auction process, see Dkt. 141 (the "Auction Motion") and sought to retain Taylor & Martin, Inc. ("Taylor & Martin") as auctioneer, see Dkt. 139. Certain of the lenders (including EastWest Bank, TD Bank, Santander Bank, Capital One and VFS US, LLC), filed objections to the proposed auction terms and procedures in the Auction Motion. Following several days of hearings, including live testimony, many of the lenders reached agreement with the Debtors and the Committee on certain terms and supported approval of the retention of T&M and the auctions and the Court overruled the remaining objections and ultimately approved both retention of Taylor & Martin and the auctions. [*See* Docket No. 434].

(c) *Rolling Stock Auctions*

On May 30, 2019, the Debtors started a six-week auction process of selling off rolling stock, which was the largest bankruptcy auction of its kind, according to Taylor & Martin. Ultimately, the auctions brought in an aggregate total of $45.9 million to the Estates.

On July 30, 2019, Taylor & Martin filed its final expense report (the "Final Expense Report"). [Docket No. 767]. On August 5, 2019, VFS US LLC filed an objection to the Final Expense Report [Docket No. 773], arguing that it is owed $16,150 from Taylor & Martin under the 85% guaranty. The following chart compares the auction results to the loan balances for each of the equipment lenders, and also sets forth the amounts of "guarantee" payments made by Taylor & Martin to certain lenders, pursuant to the Bankruptcy Court's sale order authorizing the auctions.

Banks	Cum. Total Loan Balances	Cum. Auction Price	Cum. (Deficiency)	Cum. Equity	85% of Cum. T&M Low Gty Am't.	Cum. Guarantee Am't
Fifth Third	$6,796,224	$5,299,350	($1,496,874)			
Capital One	$1,913,407	$1,416,500	($496,907)			
JPMorgan Chase	$3,638,974	$3,737,900		$98,926		
Mercedes Benz	$6,026,263	$3,914,000	($2,112,263)			
East West Bank	$8,381,905	$6,326,850	($2,055.055)			
Santander	$5,345,072	$4,106,550	($1,238,522)			
TD Bank	$6,728,262	$5,304,500	($1,423,762)			
Volvo	$1,013,863	$917,500	($96,363)		$1,147,500	$230,000
Webster Capital	$802,304	$729,450	($72,854)		$880,600	$151,150
Wells Fargo	$3,159,000	$2,538,050	($620,950)			
Total	$43,805,273	$34,290,650	($9,613,549)	$98,926	$2,028,100	$381,150

(d) *11700 NW 36th Avenue, Miami, Florida*

On June 28, 2019, the Debtors filed a motion seeking an entry of an order authorizing the private sale of certain commercial/industrial real property located at 11700 NW 36th Avenue, Miami, FL 33167 along with certain improvements and fixtures [Docket No. 701] (the "Real Property Motion").

On July 25, 2019, the Bankruptcy Court entered an order [Docket No. 761], which approved the Real Property Motion. Pursuant to the purchase and sale agreement with ATI Container Services, LLC, which was executed on June 12, 2019, the purchase price was $3,515,000.00. [Docket No. 761]. The sale closed on August 19, 2019.

(e) *Company Vehicle Sale to Mr. Shevell*

On July 25, 2019, the Bankruptcy Court entered an order [Docket No. 762], which approved the private sale of certain vehicles owned by the Debtors. Pursuant to the asset purchase and sale agreement, the Debtors' former CEO, Myron P. Shevell, purchased nine (9) of the vehicles for a total purchase price of $282,000.00.

5. Financial Summary of Chapter 11 Operations and Asset Sales

Feb. 11, 2019 - Nov. 3, 2019 38 Weeks	Cumulative Since Filing	Comments
NEMF, et al.	$30,248	
Eastern & Carrier	$7,367,099	
Total Revenue (New Sales Post-Filing)	**$7,397,347**	
Cash Flow Analysis		
Collections:		
Accounts Receivables & Misc. Operating Receipts	$42,992,384	Reflects operating collections for both NEMF and Eastern/Carrier
Non-operating Collections (Unencumbered Asset Sales)	$16,010,200	This amount includes all unencumbered asset sales: Unencumbered Rolling Stock, Unencumbered Misc. Shop Equipment, Private Car Sale, Miami Property Sale, Insurance Rebates, TD's Final $900K transfer, Transfer of $650K from NEMF Acc't to Escrow Acc't for WARN Act 2.
Misc. Non-Operating Receipts	$130,000	
Total Collections	**$59,132,584**	
Disbursements:		
Vendor Payments	-$12,034,834	
Employee Related	-$40,154,698	
Employee Related	-$6,226,559	Reflects all **payments** made through week ending 11/3.
Other Non-Op	-$1,032,047	
Total Disbursements	**-$59,448,137**	
Other Collection & Disbursements:		
Repayment of Shareholder loan	$8,711,711	
TD Chase Cash Collateral Use	$1,848,750	
JP Morgan Chase Cash Collateral Use	$4,094,350	
TD Chase Cash Collateral Returned	-$1,848,750	
JP Morgan Chase Cash Collateral Returned	-$4,094,350	
Total Other Collections & Disbursements	**$8,711,711**	
Ending BOOK Cash Balance as of 11/3	**$8,396,158**	
Float (Checks Outstanding)	*-$43,076*	
Ending BANK Cash Balance as of 11/3	**$8,353,082**	

Total Cash in Chase as of 11/3:	
NEMF	$4,344,831
Eastern	$3,441,237
Carrier	$316,056
NEWT & NEMF Log	$250,957
APEX, MYAR & JANS	$0
Total Available Bank Balance	**$8,353,082**
Float between Bank Balance and Book Balance	*-$43,076*
**Float is due to timing the Chase bank balances were pulled*	
Eastern/Carrier Sale ESCROW	$5,958,117
Misc. Equipment ESCROW	$116,385
Travelers (Claims Acct.)	$0
Utility Deposit	$142,985
WARN Act 2	$650,000
Total Blocked Bank Balances	**$6,867,487**
Total Bank Balance	**$15,220,569**

Asset Sale	Gross Proceeds
Rolling Stock & Equipment	**$45.9M**
Vendor Accounts Receivables	**$42.6M**
Miami Property	**$3.3M**
Sale of Eastern & Carrier (Net)	**$12.8M**
Sale of Eastern & Carrier	*$15.2M*
Eastern & Carrier AR	*($2.4M)*
Private Car Sale	**$0.3M**
Projected Life Insurance Note Receivable *	**$0.0M**
Total Asset Sale Gross Procceds	**$109.2M**

* This receivable is part of the global settlement between the UCC and Shevell family. The settlement was for $6.1M, of which $3.0M was associated with the Life Insurance Note Receivable.

The Debtors shall also receive a Cash Payment under the Equity Holders and Affiliates Settlement (described below). As set forth in Article IV(C) below, the Debtors are required to utilize the Cash Payment, in the total amount of $6,100,000, as follows:(i) $500,000 for the Liquidating Trust Expense Reserve; $4,200,000 for the Estate of the Consolidated NEMF Debtors; and (iii) $1,400,000 for the Estate of the Consolidated Eastern Debtors.

6. Rejection of Executory Contracts and Leases

On March 21, 2019, the Debtors filed a motion to reject certain non-residential real property leases of terminals used by the Debtors as part of their business operations, as of various lease surrender dates which conformed to the Debtors' projected wind-down of operations and/or auction sales at such locations (the "Lease Rejection Motion"). [Docket No. 297]. The Lease Rejection Motion included staggered lease rejection dates in order to accommodate the Debtors' rolling stock auctions sales without disruptions, which took place at twelve (12) of the terminals

used by the Debtors. No objections were filed as to the Lease Rejection Motion. The Court entered an Amended Order [Docket No. 478] approving such rejection motion on April 18, 2019.

On May 23, 2019, the Debtors filed a second motion to reject certain executory contracts and unexpired leases and establishing a claims bar date (the "Second Lease Rejection Motion"). [Docket No. 613]. The Second Lease Rejection Motion sought to reject certain service contracts between Eastern and various service providers, which Estes decided not to assume at closing. No objections were filed as to the Second Lease Rejection Motion. The Court entered an Order [Docket No. 691] approving the Second Lease Rejection Motion on June 20, 2019.

Except as otherwise provided for herein, this Plan shall be deemed a motion to reject all remaining executory contracts and unexpired leases that were not previously rejected, or were not previously assumed and assigned in connection with the sale transactions described herein. The bar date for rejection damages claims shall be set forth in the Confirmation Order. A non-exclusive list of certain executory contracts and unexpired leases resolved pursuant to this Plan shall be provided in the Plan Supplements.

7. WARN Act Litigation

(a) *Adversary Proceeding No. 19-01073*

Shortly after the Petition Date, the Debtors terminated the vast majority of their 3,450 full and part-time employees, of which 1,900 were members of the International Association of Machinists and Aerospace Workers AFL-CIO (the "Union"). A severance and healthcare package for the terminated Union employees, negotiated with the Union on the eve of the Chapter 11 filings and thereafter offered to all terminated non-union employees, was approved by the Court on March 1, 2019 (the "Global Settlement Order") [Docket No. 155]. This settlement was enhanced before being filed with the Court by further negotiations with attorneys who filed a WARN Act Class Action Complaint shortly after the Petition Date. The potential risk to the Debtors' estates

arising from employment-related claims, including the WARN Act Class Actions, could have potentially reached approximately $27.7 million. As part of the settlement, the Debtors agreed to pay $13.2 million to the terminated employees, which the CRO believes resulted in approximately $14.5 million in savings to the Debtors' Estates. In exchange, (i) the Union employees agreed to release, discharge, and covenant not to sue Debtors or any of its related entities based on any and all claims, demands, suits or grievances of whatever kind or sort, known or unknown, including, but not limited to, claims arising out of or in connection with any collective bargaining relationship with the Debtors, the collective bargaining agreement, and any other connection between the Union and the Debtors, including those claims arising out of any state, local or federal law, including in particular the federal WARN Act, and any similar state or local law and (ii) the non-Union employees agreed to release the Debtors and its affiliated companies and their current and former officers, directors, agents, employees, successors and assigns from all claims, demands, actions and liabilities, whether known or unknown such non-union employee may have against them or any one of them in any way related to their employment by the Debtors and/or the termination of that employment, including those claims arising under the federal WARN Act or any similar state or local law.

(b) *Adversary Proceeding No. 19-01163*

On April 9, 2019, the law firm of Outten & Golden LLP filed a second WARN Act complaint, seeking to certify a class that includes those employees who neither accepted anything in exchange for their WARN Act claims nor executed valid releases, including those on leave under the Debtors' policies and those who the Debtors considered part-time. Based on the information then currently available, the Debtors and Committee estimated that the Debtors' maximum potential exposure was approximately $1.1 million. On approximately October 24, 2019, the Debtors reached a settlement in principle with the Outten firm. Under the proposed

settlement, for which the Debtors have sought approval by motion pursuant to Bankruptcy Rules 9019 and 7023 [Docket No. 964], the Debtors will pay $625,000 in settlement of the class of part-time employees to resolve all WARN Act claims. A separate settlement in the amount of $25,000 was also reached to resolve the claims by two full-time disabled employees with significant medical bills. The CRO estimates that these settlements will result in a savings of approximately $450,000 to the Debtors. In exchange, the settling individuals will grant the Debtors a broad release, on substantially the same terms obtained in the settlement of the first WARN Act case.

8. Life Insurance Note Receivable

The Debtors made certain premium payments on four (4) policies of insurance on the life of Mr. Shevell aggregating $10,000,000, and Shevell family trusts issued notes to the Debtors memorializing the obligation to repay the amount of the premium payments (in the aggregate, the "Life Insurance Note Receivable"). As of the Petition Date, the Life Insurance Note Receivable was $5,208,569 inclusive of approximately $2 million of accrued interest. The Life Insurance Note Receivable is secured by collateral assignments to the Debtors of the four (4) life insurance policies. The Life Insurance Note Receivable is payable upon the death of Mr. Shevell, who is currently eighty-four (84) years old. The current annual premium on the four (4) insurance policies is approximately $141,500.

9. Settlement with Certain Prepetition Lenders[5]

During the course of the liquidation of the Debtors' assets disputes subsequently arose between the Debtors, the Committee, and the Prepetition Lenders relating to, among other things, the validity of claims, administrative expenses and professional fees, and creditor recoveries,

[5] The description of the Lender Settlement Agreements is qualified in its entirety by the terms and conditions of each agreement. In the event of any inconsistency between this Plan and a Lender Settlement Agreement, the terms of the Lender Settlement Agreement control.

including, but not limited to $5,958,117 held in escrow from the Eastern Sale (the "Escrow Funds") relating to a $6,235,745 administrative claim asserted by the NEMF estate against the Eastern and Carrier estates (the "NEMF Administrative Claim"). As of the date hereof, the Debtors and Committee reached settlement agreements (each a "Lender Settlement Agreement" and, collectively, the "Lender Settlement Agreements") with Santander Bank, N.A., Fifth Third Bank, Wells Fargo Equipment Finance, Inc., VFS US LLC, East West Bank, T.D. Bank, N.A, JPMorgan Chase Bank, N.A. and MBFS USA LLC/Daimler AG (collectively, the "Settling Lenders" and, together with the Debtors and Committee, the "Settling Parties"), which agreements are subject to final client review and approval. Negotiations continue between the Debtors, Committee, and Webster Capital Finance, Inc. Motions to approve the Lender Settlement Agreements pursuant to Bankruptcy Rule 9019 have or will be filed with the Bankruptcy Court, *see, e.g.* [Docket No. 931] ("Lender 9019 Motion I"); [Docket No. 945] ("Lender 9019 Motion II").

Generally, each of the Settling Parties has agreed to the following:

(a) The Settling Parties have agreed to resolve the dispute over the NEMF Administrative Claim so that 75% of the NEMF Administrative claim ($4,676,809**)** shall be paid from the Escrow Funds to NEMF and the Eastern and Carrier bankruptcy estates retain the balance ($1,281,308).

(b) The Settling Parties will support the Plan, and any and all final successor documents, amendments, and supplements related to the Plan that substantially conform to the agreements set forth in Lender Settlement Agreements. The Settling Parties shall not object to the Court's confirmation of the Plan and shall affirmatively vote in favor of the Plan, including, but not limited to the provisions of the Lender Settlement Agreements, which are incorporated herein.[6]

(c) The Committee's Challenges have expired.

(d) The Settling Parties and the Debtors shall support the Committee's recommendations to establish a post-Plan confirmation trust and to appoint

[6] Some of the Settling Lenders reserve the right to object to provisions of the Plan not specifically provided for or addressed in the Lender Settlement Agreements.

Kevin Clancy, having offered a monthly flat fee for his services, as its trustee.

(e) The Committee's and the Debtors' professionals shall provide reporting to each Settling Party and the Committee from October 1, 2019 through the effective date of the Plan in order to provide controls on the accrual and amount of administrative claims.[7] Each Settling Party's right to object to unreasonable fees and expenses from October 1, 2019 through the effective date of the Plan shall be reserved. Each Settling Party agrees that the Eastern and Carrier bankruptcy estates shall continue to pay an allocation of 16% of the professional fees as currently budgeted by the Debtors and the Committee.

(f) The Debtor and the Committee agree that each Settling Lender shall have an allowed unsecured claim against the Consolidated NEMF Debtors in the amount of the Settling Lender's deficiency claim in NEMF after application of all adequate assurance payments and receipt of sale proceeds (the "NEMF Claim"). The Settling Lender shall also have allowed unsecured claims against the Consolidated Eastern Debtors in the amount of the Settling Lender's proof of claim amount in the Eastern and Carrier cases minus adequate protection payments and proceeds it received in connection with the Eastern sale (the Eastern Claims, together with the NEMF Claim, the "Claims"). Those Settling Lenders who have guarantees against the Eastern and Carrier estates on behalf of NEMF obligations and can assert the full amount of their proof of claim against NEMF in guarantee claims against the Eastern and Carrier estates without the need to reduce the guarantee to the amount of the NEMF Claim under the "Limitation-of-Dividend Approach" as adopted in *Ivanhoe Bldg. & Loan v. Orr*, 295 U.S. 243, 55 Sup. Ct. 685, 79 L. Ed. 1419 (1935) and its progeny. However, the Settling Lender shall receive no more in total than the face value of the NEMF claim plus reasonable attorney's fees, expenses, and interest, as applicable.[8]

[7] Some Settling Lenders have reviewed the estate professional's fees and expenses to date, including weekly reporting by the CRO, budgets, and filed fee applications, and have found those fees and expenses reasonable. Some of the Settling Lenders have agreed that the go forward reporting and efforts by the estate professionals to coordinate and allocate tasks amongst estate professionals addresses concerns regarding professional fees.

[8] The Settling Lender shall be permitted to assert the full amount of its Claims for Plan voting and Plan distribution purposes. *See In re Realty Assocs. Sec. Corp.*, 66 F. Supp. 416, 424 (E.D.N.Y. 1946), *aff'd sub nom. Kelby v. Manufacturers Tr. Co.*, 162 F.2d 350 (2d Cir. 1947), *and aff'd in part, modified in part,* 163 F.2d 387 (2d Cir. 1947) ("[T]he holder of a claim upon which several parties are liable may prove its entire claim against the estate of any who become bankrupt and recover dividends calculated on the basis of such entire claim as it existed when the petition was filed, without regard to partial payments made by other obligors until from all sources it has been paid in full."). Settling Lenders who have guarantees against the Eastern and Carrier estates on behalf of NEMF obligations can assert the full amount of their proof of claim in NEMF in guarantee claims against the Eastern and Carrier estates without reduction for proceeds or adequate assurance received under the *In re Realty Assocs. Sec. Corp.*, case. *See also Ivanhoe Bldg. & Loan v. Orr*, 295 U.S. 243, 55 Sup. Ct. 685, 79 L. Ed. 1419 (1935).

(g) Each of the Claims shall be allowed pursuant to the Court's Order approving the Lender 9019 Motion I, or subsequently filed 9019 motion, as applicable, and shall be included in the Plan as an Allowed Claim.

In addition, the Debtors, Committee and each Settling Lender have reconciled the claims filed by each Settling Lender to account for the proceeds each Settling Lender received on account of the NEMF Sale, the Going Concern Sale of Eastern and Carrier to Estes, adequate protection payments, as well as with respect to each Settling Lender's asserted administrative expense claims, if any, and their unsecured deficiency claims. The reconciled amounts are reflected in Article IV as qualified in its entirety by Articles V and VI of the Plan.

As the Lender Settlement Agreements are subject to Bankruptcy Court approval, none of the above-referenced settlement terms shall be deemed incorporated into the Plan until such time as the respective Lender Settlement Agreement is approved pursuant to Bankruptcy Rule 9019. For the avoidance of doubt, any subsequent motion filed to approve the Lender Settlement Agreements or additional lender settlement agreements, if any, shall be approved pursuant to Bankruptcy Rule 9019 and incorporated into the Plan upon approval by the Court.

TD Bank NA reached a partial settlement with the Committee and the Debtors in exchange for resolution of the opposition of the Official Committee of Unsecured Creditors (the "Committee") to the Motion, such opposition filed by letter dated March 19, 2019, to the Court [D.E. 282] ("Committee Objection") to the *Motion of T.D. Bank, N.A. ("TD Bank") For Relief From The Automatic Stay To Exercise Its Rights And Remedies With Respect To Four Deposit Accounts* [D.E. 134]. As a result of the resolution of the Committee Objection, TD Bank NA agreed to resolve the dispute over the NEMF Administrative Claim so that 75% of the NEMF Administrative claim ($4,676,809) shall be paid from the Escrow Funds to NEMF and the Consolidated Eastern Debtors retain the balance ($1,281,308).

10. Settlement with Equity Holders and Affiliates

Following its appointment herein, the Committee was designated and authorized by the Debtors to undertake the identification, investigation, presentment, and potential resolution of any and all claims and causes of action that could be asserted against the Equity Holders and Affiliates. The Committee worked with the Debtors and the Debtors' CRO to obtain information necessary to complete its investigation and regularly updated the Debtors on its efforts and negotiations. The Committee was further authorized by the Debtors to explore the best manner in which to both monetize and maximize the value of the Life Insurance Note Receivable.

The Committee conducted an extensive investigation of potential claims and causes of action against the Equity Holders and Affiliates. The Committee presented these alleged claims and causes of action to the Equity Holders and Affiliates. The Equity Holders and Affiliates disputed the factual and legal basis for each of the asserted claims and causes of action presented by the Committee. Thereafter, and over a period of several months, the Committee and the Equity Holders and Affiliates exchanged information and engaged in extensive negotiations in an attempt to resolve the asserted claims and causes of action presented by the Committee. As part of those negotiations, the Equity Holders and Affiliates expressed a desire to assist the Committee and the Debtors with the cost of liquidating the Debtors' assets and in maximizing the value of the Life Insurance Note Receivable for the benefit of the Debtors' Estates and their Creditors.

The extensive and protracted negotiations between the parties resulted in the Committee, the Debtors, and the Equity Holders and Affiliates reaching a global agreement and settlement for the resolution of any and all asserted claims and causes of action, the cash monetization of the Life Insurance Note Receivable, relinquishment and waiver of claims, and other financial assistance and contributions by the Equity Holders and Affiliates to the Debtors and their Estates. Accordingly, and without admitting any liability, but with the good faith intention of assisting the

Estates in enhancing distributions to Creditors, the Equity Holders and Affiliates, the agreed to resolve and settle fully any and all asserted and potential claims and causes of action, and entered into a settlement agreement (the "Equity Holders and Affiliates Settlement"), which will be submitted to the Bankruptcy Court for approval pursuant to Bankruptcy Rule 9019, with all terms and provisions of the settlement to be incorporated and restated in this Plan for ratification and implementation. A motion to approve the Equity Holders and Affiliates Settlement pursuant to Bankruptcy Rule 9019 was filed with the Bankruptcy Court on October 29, 2019 [Docket No. 946].

The terms of the Equity Holders and Affiliates Settlement are as follows:

A. The Equity Holders and Affiliates shall remit to the Debtors and the Debtors' Estates cash and non-cash contributions and consideration comprised of cash in the total sum of $6,100,000 (the "Cash Payment"), relinquishment of certain Lease Rejection Claims, the assumption of debt, and the relinquishment of any and all other Claims. The Cash Payment shall be paid in the following manner:

i. An initial cash payment in the amount of $2,000,000 (the "Initial Payment") shall be paid into an escrow account with Whiteford, Taylor & Preston LLP within five (5) business days after the entry of a Final Order of the Bankruptcy Court approving the Equity Holders and Affiliates Settlement Agreement.

ii. The remaining balance of $4,100,000 of the Cash Payment (the "Final Payment") shall be paid on the date of transfer of the Life Insurance Note Receivable to the Equity Holders and Affiliates (or their designee), and conditioned upon the entry of a Final Order of the Bankruptcy Court confirming the Plan. The Initial Payment shall be released from escrow and paid to the Debtors or Liquidating Trustee, as applicable, at the

time that the Final Payment is paid to the Debtors or Liquidating Trustee, as applicable, subject to the use of funds provision contained in Section 2(c) of the Equity Holders and Affiliates Settlement Agreement.

iii. $500,000 of the Cash Payment shall be a contribution earmarked for the Liquidating Trust Expense Reserve and used for the purposes of implementing the Plan, claims reconciliation and claims objections, the pursuit of avoidance actions, and any other actions necessary to complete the administration of the Chapter 11 Cases.

iv. The Equity Holders and Affiliates will, in their sole discretion, but without affecting in any way the distribution of the Cash Payment agreed to and provided for under this Plan, determine and designate the allocation of the cash and non-cash contributions and consideration among the settlement and release of asserted claims and causes of action against the Equity Holders and Affiliates, the assets being transferred by the Debtors or the Liquidating Trustee, as applicable, to the Equity Holders and Affiliates pursuant to the Equity Holders and Affiliates Settlement Agreement, and the obligations being assumed by the Equity Holders and Affiliates pursuant to the Equity Holders and Affiliates Settlement Agreement.

B. Transfer of Life Insurance Note Receivable. Upon the entry of a Final Order of the Bankruptcy Court confirming this Plan and payment in full of the Cash Payment, the Debtors or Liquidating Trustee shall take all actions necessary and deliver all documents necessary to transfer the Life Insurance Note Receivable to the Equity Holders and Affiliates (or their designees). The Committee agrees to support and assist in such efforts as may be required. Attached as Exhibits to the Equity Holders and Affiliates Settlement Agreement are the documents to be executed and delivered by the Debtors to effectuate the transfer of the Life Insurance Note Receivable.

C. Transfer of Solar Generation Systems and Debt Assumption. Upon the entry of a final order of the Bankruptcy Court confirming this Plan, the Debtors shall take all actions necessary and deliver all documents necessary to transfer ownership of the solar power generation systems located at 1618 Union Avenue, Pennsauken, New Jersey and 3101 Hollywood Avenue, S. Plainfield, New Jersey, together with all rights, claims, and interests of the Debtors relating to the solar power generation systems to the Equity Holders and Affiliates (or their designee). The Committee agrees to support and assist in said transfer as may be required. The Equity Holders and Affiliates (or their designee) shall assume the debt obligations of the Debtors to Public Service Electric and Gas Company ("PSEGC") in the maximum amount of $1,140,814 as well as any PSEGC true-up, such true-up not to exceed $5,000.00, relating to the solar power generation systems. Attached as Exhibits to the Equity Holders and Affiliates Settlement Agreement are the documents to be executed and delivered by the Debtors to effectuate the transfer of the solar generation systems and the assumption of debt. Upon entry of a Final Order approving this Plan, the bankruptcy cases of Debtors Hollywood Avenue Solar, LLC and United Express Solar, LLC shall be dismissed.

D. Lease Rejection Damages Claims. The Equity Holders and Affiliates filed Proofs of Claim for lease rejection damages in the total amount of $11,827,660.38 (the "Lease Rejection Claims"). The Equity Holders and Affiliates agree to vote the Lease Rejection Claims in favor of the Combined Plan and Disclosure Statement, provided that the Combined Plan and Disclosure Statement incorporates all terms of the Equity Holders and Affiliates Settlement, including the releases for the Equity Holders and Affiliates, the Debtors' Estates and Committee provided therein, and provided further, however, that the Equity Holders and Affiliates shall not be obligated to vote Lease Rejection Claims that have been pledged as collateral (the "Pledged Claims") to

certain mortgage lenders if such mortgage lenders do not consent to the voting of the Pledged Claims. The Equity Holders and Affiliates agree to relinquish any and all Distributions relating to the Lease Rejection Claims from the Debtors' Estates, except for the Pledged Claims. The Equity Holders and Affiliates will relinquish any and all Distributions relating to the Pledged Claims only upon the consent of the certain mortgage lenders. In the absence of such relinquishment of the Distributions for the Pledged Claims, any Distributions relating to the Pledged Claims shall be paid to the applicable claim holder and thereafter remitted to the certain mortgage lenders in accordance with their applicable loan agreements. In such event, simultaneously with the receipt of any Distribution, the Equity Holders and Affiliates shall make repayment to the Debtors' Estates or the Liquidating Trust, as applicable, in an amount equal to such Distributions. For the avoidance of doubt, in the event of a potential repayment to the Debtors' Estates, the net economic effect is that the Equity Holders and Affiliates shall not receive any Distribution or dividend from the Debtors' Estates.

E. Combined Plan and Disclosure Statement. The Equity Holders and Affiliates Settlement shall be fully incorporated into this Plan and the Plan shall be consistent in all respects with all terms and provisions of the Equity Holders and Affiliates Settlement Agreement, including but not limited to, the releases for the Equity Holders and Affiliates, the Debtors' Estates and Committee contained therein. These mutual releases are included in this Plan with all other releases as part of the section entitled Exculpation, Releases and Injunctions. Any order approving this Plan shall be in a form and substance acceptable to the Equity Holders and Affiliates, the Debtors, and the Committee.

11. Claims Process and Bar Date

(a) *Section 341(a) Meeting of Creditors*

On April 10, 2019, the United States Trustee held a meeting of creditors under Bankruptcy Code § 341 in these Chapter 11 cases.

(b) *Schedules and Statements*

On April 5, 2019, each of the Debtors, as debtors in possession, filed their respective Schedules of Assets and Liabilities and related Statement of Financial Affairs. On May 7, 2019, NEMF and Eastern filed Amended Schedules of Assets and Liabilities for all Debtors. On August 26, 2019, NEMF and Eastern filed a second Amended Schedules of Assets and Liabilities for all Debtors related to certain Auto Liability Claims.

(c) *Bar Dates*

Pursuant to the Bar Date Order, the Bankruptcy Court established, among others, the following bar dates for filing Proofs of Claim:

(i) General Bar Date/Government Bar Date: June 18, 2019 at 5:00 p.m. (prevailing Eastern Time) as the deadline for creditors holding pre-petition claims (including any 503(b)(9) Claims) to file Proofs of Claim in the Chapter 11 Cases; August 12, 2019 at 5:00 p.m. (prevailing Eastern Time) as the deadline for all Governmental Units to file Proofs of Claim in the Chapter 11 Cases;

(ii) Amended Schedules Bar Date: With respect to any Claim affected, as described in the Bar Date Order, by the Debtors' amendment, if any, of the Amended Schedules, the holder of any such affected Claim must file a Proof of Claim on or before the later of (i) the General Bar Date or (ii) 5:00 p.m. (prevailing Eastern Time) or 60 days after the Debtors provide notice to the holder of the amendment whichever is later; and

(iii) Rejection Claims Bar Date: With respect to Claims arising from the Debtors' rejection of Executory Contracts or Unexpired Leases pursuant to section 365 of the Bankruptcy Code, any such Creditor must file a Proof of Claim based on such rejection by the later of (i) the General Bar Date or (ii) 5:00 p.m. (prevailing Eastern Time) on the date that is 30 days following the entry of the Order approving the rejection of an Executory Contract or

Unexpired Lease under which the Person or Entity asserting such claim is a party.

(d) *Special Administrative Claims Bar Date for Auto Liability Claims*

Pursuant to the Special Administrative Claims Bar Date Order, the Bankruptcy Court established August 12, 2019 at 5:00 p.m. (prevailing Eastern Time) as the deadline for any person or entity holding or asserting an administrative expense claim relating to Auto Liability Claims which arose from the Petition Date through April 9, 2019.

12. Auto Liability Claims Protocol

The Debtors are party to several insurance contracts related to their commercial trucking operations:

a. An Excess Indemnity Contract with United States Fire Insurance Company ("U.S. Fire") for the period April 10, 2018 through April 10, 2019 related to Auto Liability Claims (the "U.S. Fire Contract").

b. A Large Fleet Trucking Excess Contract with Protective Insurance Company ("Protective") for the period April 10, 2017 to April 10, 2018 (the "2017-2018 Protective Contract").

c. A Large Fleet Trucking Excess Contract with Protective for the period April 10, 2016 to April 10, 2017 (the "2016-2017 Protective Contract").

d. A Large Fleet Trucking Excess Contract with Protective for the period April 1, 2015 to April 11, 2017 (the "2015-2017 Protective Contract").

e. A Fleet Trucking Excess Contract with Protective for the period April 10, 2014 to April 10, 2016 (the "2014-2016 Protective Contract," and collectively with the 2015-2017 Protective Contract, the 2016-2017 Protective Contract, the 2017-2018 Protective Contract, and the U.S. Fire Contract, the "Excess Indemnity Contracts," and each individually an "Excess Indemnity Contract").

The terms and provisions contained in each of the Excess Indemnity Contracts speak for themselves and govern the obligations of the parties to each such contract. Notwithstanding, the Debtors represent that the terms and conditions are materially the same across all of the Excess Indemnity Contracts. Under the Excess Indemnity Contracts' self-retention provisions, the

Debtors are self-insured for the first $500,000 in damages, fees and costs (the "Self-Retention"). The Debtors assert that the Auto Insurers are obligated to indemnify one or more of the Debtors for amounts paid by the Debtors on a per occurrence basis above the Self-Retention.

In order to guarantee the Debtors' obligations to the public for the payment of claims within the Self-Retention (and above, up to $1,000,000 "for each accident"), both U.S. Fire and Protective filed Surety Bonds with federal and state regulatory agencies and others. The Debtors signed various collateral and indemnity agreements with U.S. Fire and Protective providing for reimbursement to U.S. Fire and Protective, respectively, by the Debtors if U.S. Fire and/or Protective made payments of claims under the Surety Bonds because of the Debtors' inability or refusal to make such payments. The Surety Bonds are judgment bonds under which the Auto Insurer "agree[s] to be responsible for the payment of any final judgment or judgments against [one or more of the Debtors] for public liability, property damage, and environmental restoration liability claims", including any final judgment issued against one or more of the Debtors relating to Auto Liability Claims, in the amount of $1,000,000 "for each accident". Surety Bonds, pp. 1-2. The Auto Insurers retain the right and ability to settle and pay such claims prior to judgment without interference or objection by the Debtors. In exchange for the foregoing surety obligations, the Debtors executed various collateral and indemnity agreements with the Auto Insurers providing for the Debtors' indemnification of the Auto Insurers for costs incurred or payments made pursuant to the terms and conditions of the Surety Bonds because of the Debtors' inability or refusal to make such payments.

As collateral to secure the Debtors' Self-Retention and potential indemnification obligations, the Debtors caused letters of credit to be issued in favor of both Protective and U.S. Fire. After receiving notice by certain lenders that the Debtors' letters of credit with those

lenders would not be renewed, both Protective (in the amount of $9,539,000) (the "Protective Auto Liability LC Proceeds") and U.S. Fire (in the amount of $2,450,000) (the "U.S. Fire Auto Liability LC Proceeds," and collectively with the Protective Auto Liability LC Proceeds, the "Auto Liability LC Proceeds") drew down on their respective letters of credit. The Protective Auto Liability LC Proceeds were paid by East West Bank and Santander Bank, and the U.S. Fire Auto Liability LC Proceeds were paid by JPMorgan Chase Bank, N.A. (collectively, the "Payor Banks").

On the Petition Date, there were approximately 73 active lawsuits involving Auto Liability Claims with loss dates since 2014 pending against the Debtors (with approximately 63 of those lawsuits having a driver formerly employed by the Debtors named as a co-defendant) in state and federal courts across multiple states (the "Auto Liability Actions"). Approximately 227 Proofs of Claim were filed which could be characterized as Auto Liability Claims, which includes Claims related to the Auto Liability Actions.

On March 14, 2019, the Debtors commenced an adversary proceeding styled *New England Motor Freight, Inc., et al. v. State Farm Mutual Automobile Insurance Company, a/s/o Riquet Simplice, et. al.*, Adv. Pro. No. 19-01119 in the United States Bankruptcy Court for the District of New Jersey (the "Auto Liability Injunction Action"). The purpose of the Auto Liability Injunction Action was to (i) seek a preliminary injunction under 11 U.S.C. §§ 105(a) and 362(a) enjoining the continuation or commencement of any action against any of the Debtors' employees and/or former employees (collectively, the "Drivers") potentially liable for Auto Liability Claims, and/or (ii) extend the automatic stay to protect the Debtors' estates on account of possible indemnity claims the Drivers may possess against the Debtors if judgment is entered against a Driver in any Auto Liability Action.

On April 16, 2019, the Court entered a temporary restraining order in the Auto Liability Injunction Action staying the Auto Liability Actions (the "TRO"), and directed the parties to meet and confer regarding a consensual protocol to govern the orderly resolution of all Auto Liability Claims. The Court subsequently extended the TRO, with the consent of the parties—including the Auto Insurers and an ad hoc group of counsel representing Holders of Auto Liability Claims—while those discussions continued, including through the General Bar Date and the Special Administrative Claims Bar Date. The TRO is presently in effect through November 19, 2019.

The Auto Liability Claims Protocol; Settlement With the Auto Insurers[9]

The Debtors, the Committee, U.S. Fire, and Protective, along with counsel to certain Holders of Auto Liability Claims, negotiated the terms of the Auto Liability Claims Protocol. The Plan shall serve as and be deemed a motion for entry of an order by the Bankruptcy Court under Bankruptcy Rule 9019 approving the Auto Liability Claims Protocol Settlement Agreement between the Debtors, the Committee, U.S. Fire, and Protective, the terms of which are set forth in Exhibit C hereto and fully incorporated herein. Generally, Holders of Auto Liability Claims shall not be entitled to receive any Distribution under the Plan from the Liquidating Trust Assets, but shall be entitled to receive up to 100% of the agreed upon, settled or judgment value of an Auto Liability Claim from the Protective Auto Liability LC Proceeds and/or the U.S. Fire Auto Liability LC Proceeds (as applicable), and/or the Auto Insurers directly. Except as otherwise modified by the Auto Liability Protocol, the Debtors and the Auto Insurers reserve all of their rights under the Excess Indemnity Contracts, the Surety Bonds, and/or any and all collateral and/or indemnity agreements between the Debtors and an Auto Insurer relating in any way to one or more Excess Indemnity Contracts or Surety Bonds. Pursuant to the Auto Liability Claims Protocol, after the

[9] This summary is not intended to be a complete recitation of the Auto Liability Claims Protocol, which is set forth in Exhibit C hereto.

final resolution of all Auto Liability Claims by the Auto Insurers, the Auto Insurers, consistent with the terms of any applicable contractual obligations and applicable law, shall turn over any excess Auto Liability LC Proceeds to the Liquidating Trust, to be held by the Liquidating Trust in escrow pending a final determination by the Bankruptcy Court as to the ownership of and appropriate disposition of such funds. As more fully set forth in the Auto Liability Claims Protocol Settlement Agreement, to the extent an Auto Insurer has exhausted its respective Auto Liability LC Proceeds, any Auto Insurer Unsecured Indemnity Claim held by such Auto Insurer shall be deemed waived, released, and discharged as of the Effective Date of the Plan, and such Auto Insurer shall not be entitled to any Distribution from the Liquidating Trust Assets on account of such Auto Insurer Unsecured Indemnity Claim. The Debtors and the Committee believe that the proposed Auto Liability Claims Protocol is in the best interests of the Debtors and will provide an orderly procedure with respect to the determination of the Class 5B Auto Liability Claims, the Class 3A Auto Insurer Secured Claims and the Class 5C Auto Insurer Unsecured Indemnity Claims.

The Auto Liability Claims Injunction and Mandatory ADR Procedures

The alternative dispute resolution procedures (the "ADR Procedures") described in the proposed Auto Liability Claims Protocol Settlement Agreement shall apply to all Holders of Auto Liability Claims whether or not such Holder has filed a Proof of Claim against one or more of the Debtors. Pursuant to the Auto Liability Claims Injunction contained in Article X(D) of the Plan, all Holders of Auto Liability Claims shall be prohibited from taking any of the following actions for the purpose of, directly or indirectly, litigating, collecting, recovering, or receiving payment of, on account of or with respect to any Auto Liability Claims, from or against the Auto Liability Claims Released Parties, or from or against the Auto Insurers, until such Holder participates in the ADR Procedures set forth in the Auto Liability Claims Protocol, including, but not limited to:

a. commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding (including a judicial, arbitral, administrative or other proceeding) in any forum against or affecting the Auto Liability Claims Released Parties and/or the Auto Insurers or any property or interests in property of the Auto Liability Claims Released Parties and/or the Auto Insurers; and

b. proceeding in any manner in any place with regard to any matter that is subject to resolution pursuant to the ADR Procedures, except in conformity and compliance with the ADR Procedures contained in the Auto Liability Claims Protocol.

Following the Effective Date, each Holder of an Auto Liability Claim — either individually or through its agents, attorneys and representatives — shall engage with the applicable Auto Insurer pursuant to the ADR Procedures in a good faith effort to resolve the Auto Liability Claims.

Litigation After Unsuccessful Mandatory Mediation

Should an Auto Liability Claim fail to be resolved pursuant to the ADR Procedures, the applicable Auto Insurer and the Holder of the Auto Liability Claim shall file a joint statement with the Bankruptcy Court, with notice to Liquidating Trustee, advising the Court that mediation did not result in a settlement (an "Unsuccessful Mediation Filing"), and within two (2) business days of the Unsuccessful Mediation Filing the Holder of the Auto Liability Claim shall be permitted to pursue any legally available remedy, so as to liquidate and fix the value of such Auto Liability Claim. Notwithstanding the foregoing, such parties may reserve their respective rights to agree to such additional mediation, arbitration or other alternative dispute resolution procedures as may be mutually acceptable to them.

To the extent a Holder of an Auto Liability Claim elects to file a lawsuit to liquidate its Auto Liability Claim after the Unsuccessful Mandatory Mediation, then (i) the statute of limitations for such Holder of the Auto Liability Claim to file a lawsuit to liquidate such Auto Liability Claim in the forum in which the Auto Liability Claim arose shall be extended to sixty (60) days from the date the Auto Insurer and the Holder of the Auto Liability Claim filed their

joint statement of the Unsuccessful Mediation provided, however, that such statute of limitations had not expired prior to the Petition Date; (ii) the Holder of the Auto Liability Claim may name one or more of the Debtors as a "nominal party" in a lawsuit filed after the Unsuccessful Mandatory Mediation, but service of any Summons and Complaint shall be accepted and considered valid once perfected on the applicable Auto Insurer.

ARTICLE III.

DISCLOSURES AND RISK FACTORS

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

A. Financial Information; Disclaimer

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

B. Certain Federal Income Tax Consequences

THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE PLAN AND THE OWNERSHIP AND DISPOSITION OF PROCEEDS FROM CLAIMS INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN (NON-US) TAX LAWS AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

THE FOLLOWING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE

PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FOLLOWING DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE CONSTRUED AS LEGAL OR TAX ADVICE TO ANY CREDITOR, EQUITY INTEREST HOLDER OR OTHER PARTY IN INTEREST. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, HOLDERS ARE URGED TO CONSULT WITH THEIR TAX ADVISORS ABOUT THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

THE CONFIRMATION AND EXECUTION OF THE PLAN MAY HAVE TAX CONSEQUENCES TO HOLDERS OF CLAIMS AND EQUITY INTERESTS. THE DEBTORS AND COMMITTEE DO NOT OFFER AN OPINION AS TO ANY FEDERAL, STATE, LOCAL OR OTHER TAX CONSEQUENCES TO HOLDERS OF CLAIMS AND EQUITY INTERESTS AS A RESULT OF THE CONFIRMATION OF THE PLAN.

This discussion is provided for information purposes only, and is based on provisions of the Internal Revenue Code of 1986, as amended (the "IRC"), Treasury Regulations promulgated thereunder, judicial authorities, and current administrative rulings and practice, all as in effect on the date hereof. Legislative, judicial, or administrative changes or interpretations enacted or promulgated after the date hereof could alter or modify the analyses set forth below with respect to the United States federal income tax consequences of the Plan. Any such changes or interpretations may be retroactive and could significantly, and adversely, affect the United States federal income tax consequences of the Plan. To the extent that the following discussion relates to the consequences to Holders of Allowed Claims or Interests, it is limited to Holders that are United States persons within in the meaning of the IRC. For purposes of the following discussion, a "United States person" is any of the following:

- An individual who is a citizen or resident of the United States;
- A corporation created or organized under the laws of the United States or any state or political subdivision thereof;
- An estate, the income of which is subject to federal income taxation regardless of its source; or

- A trust that (a) is subject to the primary supervision of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust, or (b) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular Holder in light of its particular facts and circumstances, or to certain types of Holders subject to special treatment under the IRC. Examples of Holders subject to special treatment under the IRC are governmental entities and entities exercising governmental authority, foreign companies, persons who are not citizens or residents of the United States, banks and certain other financial institutions, broker-dealers, insurance companies, tax-exempt organizations, real estate investment trusts, small business investment companies, regulated investment companies, Holders that are or hold their Claims or Interests through a partnership or other pass-through entity, dealers in securities or foreign currency, persons that have a functional currency other than the U.S. dollar, and persons holding Claims that are a hedge against, or that are hedged against, currency risk or that are part of a straddle, constructive sale, or conversion transaction. This discussion assumes that Holders hold their Claims or Interests as capital assets for U.S. federal income tax purposes. Generally, a capital asset is property held for investment. This discussion does not address other U.S. federal taxes or the foreign, state, or local tax consequences of the Plan. Furthermore, this discussion generally does not address the U.S. federal income tax consequences to Holders that are unimpaired under the Plan.

The tax treatment of Holders of Claims or Interests and the character, amount and timing of income, gain or loss recognized as a consequence of the Plan and the Distributions provided for by the Plan may vary, depending upon the following factors, among others: (i) whether the Claim or portion thereof constitutes a Claim for principal or interest; (ii) the type of consideration received by the Holder in exchange for the Claim, and whether the Holder receives Distributions

under the Plan in more than one taxable year; (iii) whether the Holder is a citizen or resident of the United States for tax purposes, is otherwise subject to U.S. federal income tax on a net basis, or falls into any special class of taxpayers, such as those that are excluded from this discussion as noted above; (iv) the manner in which the Holder acquired the Claim; (v) the length of time that the Claim has been held; (vi) whether the Claim was acquired at a discount; (vii) whether the Holder has taken a bad debt deduction or a worthless securities deduction with respect to the Claim or any portion thereof in the current or prior taxable years; (viii) whether the Holder has previously included in gross income accrued but unpaid interest with respect to the Claim; (ix) the method of tax accounting of the Holder; (x) whether the Claim is an installment obligation for federal income tax purposes; (xi) whether the Claim, and any instrument received in exchange therefor, is considered a "security" for U.S. federal income tax purposes; and (xii) whether the "market discount" rules apply to the Holder. Therefore, each Holder should consult such Holder's own tax advisor for tax advice with respect to that Holder's particular situation and circumstances, and the particular tax consequences to such Holder of the transactions contemplated by the Plan.

A significant amount of time may elapse between the date of the Disclosure Statement and the receipt of a final Distribution under the Plan. Events occurring after the date of the Disclosure Statement, such as new or additional tax legislation, court decisions, or administrative changes, could affect the U.S. federal income tax consequences of the Plan and the transactions contemplated thereunder. No ruling has been or will be sought from the IRS with respect to any of the tax aspects of the Plan, and no opinion of counsel has been or will be obtained by the Debtors with respect thereto. To the extent any Debtor is treated as a disregarded entity for federal income tax purposes, because all of its tax attributes are reported by its owner, this discussion does not separately address the tax consequences to such disregarded entity, if any. No representations are

being made regarding the particular tax consequences of the confirmation or implementation of the Plan as to any Holder of a Claim or Interest. This discussion is not binding upon the IRS or other taxing authorities. No assurance can be given that the IRS or another authority would not assert, or that a court would not sustain, a different position from any discussed herein.

C. Certain U.S. Federal Income Tax Consequences to the Debtors

1. Tax Effects of Sale Process.

As noted elsewhere in this Plan (see Art. II(C)(4), "Sale Process"), the Debtors have sold certain properties. These sales have given rise to taxable gain or loss measured by the difference between the amount realized on the sale and the tax basis of the Debtors in the properties that were sold. The character of the gain or loss (i.e., as ordinary or capital gain or loss) depends on the asset in question, the extent to which certain depreciation recapture is involved and other possible factors under the IRC and/or applicable state and local tax laws, including potential recapture of credits. In the case of Debtors that are S corporations, this income or loss will be allocated to their shareholders and will need to be taken into account by those shareholders for tax purposes.

2. Tax Effects of Cancellation of Debt Income.

Under the IRC, a taxpayer generally must include in gross income the amount of any cancellation of indebtedness income ("COD Income") realized during the taxable year. Section 108 of the IRC provides an exception to this general rule, however, if the cancellation occurs in a case under the Bankruptcy Code, but only if the taxpayer is under the jurisdiction of the bankruptcy court and the cancellation is granted by the court or is pursuant to a plan approved by the court. Section 108 of the IRC requires the amount of COD Income so excluded from gross income to be applied to reduce certain tax attributes of the taxpayer. The tax attributes that may be subject to reduction include the taxpayer's net operating losses and net operating loss carryovers which include, in the case of an S corporation, losses previously allocated to an S corporation

shareholder that exceeded that shareholder's adjusted basis of stock or debt with respect to the S corporation (collectively, "NOLs"), certain tax credits and tax credit carryovers, capital losses and capital loss carryovers, tax bases in assets, and passive activity loss carryovers. A taxpayer may elect to apply the tax attribute reduction to depreciable basis of property before other attributes. Attributes are reduced only after the tax for the year of the discharge has been determined. Section 108 of the IRC further provides that a taxpayer does not realize COD Income from cancellation of indebtedness to the extent that payment of such indebtedness would have given rise to a deduction.

Under the Plan, Holders of certain Allowed Claims or Interests are expected to receive less than full payment on their Claims or Interests. The Debtors' liability to the Holders of such Allowed Claims or Interests in excess of the amount satisfied by Distributions under the Plan will be canceled and therefore will result in COD Income to the Debtors. The Debtors should not realize any COD Income, however, to the extent that payment of such Allowed General Unsecured Claims would have given rise to a deduction to the Debtors had such amounts been paid. In addition, any COD Income that the Debtors realize should be excluded from the Debtors' gross income pursuant to the bankruptcy exception to section 108 of the IRC described above, because the cancellation will occur in a case under the Bankruptcy Code, while the taxpayer is under the jurisdiction of the bankruptcy court, and the cancellation is granted by the court or is pursuant to a plan approved by the court.

The exclusion of the COD Income, however, will result in a reduction of certain tax attributes of the Debtors, such as the NOLs, as described above. The shareholders of those Debtors that have elected to be taxed as an "S" corporation for federal income tax purposes may have NOL attributes (from losses that were allocated to such Debtor's shareholders in current and prior

taxable years) reduced as a result of the exclusion of COD Income. Because attributes are reduced only after the tax for the year of discharge has been determined, the COD Income realized by the Debtors under the Plan should not diminish the NOLs and other tax attributes that may be available to offset any income and gains recognized by the Debtors in the taxable year that includes the Effective Date. However, the tax rules with respect to COD income and tax attribute and basis deduction are complex and the results will differ for each shareholder.

D. Consequences of the Liquidating Trust

The Liquidating Trust will be organized for the primary purpose of liquidating the assets transferred to it with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. Thus, the Liquidating Trust is intended to be classified for federal income tax purposes as a "liquidating trust" within the meaning of Treasury Regulation Section 301.7701-4(d) and Revenue Procedure 94-45, 1994-2 C.B. 684. In general, such a liquidating trust is treated for U.S. federal income tax purposes as a "grantor trust." Under federal income tax laws, a grantor trust is disregarded, and the grantors are treated as if they directly owned undivided interests in all of the trust's assets. No request for a ruling from the IRS will be sought on the classification of the Liquidating Trust. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the Liquidating Trust. If the IRS were to successfully challenge the classification of the Liquidating Trust as a grantor trust, the federal income tax consequences to the Liquidating Trust and the Holders of Claims could vary from those discussed herein (including the potential for an entity-level tax).

For all U.S. federal income tax purposes, all parties with respect to the Liquidating Trust (including, without limitation, the Debtors, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) must treat the transfer of Liquidating Trust Assets to the Liquidating Trust as (i) a

transfer of the Liquidating Trust Assets by the Debtors to the Liquidating Trust Beneficiaries, followed by (ii) a transfer of the Liquidating Trust Assets by such beneficiaries to the Liquidating Trust, with the beneficiaries being treated as the grantors and owners of the Liquidating Trust. Each Holder that is a beneficiary of the Liquidating Trust generally will recognize gain or loss in its taxable year that includes the Effective Date in an amount equal to the difference between the amount realized in respect of its Claim or Interest and its adjusted tax basis in the Claim or Interest. The amount realized generally should equal the fair market value of the Liquidating Trust Assets deemed received for U.S. federal income tax purposes under the Plan in respect of each Holder's Claim or Interest, less the amount, if any, attributable to accrued but unpaid interest. The Debtors and beneficiaries of the Liquidating Trust must value the Liquidating Trust Assets consistently and use these valuations for all U.S. federal income tax purposes. A Holder that is deemed to receive for U.S. federal income tax purposes the Liquidating Trust Assets under the Plan in respect of its Claim or Interest generally should then have a tax basis in the Liquidating Trust Assets in an amount equal to the fair market value of the Liquidating Trust Assets on the date of receipt, less the amount, if any, attributable to accrued but unpaid interest.

Because each Holder's share of the Liquidating Trust Assets in the Liquidating Trust may change depending upon the resolution of Disputed Claims, a Holder may be prevented from recognizing for tax purposes all of its loss from the consummation of the Plan until all Disputed Claims have been resolved.

In general, a liquidating trust is not a separate taxable entity but rather is treated as a grantor trust, pursuant to IRC Sections 671 *et. seq.*, owned by the persons who are treated as transferring assets to the Liquidating Trust. Each Holder of a beneficial interest in the Liquidating Trust must report on its federal income tax return its allocable share of income, gain, loss, deduction and credit

recognized or incurred by the Liquidating Trust. None of the Debtors' loss carry- forwards will be available to reduce any income or gain of the Liquidating Trust. Moreover, upon the sale or other disposition (or deemed disposition) of any of the Liquidating Trust Assets, each Liquidating Trust Beneficiary must report on its federal income tax return its share of any gain or loss measured by the difference between (1) its share of the amount of cash and/or the fair market value of any property received by the Liquidating Trust in exchange for the Liquidating Trust asset so sold or otherwise disposed of and (2) its adjusted tax basis in its share of the Liquidating Trust asset. The character of any such gain or loss to the Holder will be determined as if such Holder itself had directly sold or otherwise disposed of the Liquidating Trust asset. The character of items of income, gain, loss, deduction and credit to any Holder of a beneficial interest in the Liquidating Trust, and the ability of the Holder to benefit from any deductions or losses, will depend on the particular circumstances or status of the Holder.

Given the treatment of the Liquidating Trust as a grantor trust, each Liquidating Trust Beneficiary has an obligation to report its share of the Liquidating Trust's tax items (including gain on the sale or other disposition of a Liquidating Trust asset) which is not dependent on the Distribution of any cash or other Liquidating Trust assets by the Liquidating Trust. Accordingly, a Liquidating Trust Beneficiary may incur a tax liability as a result of owning a share of the Liquidating Trust Assets, regardless of whether the Liquidating Trust distributes cash or other assets sufficient to fund such tax. Due to the requirement that the Liquidating Trust maintain certain reserves, the Liquidating Trust's ability to make current cash Distributions may be limited or precluded. In addition, due to possible differences in the timing of income on, and the receipt of cash from the Liquidating Trust Assets, a Liquidating Trust Beneficiary may be required to

report and pay tax on a greater amount of income for a taxable year than the amount of cash received by the Holder during the year.

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

E. Backup Withholding Tax

Notwithstanding any other provision of this Combined Plan and Disclosure Statement, (i) each Holder that is to receive a Distribution pursuant to this Combined Plan and Disclosure Statement shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of the Distribution, and (ii) no Distribution will be made to or on behalf of such Holder pursuant to the Combined Plan and Disclosure Statement unless and until such Holder has made arrangements satisfactory to the Liquidating Trust or other payor, as applicable, for the payment and satisfaction of withholding tax obligations or any tax obligation that would be imposed in connection with the Distribution. Any property to be distributed pursuant to the Combined Plan and Disclosure Statement will, pending the implementation of the Distribution, be treated as an undeliverable Distribution.

Moreover, under certain circumstances, Holders may be subject to federal income tax "backup withholding" with respect to payments made pursuant to the Combined Plan and Disclosure Statement, unless such Holder either (i) comes within certain exempt categories, which

generally include corporations, and, when required, demonstrates this fact, or (ii) provides a correct U.S. taxpayer identification number and certifies under penalty of perjury that the Holder is a U.S. person, the taxpayer identification number is correct, and the taxpayer is not subject to backup withholding because of a failure to report dividend and interest income.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a Holder's U.S. federal income tax liability, and a Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS.

F. Alternate Plan

If the Plan is not confirmed, the Debtors and Committee, or any other party in interest could attempt to formulate a different plan. The additional costs—including, among other amounts, additional professional fees—would constitute Administrative Expense Claims (subject to allowance) that may be so significant that one or more parties in interest could request that the Chapter 11 Cases be converted to chapter 7. The Debtors and Committee believe that conversion of these Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code will result in the incurrence of significant additional fees and expenses (which would have priority over Administrative Expense Claims of the Chapter 11 Cases and General Unsecured Claims), to the detriment of Creditors. Accordingly, the Debtors and Committee believe that the Plan enables Creditors to realize the best return under the circumstances.

G. Best Interests Test

Section 1129(a)(7) of the Bankruptcy Code requires that each Holder of an Impaired Claim or Equity Interest either (a) accept the plan or (b) receive or retain under the plan property of a value, as of the Effective Date, that is not less than the value such Holder would receive if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code. Because of the increased

expenses that would be incurred in the event of a conversion of the Chapter 11 Cases to cases under Chapter 7, the value of any Distributions to Holders of Claims or Equity Interests if the Chapter 11 Cases were converted to cases under Chapter 7 of the Bankruptcy Code would be less than or equal to the value of Distributions under the Plan. This is because conversion of the Chapter 11 Cases to Chapter 7 cases would require the appointment of a chapter 7 trustee, and in turn, such chapter 7 trustee's likely retention of new professionals. The "learning curve" that the Chapter 7 trustee and new professionals would be faced with comes with additional costs to the Estates and delay compared to the time of Distributions under the Plan.

H. Liquidation Analysis

The Plan will provide Holders of Allowed Claims and Equity Interests not less than what would be available to them in a Chapter 7 liquidation. It proposes to pay all Holders of Allowed Claims of administrative and priority creditors in full.

A hypothetical Chapter 7 liquidation analysis is attached to the Plan as Exhibit B. In a Chapter 7 liquidation, the fees and expenses of a Chapter 7 trustee and his or her professionals will be substantial. The new Chapter 7 trustee and his or her retained professionals would require much time and effort to get up to speed and to administer the Chapter 7 cases. The value of any distributions if the Debtors' Chapter 11 Cases were converted to cases under Chapter 7 of the Bankruptcy Code would be less than the value of Distributions under the Plan. Accordingly, the Debtors and the Committee believe that the "best interests" test of Bankruptcy Code section 1129 is satisfied.

I. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successors to the Debtors under the Plan, unless such liquidation or reorganization

is proposed in the Plan. As set forth herein, the Debtors commenced these Chapter 11 Cases to allow for an efficient and orderly wind down process; the Plan provides for the liquidation of the Debtors' Estates for the benefit of Creditors and the transfer of all of the Debtors' remaining assets to the Liquidating Trust. The Debtors will not be conducting any business operations after the Effective Date.

As such, provided that the Plan is confirmed and consummated, the Estates will not be subject to future reorganization or liquidation. Accordingly, the Debtors and Committee believe that the Plan is feasible and meets the requirements of section 1129(a)(11) of the Bankruptcy Code.

J. Certain Risk Factors to be Considered

Holders of Claims and Equity Interests should read and consider carefully the risk factors below, as well as the other information set forth in the Plan, the documents attached to the Plan, and the documents referred to or incorporated by reference in the Plan. These factors should not be regarded as constituting the only risks present in connection with the Plan and its implementation.

1. Risk Factors that May Affect the Debtors' Ability to Consummate the Plan

(a) *The Debtors May Not Be Able to Secure Confirmation of the Plan.*

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a Chapter 11 plan. While, as set forth below, the Debtors believe that the Plan complies with or will comply with all such requirements, there can be no guarantee that the Bankruptcy Court will agree.

(b) *Risk of Non-Occurrence of the Effective Date*

There can be no assurance as to such timing, or as to whether the Effective Date will, in fact, occur. Further, to the extent Allowed Administrative Expense Claims exceed available Cash, the Plan cannot go effective.

(c) *Parties May Object to the Classification of Claims and Equity Interests*

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors and the Committee believe that the classification of Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code. Nevertheless, there can be no assurance the Bankruptcy Court will reach the same conclusion.

(d) *No Duty to Update*

The statements contained in this Disclosure Statement are made by the Debtors and the Committee as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. Neither the Debtors nor the Committee have a duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

ARTICLE IV.

SUMMARY OF DEBTORS' ASSETS AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. Summary of Assets

On the Effective Date, the Liquidating Trust Assets shall include, without limitation, all Cash on hand after payment of any claims due on the Effective Date, the Causes of Action (including those net recoveries realized from the prosecution and/or settlement of Causes of Action), any tax refunds, all rights of setoff and recoupment and other defenses that the Debtors' Estates may have with respect to any Claim, all Insurance Policies, and the rights to any excess letter of credit proceeds related to such Insurance Policies.

B. Summary of Treatment of Claims and Equity Interests

The following charts provide a summary of treatment of the classified Claims and Equity Interests. The treatment provided in these charts is for informational purposes only and is qualified in its entirety by Articles V and VI of the Plan.

CONSOLIDATED NEMF DEBTORS			
CLASS	**TREATMENT/VOTING STATUS**	**RANGE OF ESTIMATED ALLOWED CLAIM AMOUNTS AGAINST CONSOLIDATED NEMF DEBTORS [1]**	**ESTIMATED RECOVERIES OR AMOUNTS AVAILABLE FOR DISTRIBUTION FROM CONSOLIDATED NEMF DEBTORS**
Class 1:	Unimpaired / Deemed to Accept / Not Entitled to Vote		
Priority Non-Tax Claims	Except to the extent that a Holder of an Allowed Priority Non-Tax Claim against any of the Debtors agrees to less favorable treatment of such Claim, each such Holder shall receive, in full and final satisfaction of such Claim, Cash in an amount equal to such Claim, payable on the later of the Effective Date and the date on which such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim.	$333,154	100%
Class 2A: Lender Secured Claims – TD Bank	Impaired / Entitled to Vote	$7,378,313[10]	100% of the value of the Pre-petition Lender's Collateral
Class 2B: Lender Secured Claims – East West Bank	Impaired / Entitled to Vote	$6,329,636[11]	100% of the value of the Pre-petition Lender's Collateral
Class 2C: Lender Secured Claims – JPMorgan Chase	Impaired / Entitled to Vote	$3,803,225[12]	100% of the value of the Pre-petition Lender's Collateral
Class 2D:	Impaired / Entitled to Vote	$5,313,153[13]	

[10] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[11] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[12] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[13] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.

CONSOLIDATED NEMF DEBTORS			
CLASS	**TREATMENT/VOTING STATUS**	**RANGE OF ESTIMATED ALLOWED CLAIM AMOUNTS AGAINST CONSOLIDATED NEMF DEBTORS [1]**	**ESTIMATED RECOVERIES OR AMOUNTS AVAILABLE FOR DISTRIBUTION FROM CONSOLIDATED NEMF DEBTORS**
Lender Secured Claims – Fifth Third			100% of the value of the Pre-petition Lender's Collateral
Class 2E: Lender Secured Claims – Santander	Impaired / Entitled to Vote	$4,351,274[14]	100% of the value of the Pre-petition Lender's Collateral
Class 2F: Lender Secured Claims – Wells Fargo	Impaired / Entitled to Vote	$2,732,155[15]	100% of the value of the Pre-petition Lender's Collateral
Class 2G: Lender Secured Claims – Mercedes Benz	Impaired / Entitled to Vote	$3,892,538[16]	100% of the value of the Pre-petition Lender's Collateral
Class 2H: Lender Secured Claims – Volvo	Impaired / Entitled to Vote	$1,094,318[17]	100% of the value of the Pre-petition Lender's Collateral
Class 2I: Lender Secured Claims – Capital One	Impaired / Entitled to Vote	$1,432,250[18]	100% of the value of the Pre-petition Lender's Collateral
Class 2J: Lender Secured Claims – Webster Capital	Impaired / Entitled to Vote	$897,669	100% of the value of the Pre-petition Lender's Collateral
Class 3A:	Unimpaired / Deemed to Accept / Not Entitled to Vote	Protective - $9,539,000 U.S. Fire - $2,450,000	100%
Auto Insurer Secured Claims	Each Auto Insurer shall be entitled to retain the collateral it is holding in the form of Auto Liability LC Proceeds, and to use its collateral in accordance with the applicable Excess Indemnity Contract and all other related agreements in which it is a party with a Debtor or Debtors.		

[14] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[15] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[16] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[17] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[18] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.

CONSOLIDATED NEMF DEBTORS			
CLASS	**TREATMENT/VOTING STATUS**	**RANGE OF ESTIMATED ALLOWED CLAIM AMOUNTS AGAINST CONSOLIDATED NEMF DEBTORS [1]**	**ESTIMATED RECOVERIES OR AMOUNTS AVAILABLE FOR DISTRIBUTION FROM CONSOLIDATED NEMF DEBTORS**
Class 3B:	Unimpaired / Deemed to Accept / Not Entitled to Vote	Hartford - $14,775,000 Travelers - $46,000 Fidelity - $1,585,000 Arch - $1,000,000 Liberty - $428,000	100%
Insurer Secured Claims (WC) [2]	Each Workers' Comp Insurer shall be entitled to retain the collateral it is holding in the form of letter of credit proceeds, and to use its collateral in accordance with the applicable Insurance Policy and any other agreements in which it is a party with a Debtor or Debtors.		
Class 4:	Unimpaired / Deemed to Accept / Not Entitled to Vote	$1,134,534	100%
Other Secured Claims	Class 4 Other Secured Claims are the Secured Claims of lessors and utilities to the extent that such holder has a non-avoidable Lien on property in which the Estates have an interest and only to the extent of the value of such interest in the Estates' interest in such property, as provided by section 506(a) of the Bankruptcy Code.		
	To the extent that a Person or Entity holds an Allowed Other Secured Claim, on the Effective Date, the automatic stay shall be lifted and the Holder may exercise its rights to its collateral or security deposit for satisfaction of its Allowed Secured Claim. Any deficiency that exists between the total Allowed amount of such Holder's Claim and the Allowed amount of its Other Secured Claim shall be treated as a Class 5 General Unsecured Claim.		
Class 5A:	Impaired /Entitled to Vote	$12,359,823 to $15,359,823	7-11%

CONSOLIDATED NEMF DEBTORS			
CLASS	**TREATMENT/VOTING STATUS**	**RANGE OF ESTIMATED ALLOWED CLAIM AMOUNTS AGAINST CONSOLIDATED NEMF DEBTORS [1]**	**ESTIMATED RECOVERIES OR AMOUNTS AVAILABLE FOR DISTRIBUTION FROM CONSOLIDATED NEMF DEBTORS**
General Unsecured Claims- Other than Lender Deficiency Claims	Each Holder of an Allowed General Unsecured Claim- Other than Lender Deficiency Claim shall receive a pro rata share of funds available for Distribution on account of such General Unsecured Claim.		
Class 5B:	Impaired / Entitled to Vote	Unliquidated and Unknown [3]	0%
Auto Liability Claims	As of the Effective Date of the Plan, each Holder of an Auto Liability Claim will be subject to the Auto Liability Claims Protocol and shall be entitled to receive up to 100% of the agreed upon, settled or judgment value of such Holder's Auto Liability Claim from the Protective Auto Liability LC Proceeds and/or the U.S. Fire Auto Liability LC Proceeds (as applicable), and/or the Auto Insurers.		
Class 5C	Impaired / Deemed to Reject the Plan/ Not Entitled to Vote	N/A	0%
Auto Insurer Unsecured Indemnity Claims	As of the Effective Date of the Plan, each Holder of an Auto Insurer Unsecured Indemnity Claim shall be deemed to have waived and released such Auto Insurer Indemnity Claim against each of the Auto Liability Claims Released Parties and such Holder shall not be entitled to any Distribution from the Liquidating Trust.		
Class 5D	Impaired /Entitled to Vote		
General Unsecured Claims – Lender Deficiency Claims	Each Holder of an Allowed General Unsecured Claim- Lender Deficiency Claim shall receive a pro rata share of funds available for Distribution on account of such General Unsecured Claim.		

CONSOLIDATED NEMF DEBTORS			
CLASS	**TREATMENT/VOTING STATUS**	**RANGE OF ESTIMATED ALLOWED CLAIM AMOUNTS AGAINST CONSOLIDATED NEMF DEBTORS [1]**	**ESTIMATED RECOVERIES OR AMOUNTS AVAILABLE FOR DISTRIBUTION FROM CONSOLIDATED NEMF DEBTORS**
	5th 3rd	$2,070,654[19]	7-11%
	Capital One	$1,779,428[20]	7-11%
	Chase	$4,007,818[21]	7-11%
	Mercedes Benz	$2,133,725[22]	7-11%
	EastWest	$9,797,214.74[23]	7-11%
	Santander	$5,565,071[24]	7-11%
	TD	$9,342,288[25]	7-11%
	VFS	$583,577[26]	7-11%
	Webster	$74,516	7-11%
	Wells Fargo	$719,493[27]	7-11%
Class 6:	Impaired / Deemed to Reject / Not Entitled to Vote	N/A	0%
Intercompany Claims	Holders of Intercompany Claims shall not receive or retain any property under the Combined Plan and Disclosure Statement on account of such Claims.		
Class 7:	Impaired / Deemed to Reject / Not Entitled to Vote	N/A	0%
Equity Interests	Holders of Equity Interests shall not receive or retain any property under the Combined Plan and Disclosure Statement on account of such Equity Interests.		

[19] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[20] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[21] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[22] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[23] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[24] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[25] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[26] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[27] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.

CONSOLIDATED NEMF DEBTORS			
CLASS	**TREATMENT/VOTING STATUS**	**RANGE OF ESTIMATED ALLOWED CLAIM AMOUNTS AGAINST CONSOLIDATED NEMF DEBTORS [1]**	**ESTIMATED RECOVERIES OR AMOUNTS AVAILABLE FOR DISTRIBUTION FROM CONSOLIDATED NEMF DEBTORS**
NOTES:	**[1]**	**The low amounts in the range are based on the Debtors' books and records. The high amounts in the range are based on filed proofs of claim. All filed and scheduled claims remain subject to further review and challenge.**	
	[2]	**Letters of credit related to workers' compensation insurance policies secured obligations of both NEMF and Eastern; the liabilities shown for Class 3B represent the aggregate liability.**	
	[3]	**The Auto Liability Claims are disputed, unliquidated and contingent Claims.**	

CONSOLIDATED EASTERN DEBTORS			
CLASS	**TREATMENT/VOTING STATUS**	**RANGE OF ESTIMATED ALLOWED CLAIM AMOUNTS AGAINST CONSOLIDATED EASTERN DEBTORS [1]**	**ESTIMATED RECOVERIES OR AMOUNTS AVAILABLE FOR DISTRIBUTION FROM CONSOLIDATED EASTERN DEBTORS**
Class 1:	Unimpaired / Deemed to Accept / Not Entitled to Vote	$7,347	100%
Priority Non-Tax Claims	Except to the extent that a Holder of an Allowed Priority Non-Tax Claim against any of the Debtors agrees to less favorable treatment of such Claim, each such Holder shall receive, in full and final satisfaction of such Claim, Cash in an amount equal to such Claim, payable on the later of the Effective Date and the date on which such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim.		
Class 2A:	Impaired / Entitled to Vote	$334,230[28]	100% of the value of the Pre-petition Lender's Collateral
Lender Secured Claims – TD Bank			

[28] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.

CONSOLIDATED EASTERN DEBTORS			
CLASS	**TREATMENT/VOTING STATUS**	**RANGE OF ESTIMATED ALLOWED CLAIM AMOUNTS AGAINST CONSOLIDATED EASTERN DEBTORS [1]**	**ESTIMATED RECOVERIES OR AMOUNTS AVAILABLE FOR DISTRIBUTION FROM CONSOLIDATED EASTERN DEBTORS**
Class 2B: Lender Secured Claims – East West Bank	Impaired / Entitled to Vote	$554,740[29]	100% of the value of the Pre-petition Lender's Collateral
Class 2C: Lender Secured Claims – Reserved		$0	
Class 2D: Lender Secured Claims – Fifth Third	Impaired / Entitled to Vote	$2,803,401[30]	100% of the value of the Pre-petition Lender's Collateral
Class 2E: Lender Secured Claims – Santander	Impaired / Entitled to Vote	$2,596,168.59[31]	100% of the value of the Pre-petition Lender's Collateral
Class 2F: Lender Secured Claims – Wells Fargo	Impaired / Entitled to Vote	$900,534[32]	100% of the value of the Pre-petition Lender's Collateral
Class 2G: Lender Secured Claims – Mercedes Benz	Impaired / Entitled to Vote	$1,369,751.02[33]	100% of the value of the Pre-petition Lender's Collateral
Class 2H: Lender Secured Claims – Reserved		$0	
Class 2I: Lender Secured Claims – Capital One	Impaired / Entitled to Vote	$759,464.82[34]	100% of the value of the Pre-petition Lender's Collateral
Class 2J: Lender Secured Claims – Reserved		$0	
Class 3A:	Unimpaired / Deemed to Accept / Not Entitled to Vote	Protective - $9,539,000 U.S. Fire - $2,450,000	100%

[29] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[30] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[31] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[32] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[33] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[34] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.

CONSOLIDATED EASTERN DEBTORS			
CLASS	**TREATMENT/VOTING STATUS**	**RANGE OF ESTIMATED ALLOWED CLAIM AMOUNTS AGAINST CONSOLIDATED EASTERN DEBTORS [1]**	**ESTIMATED RECOVERIES OR AMOUNTS AVAILABLE FOR DISTRIBUTION FROM CONSOLIDATED EASTERN DEBTORS**
Auto Insurer Secured Claims	Each Auto Insurer shall be entitled to retain the collateral it is holding in the form of Auto Liability LC Proceeds, and to use its collateral in accordance with the applicable Excess Indemnity Contract and all other related agreements in which it is a party with a Debtor or Debtors.		
Class 3B:	Unimpaired / Deemed to Accept / Not Entitled to Vote	Hartford - $14,775,000 Travelers - $46,000 Fidelity - $1,585,000 Arch - $1,000,000 Liberty - $428,000	100%
Insurer Secured Claims (WC) [2]	Each Workers' Comp Insurer shall be entitled to retain the collateral it is holding in the form of letter of credit proceeds, and to use its collateral in accordance with the applicable Insurance Policy and any other agreements in which it is a party with a Debtor or Debtors.		
Class 4:	Unimpaired / Deemed to Accept / Not Entitled to Vote	$0	100%
Other Secured Claims	Class 4 Other Secured Claims are the Secured Claims of lessors and utilities to the extent that such holder has a non-avoidable Lien on property in which the Estates have an interest and only to the extent of the value of such interest in the Estates' interest in such property, as provided by section 506(a) of the Bankruptcy Code.		

CONSOLIDATED EASTERN DEBTORS			
CLASS	**TREATMENT/VOTING STATUS**	**RANGE OF ESTIMATED ALLOWED CLAIM AMOUNTS AGAINST CONSOLIDATED EASTERN DEBTORS [1]**	**ESTIMATED RECOVERIES OR AMOUNTS AVAILABLE FOR DISTRIBUTION FROM CONSOLIDATED EASTERN DEBTORS**
	To the extent that a Person or Entity holds an Allowed Other Secured Claim, on the Effective Date, the automatic stay shall be lifted and the Holder may exercise its rights to its collateral or security deposit for satisfaction of its Allowed Secured Claim. Any deficiency that exists between the total Allowed amount of such Holder's Claim and the Allowed amount of its Other Secured Claim shall be treated as a Class 5 General Unsecured Claim.		
Class 5A:	Impaired /Entitled to Vote	$524,024	3-7%
General Unsecured Claims- Other than Lender Deficiency Claims	Each Holder of an Allowed General Unsecured Claim- Other than Lender Deficiency Claim shall receive a pro rata share of funds available for Distribution on account of such General Unsecured Claim.		
Class 5B:	Impaired / Entitled to Vote	Unliquidated and Unknown [3]	0%
Auto Liability Claims	As of the Effective Date of the Plan, each Holder of an Auto Liability Claim will be subject to the Auto Liability Claims Protocol and shall be entitled to receive up to 100% of the agreed upon, settled or judgment value of such Holder's Auto Liability Claim from the Protective Auto Liability LC Proceeds and/or the U.S. Fire Auto Liability LC Proceeds (as applicable), and/or the Auto Insurers.		
Class 5C	Impaired / Deemed to Reject the Plan/ Not Entitled to Vote	N/A	0%

CONSOLIDATED EASTERN DEBTORS			
CLASS	**TREATMENT/VOTING STATUS**	**RANGE OF ESTIMATED ALLOWED CLAIM AMOUNTS AGAINST CONSOLIDATED EASTERN DEBTORS [1]**	**ESTIMATED RECOVERIES OR AMOUNTS AVAILABLE FOR DISTRIBUTION FROM CONSOLIDATED EASTERN DEBTORS**
Auto Insurer Unsecured Indemnity Claims	As of the Effective Date of the Plan, each Holder of an Auto Insurer Unsecured Indemnity Claim shall be deemed to have waived and released such Auto Insurer Indemnity Claim against each of the Auto Liability Claims Released Parties and such Holder shall not be entitled to any Distribution from the Liquidating Trust.		
Class 5D	Impaired /Entitled to Vote		
General Unsecured Claims – Lender Deficiency Claims	Each Holder of an Allowed General Unsecured Claim-Lender Deficiency Claim shall receive a pro rata share of funds available for Distribution on account of such General Unsecured Claim.		
	5th 3rd	$7,630,028[35]	3-7%
	Capital One	$2,452,213.16[36]	3-7%
	Chase	$14,280,282[37]	3-7%
	Mercedes Benz	$6,097,596.87[38]	3-7%
	EastWest	$15,572,110.74[39]	3-7%
	Santander	$9,916,345[40]	3-7%
	TD	$16,386,372[41]	3-7%
	VFS	$1,677,895[42]	3-7%
	Webster	$74,516	3-7%
	Wells Fargo	$3,325,771[43]	3-7%
Class 6:	Impaired / Deemed to Reject / Not Entitled to Vote	N/A	0%

[35] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[36] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019
[37] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[38] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[39] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[40] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[41] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[42] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.
[43] An Allowed Claim, pending approval by the Court under Bankruptcy Rule 9019.

CONSOLIDATED EASTERN DEBTORS			
CLASS	**TREATMENT/VOTING STATUS**	**RANGE OF ESTIMATED ALLOWED CLAIM AMOUNTS AGAINST CONSOLIDATED EASTERN DEBTORS [1]**	**ESTIMATED RECOVERIES OR AMOUNTS AVAILABLE FOR DISTRIBUTION FROM CONSOLIDATED EASTERN DEBTORS**
Intercompany Claims	Holders of Intercompany Claims shall not receive or retain any property under the Combined Plan and Disclosure Statement on account of such Claims.		
Class 7:	Impaired / Deemed to Reject / Not Entitled to Vote	N/A	0%
Equity Interests	Holders of Equity Interests shall not receive or retain any property under the Combined Plan and Disclosure Statement on account of such Equity Interests.		
NOTES:	**[1]**	**The low amounts in the range are based on the Debtors' books and records. The high amounts in the range are based on filed proofs of claim. All filed and scheduled claims remain subject to further review and challenge.**	
	[2]	**Letters of credit related to workers' compensation insurance policies secured obligations of both NEMF and Eastern; the liabilities shown for Class 3B represent the aggregate liability.**	
	[3]	**The Auto Liability Claims are disputed, unliquidated and contingent claims.**	

C. Analysis of Potential Distribution under the Proposed Plan

For illustration and informational purposes only, the analysis on the following page is intended as an estimate of potential distributions under this "two pot" Plan, and as a comparison to the potential distributions under a complete substantive consolidation of the Debtors.

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NEMF - Eastern Carrier Proposed Distribution Summary
November 7, 2019

	Accounts Currently at JP Morgan Chase		
NEMF	4,344,831		
Eastern		3,441,237	
Carrier		316,056	
NEMF Log	32,764		
NEWT	218,193		
APEX	-		
MYAR	-		
JANS	-		
Total Available Cash	4,595,789	3,757,293	8,353,082
Eastern/Carrier Sale ESCROW	5,958,117		
Available Cash - NEMF, et al.	4,595,789		
Available Cash - Eastern/Carrier	3,757,293		
Total Available Cash for Distribution	**14,311,199**		
Misc. Equipment ESCROW	116,385		
Travelers (Claims Acct.)	-		
Utility Deposit	142,985		
WARN Act 2 ESCROW	650,000		
Total Blocked Cash to be Paid	**909,370**		
Bank Balance as of 11/3	**4,595,789**	**3,757,293**	**8,353,082**

FORECASTED Source of Funds : By Entity		**NEMF***	**Eastern/Carrier**	**Totals**
Proposed Settlement for the Distribution of the Eastern Escrow Acct. ($5,958,117)	75%	4,676,809	1,281,308	5,958,117
Unencumbered Rolling Stock - Missing Titles		39,000		39,000
Settlement Recovery from T&M - (Final)		100,000		100,000
		4,815,809	**1,281,308**	**6,097,117**
Note Receivable - Life Insurance Policies - (Insider Settlement)	75%	2,250,000	750,000	3,000,000
Settlement Recovery from Insiders - (Insider Settlement)	75%	1,950,000	650,000	2,600,000
		4,200,000	**1,400,000**	**5,600,000**
Potential Recovery from Preference Actions		-	-	-
Total Forecasted Source of Funds		**9,015,809**	**2,681,308**	**11,697,117**
Expenses : By Entity		**NEMF**	**Eastern/Carrier**	**Totals**
Wind Down Expense thru December		**(627,294)**		(627,294)
Re-Allocation of Professional Fees Paid thru 9/29 - Accrued Thru June		**996,249**	**(996,249)**	-
Allocation of Accrued Prof Fees Thru June		**(178,972)**	**(34,280)**	(214,252)
Professional fees Accrued for July + August		**(1,267,302)**	**(241,391)**	(1,508,693)
Professional Fees (Sept. - Dec.) Still Needed - Estimate		**(2,100,000)**	**(400,000)**	**(2,500,000)**
Total Forecasted Expenses		**(3,178,318)**	**(1,671,921)**	**(4,850,239)**
Estimated Bank Cash Balance at 12/31		**10,433,279**	**4,766,680**	**15,199,960**
Estimated Book Cash Balance at 12/31		**10,433,279**	**4,766,680**	**15,199,960**

NEMF Claim - $6,235,745.68	$4,676,809.19	75%
Eastern/Carrier Residual	$1,281,307.82	

Allocation Calculation:			
Based on asset value as of Filing Date (2/11/2019)			
NEMF	$160.3 Million	84%	75%
Eastern/Carrier	$30.0 Million	16%	25%
	$190.3 Million		

Eastern/Carrier Distribution

Cash for Distribution	**4,766,680**
Less:	
Total Priority Claims	**$7,347**
Administrative Claims:	
Post Petition Health Care-Related Claims (From Deloitte Valuation)	$80,360
Post Petition Auto Liability Claims	$191,395
503(b) (9) Claims	$6,828
Other Admin. Claims	$16,476
Total Admin. Claims	**$295,659**
Total Priority & Admin. Claims	**$303,006**
Cash Available for General Unsecured Claims ("GUC")	**$4,463,674**

General Unsecured Claims:

Secured Lender Deficiency Claims and LOC Claims	LC's	%	Deficiency Claim	Total Est Unsecured Claims	%	% of Total GUC's	Estimated Amount to Receive	
TD Bank	$7,340,216	33%	$9,046,156	16,386,372	21.2%	20.68%	$922,315	
East West Bank	$5,966,570	27%	$9,605,641	15,572,111	20.1%	19.64%	$876,484	
Santander	$4,387,344	20%	$5,529,001	9,916,345	12.8%	12.50%	$558,146	
Chase	$3,891,759	18%	$10,388,523	14,280,282	18.4%	18.01%	$803,773	
Daimler			$6,097,597	6,097,597	7.9%	7.69%	$343,206	
5th 3rd			$7,630,028	7,630,028	9.9%	9.62%	$429,460	
Capital One	$428,000	2%	$2,024,213	2,452,213	3.2%	3.09%	$138,024	
Wells Fargo			$3,325,771	3,325,771	4.3%	4.19%	$187,193	
VFS			$1,677,895	1,677,895	2.2%	2.12%	$94,441	
Webster			$74,516	74,516	0.1%	0.09%	$4,194	
Bank Claim Totals	$22,013,890		$55,399,242	77,413,131	100.0%	97.62%	$4,357,236	77,413,131
Auto Liability Claims						0.00%	$0	-
Executory Contract Rejection Damages Claims						2.23%	$99,458	1,767,024
Auto Insurer Indemnity Claims							$0	-
Other GUC's						0.16%	$194	124,024
						2.38%	$99,652	1,891,048
Total Preliminary General Unsecured Claims								79,304,179
Cash Available for General Unsecured Claims ("GUC")						100.00%	$4,456,887	**$4,463,674**
Preliminary Potential Percentage Recovery for GUC's								**5.6%**

NEMF and Other(s) Distribution

									Two Pot Plan	Recovery
Cash for Distribution									**10,433,279**	
Less:										
Priority Claims:										
Priority Tax Claims									$1,314,528	
Non-Tax Priority Claims									$333,154	
Other Secured Claims									$126,424	
Total Priority Claims									**$1,774,106**	
Administrative Claims:										
Post Petition Health Care-Related Claims (From Deloitte Valuation)									$425,040	
Post Petition Auto Liability Claims									$27,104	
503(b) (9) Claims									$2,387,168	
Other Admin. Claims									$269,677	
Total Admin. Claims									**$3,108,989**	
Total Priority & Admin. Claims									**$4,883,095**	
Cash Available for General Unsecured Claims ("GUC")									**$5,550,184**	
General Unsecured Claims:										
Secured Lender Deficiency Claims and LOC Claims	**LC's**	**%**	**Deficiency from Auction Sales**	**Total Est. Unsecured Claims**	**%**	**% of Total GUC's**	**Estimated Amount to Receive**			
East West Bank	$5,966,570	27%	$3,830,845	9,797,215	12.7%	14.01%	$777,798			
TD Bank	$7,340,216	33%	$2,002,072	9,342,288	12.1%	13.36%	$741,681			
Santander	$4,387,344	20%	$1,177,727	5,565,071	7.2%	7.96%	$441,869			
Chase	$3,691,759	18%	$116,059	4,007,818	5.2%	5.73%	$318,179			
Daimler			$2,133,725	2,133,725	2.8%	3.05%	$169,386			
5th 3rd			$2,070,654	2,070,654	2.7%	2.96%	$164,389			
Capital One	$428,000	2%	$1,351,428	1,779,428	2.3%	2.55%	$141,268			
Wells Fargo			$719,493	719,493	0.9%	1.03%	$57,120			
VFS			$583,577	583,577	0.8%	0.83%	$46,330			
Webster			$74,516	74,516	0.1%	0.11%	$5,916			
Bank Claim Totals	**$22,013,890**		**$14,953,897**	**36,073,787**	**46.6%**	**51.68%**	**$2,863,886**	**36,073,787**		
Auto Liability Claims						0.00%	$0	-		
Executory Contract Rejection Damages Claims						19.28%	$1,068,939	13,477,064		
Auto Insurer Indemnity Claims							$0	-		
Lease Rejection Claim from Insider Settlement						7.15%	$396,948	**5,000,000**		
Other GUC's						21.97%	$1,219,411	**15,359,823**		
						48.40%	$2,686,299	33,836,887		
Total Preliminary General Unsecured Claims								**69,910,674**		
Cash Available for General Unsecured Claims ("GUC")						100.00%	$5,550,184	**$5,550,184**		
Preliminary Potential Percentage Recovery for GUC's								**7.9%**		

D. Confirmation Procedure

1. Confirmation Hearing

A hearing before the Honorable John K. Sherwood has been scheduled for **January 14, 2020 at 11:00 a.m. (Prevailing Eastern Time)**, at the United States Bankruptcy Court for the District of New Jersey, 50 Walnut street, 3rd Floor, Courtroom 3D, Newark, New Jersey 07102 to consider confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code. The 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 or by Filing a notice with the Bankruptcy Court.

2. Procedure for Objections

Any objection to confirmation of the Plan must: (a) be in writing, (b) conform to the Bankruptcy Rules and Local Bankruptcy Rules, and (c) be filed with the Bankruptcy Court and served so as to be actually received on or before **January 6, 2020 at 4:00 p.m. (prevailing Eastern Time) ("Confirmation Objection Deadline")**, by (i) counsel for the Debtors, Gibbons P.C., One Gateway Center, Newark, NJ 07102 (Attn: Karen A. Giannelli, Esq.; (ii) counsel to the Official Committee of Unsecured Creditors, Lowenstein Sandler LLP, One Lowenstein Drive, Roseland, NJ 07068 (Attn: Mary E. Seymour, Esq. and Joseph J. DiPasquale) and Elliott Greenleaf, P.C., 1105 North Market Street, Suite 1700, Wilmington, DE 19801 (Attn: Rafael X. Zahralddin-Aravena, Esq.); and (iii) Office of the United States Trustee, One Newark Center, 1085 Raymond Boulevard, Suite 2100, Newark, NJ 07102 (Attn: Peter J. D'Auria, Esq.). **Unless an objection is timely filed and served by the Confirmation Objection Deadline, such objection may not be considered by the Bankruptcy Court at the Confirmation Hearing.**

3. Requirements for Confirmation

The Bankruptcy Court will confirm the Plan only if it meets all the applicable requirements of section 1129 of the Bankruptcy Code. Among the requirements for confirmation is that the Plan be: (a) accepted by all Impaired Classes of Claims and Equity Interests or, if rejected by an Impaired Class, that the Plan "does not discriminate unfairly" against and is "fair and equitable" with respect to such Class; and (b) feasible. The Bankruptcy Court must also find that:

(a) The Plan satisfies the requirements for adequacy of disclosure under section 1125 of the Bankruptcy Code;

(b) The Plan has classified Claims and Equity Interests in a permissible manner;

(c) The Plan complies with the technical requirements of Chapter 11 of the Bankruptcy Code; and

(d) The Plan has been proposed in good faith.

The Debtors and the Committee believe that the Plan complies, or will comply, with all such requirements.

4. Classification of Claims and Equity Interests

Section 1122 of the Bankruptcy Code requires the Plan to place a Claim or Equity Interest in a particular Class only if such Claim or Equity Interest is substantially similar to the other Claims or Equity Interests in such Class. The Plan creates separate Classes to deal respectively with the various classes of Claims and Equity Interests. The Debtors and the Committee believe that the Plan's classifications place substantially similar Claims or Equity Interests in the same Class and thus meets the requirements of section 1122 of the Bankruptcy Code.

5. Impaired Claims or Equity Interests

Section 1124 of the Bankruptcy Code provides that a Class of Claims or Equity Interests may be Impaired if the Plan alters the legal, equitable or contractual rights of the Holders of such Claims or Equity Interests. Holders of Claims or Equity Interests that are Impaired are entitled to

vote on the Plan. Holders of Claims that are Unimpaired by the Plan are deemed to accept the Plan and do not have the right to vote on the Plan. Under the Plan, the Holders of Intercompany Claims and Equity Interests will not receive or retain any property under the Plan and are deemed to reject the Plan and do not have the right to vote. Finally, the Holders of Claims that are not classified under the Plan are not entitled to vote on the Plan.

6. Eligibility to Vote on the Plan

Unless otherwise ordered by the Bankruptcy Court, only Holders of Claims in Classes 2, 5A, 5B and 5D may vote on the Plan (collectively, the "Impaired Claims").

7. Solicitation Notice

All Holders of Impaired Claims will receive, among other documents, the Confirmation Notice, a form of Ballot, a copy of the Plan, and a Cover Letter from the Committee summarizing the Plan.

All other creditors not entitled to vote on the Plan will only receive (i) the Confirmation Notice, and (ii) a non-voting notice containing (a) the website address, https://www.donlinrecano.com/Clients/nemf/Static/CaseInformation, where parties in interest may download electronic copies of the Plan and other related pleadings to the Chapter 11 Cases, (b) the address for the Voting Agent, Donlin, Recano & Company, Inc., Re: New England Motor Freight, Inc., *et al.* Balloting Attn: Voting Department, P.O. Box 199043, Blythebourne Station, Brooklyn, NY 11219, pursuant to which parties in interest may request copies of the Plan, Ballot, and related documents and (c) reference to the Bankruptcy Court's website, through which parties in interest can download copies of the Plan, Ballot and other related pleadings.

8. Deadline to File Plan Supplements.

All Plan Supplements must be filed with the Bankruptcy Court at least seven (7) calendar days prior to the Voting Deadline.

9. Procedure/Voting Deadline

In order for your Ballot to count, you must (i) complete, date and properly execute the Ballot, and (ii) properly deliver the Ballot to the Voting Agent by First Class mail to the following address: Donlin, Recano & Company, Inc., Re: New England Motor Freight, Inc., *et al.* Balloting Attn: Voting Department, P.O. Box 199043, Blythebourne Station, Brooklyn, NY 11219 or via overnight courier, messenger or hand deliver to Donlin, Recano & Company, Inc., Re: New England Motor Freight, Inc., *et al.* Balloting Attn: Voting Department, 6201 15th Ave., Brooklyn, NY 11219.

The Voting Agent must ACTUALLY RECEIVE Ballots on or before the Voting Deadline. Except as otherwise ordered by the Bankruptcy Court or agreed to by the Debtors, you may not change your vote or election once after the Voting Deadline.

Any Ballot that is timely received from a party entitled to vote, that contains sufficient information to permit the identification of the party casting the Ballot, and that is cast as an acceptance or rejection of the Plan will be counted and will be deemed to be cast as an acceptance or rejection, as the case may be, of the Plan; provided, however, that the following Ballots will not be counted or considered for any purpose in determining whether the Plan has been accepted or rejected: (a) any Ballot received after the Voting Deadline (unless extended by the Bankruptcy Court or Debtors); (b) any Ballot that is illegible or contains insufficient information to permit the identification of the claimant; (c) any Ballot cast by a Person or Entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan; (d) any Ballot cast for a Claim that is scheduled as contingent, unliquidated or disputed or as zero or unknown in amount and for which

no timely motion is made pursuant to Bankruptcy Rule 3018 (the "Rule 3018(a) Motion"); (e) any Ballot that indicates neither an acceptance nor a rejection, or indicates both an acceptance and rejection of the Plan; (f) any Ballot that casts part of its vote in the same Class to accept the Plan and part to reject the Plan; (g) any form of Ballot other than the official form sent by the Voting Agent; (h) any form of Ballot received that the Voting Agent cannot match to an existing database record; (i) any Ballot that does not contain an original signature; (j) any Ballot that is submitted by facsimile, or by other electronic means (other by email); or (k) any Ballot sent only to Debtors, including but not limited to the CRO or the Debtors' professionals, and not the Voting Agent.

10. Acceptance of the Plan

As a Creditor, your acceptance of the Plan is important. In order for the Plan to be accepted by an Impaired Class of Claims, a majority in number (i.e., more than half) and at least two-thirds in dollar amount of the Claims voting (of each Impaired Class of Claims) must vote to accept the Plan. At least one impaired Class of Creditors, excluding the votes of Insiders, must actually vote to accept the Plan. The Debtors and the Committee urge that you vote to accept the Plan.

11. Elimination of Vacant Classes

Any Class of Claims or Equity Interests that does not contain, as of the date of commencement of the Confirmation Hearing, a Holder of an Allowed Claim or Equity Interest, shall be deemed deleted from the Plan for all purposes, including for purposes of: (i) voting on the acceptance or rejection of the Plan; and (ii) determining acceptance or rejection of the Plan by such Class under section 1129(a)(8) of the Bankruptcy Code.

ARTICLE V.

TREATMENT OF UNCLASSIFIED CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims and Equity Interests set forth in Article VI.

A. Administrative Expense Claims

1. General Administrative Expense Claims

Requests for payment of General Administrative Expense Claims (other than Post Petition Auto Liability Claims governed by the Special Administrative Claims Bar Date) must be filed by no later than the Administrative Claims Bar Date. On the Effective Date or as soon thereafter as is reasonably practicable, each Holder of an Allowed General Administrative Expense Claim shall receive payment in full in Cash of the Allowed amount of such Claim (as determined by settlement or Final Order of the Bankruptcy Court) or such other treatment as may be agreed upon by such Holder of an Allowed General Administrative Expense Claim.

2. Post-Petition Health Care-Related Claims

On August 17, 2019, the Bankruptcy Court approved the Debtors' retention of Deloitte Consulting LLP ("Deloitte") to perform an independent estimate of the Debtors' liability for Post-Petition Health Care-Related Claims as of July 31, 2019. Deloitte estimated the Debtors' liability for Post-Petition Health Care-Related Claims to be in the total amount of $506,179 (with $425,191 attributable to the Consolidated NEMF Debtors, and $80,988 attributable to the Consolidated Eastern Debtors). Pursuant to the Debtors' agreement with its health care plan administrator, the runoff period for Post-Petition Health-Care Related Claims ends on January 31, 2020. On the Effective Date or as soon thereafter as is reasonably practicable, each Holder of an Allowed Post-Petition Health Care-Related Claim shall receive payment in full in Cash of the Allowed amount

of such Claim (as determined by settlement or Final Order of the Bankruptcy Court) or such other treatment as may be agreed upon by such Holder of an Allowed Post-Petition Health Care-Related Claims.

3. Professional Fee Claims

(a) *Pre-Effective Date Fees and Expenses*

All Claims for fees and expenses incurred by Retained Professionals from the Petition Date through the Effective Date, to the extent not already paid, shall receive payment in full in Cash of the Allowed amount of such Claim (as determined by settlement or Final Order of the Bankruptcy Court) or such other treatment as may be agreed upon by such Holder of an Allowed Professional Fee Claim.

(b) *Post-Effective Date Fees and Expenses*

After the Effective Date, any requirement that Retained Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Liquidating Trustee may employ and pay any Retained Professional in the ordinary course of business without any further notice, to or action, order, or approval of, the Bankruptcy Court.

4. Statutory Fees

All Statutory Fees that become due and payable prior to the Effective Date shall be paid by the Debtors or the Liquidating Trustee within thirty (30) days after the Effective Date. After the Effective Date, the Liquidating Trustee shall pay any and all such fees when due and payable for each of the two consolidated debtor groups, and shall file quarterly reports in the form prescribed by the United States Trustee.

B. Priority Tax Claims

Except to the extent that a Holder of an Allowed Priority Tax Claim has been paid prior to the Effective Date or agrees to a different treatment, each Holder of an Allowed Priority Tax Claim shall receive, in full and complete settlement, satisfaction and discharge of its Allowed Priority Tax Claim, at the option of the Liquidating Trustee, (a) Cash in an amount equal to such Allowed Priority Tax Claim on the later of the Effective Date and the date such Priority Tax Claim becomes an Allowed Priority Tax Claim, or as soon thereafter as is practicable, (b) in accordance with section 1129(a)(9)(C) of the Bankruptcy Code, equal annual Cash payments commencing on the first anniversary of the Effective Date in an aggregate amount equal to such Allowed Priority Tax Claim, together with interest on any outstanding balance from the Effective Date at the applicable rate under non-bankruptcy law, over a period not exceeding five (5) years after the Petition Date or (c) upon such other terms determined by the Bankruptcy Court to provide the Holder of such Allowed Priority Tax Claim with deferred Cash payments having a value, as of the Effective Date, equal to such Allowed Priority Tax Claim; provided, however, that the Liquidating Trustee shall have the right to pay any Allowed Priority Tax Claim, or any remaining balance, in full, at any time on or after the Effective Date, without premium or penalty.

ARTICLE VI.

CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. Classification of Claims

1. Consolidated NEMF Debtors

CLASS	TYPE	STATUS UNDER PLAN	VOTING STATUS
1	Priority Non-Tax Claims	Unimpaired	Deemed to Accept
2A	Lender Secured Claims – TD Bank	Impaired	Entitled to Vote
2B	Lender Secured Claims – East West Bank	Impaired	Entitled to Vote

CLASS	TYPE	STATUS UNDER PLAN	VOTING STATUS
2C	Lender Secured Claims – JPMorgan Chase	Impaired	Entitled to Vote
2D	Lender Secured Claims – Fifth Third	Impaired	Entitled to Vote
2E	Lender Secured Claims – Santander	Impaired	Entitled to Vote
2F	Lender Secured Claims – Wells Fargo	Impaired	Entitled to Vote
2G	Lender Secured Claims – Mercedes Benz	Impaired	Entitled to Vote
2H	Lender Secured Claims – Volvo	Impaired	Entitled to Vote
2I	Lender Secured Claims – Capital One	Impaired	Entitled to Vote
2J	Lender Secured Claims – Webster Capital	Impaired	Entitled to Vote
3A	Auto Insurer Secured Claims	Unimpaired	Deemed to Accept
3B	Insurer Secured Claims (WC)	Unimpaired	Deemed to Accept
4	Other Secured Claims	Unimpaired	Deemed to Accept
5A	General Unsecured Claims - Other than Lender Deficiency Claims	Impaired	Entitled to Vote
5B	Auto Liability Claims	Impaired	Entitled to Vote
5C	Auto Insurer Unsecured Indemnity Claims	Impaired	Deemed to Reject
5D	General Unsecured Claims Lender Deficiency Claims	Impaired	Entitled to Vote
6	Intercompany Claims	Impaired	Deemed to Reject
7	Equity Interests	Impaired	Deemed to Reject

2. Consolidated Eastern Debtors

CLASS	TYPE	STATUS UNDER PLAN	VOTING STATUS
1	Priority Non-Tax Claims	Unimpaired	Deemed to Accept
2A	Lender Secured Claims – TD Bank	Impaired	Entitled to Vote
2B	Lender Secured Claims – East West Bank	Impaired	Entitled to Vote
2C	Lender Secured Claims – RESERVED	Impaired	Entitled to Vote
2D	Lender Secured Claims – Fifth Third	Impaired	Entitled to Vote

CLASS	TYPE	STATUS UNDER PLAN	VOTING STATUS
2E	Lender Secured Claims – Santander	Impaired	Entitled to Vote
2F	Lender Secured Claims – Wells Fargo	Impaired	Entitled to Vote
2G	Lender Secured Claims – Mercedes Benz	Impaired	Entitled to Vote
2H	Lender Secured Claims – RESERVED	Impaired	Entitled to Vote
2I	Lender Secured Claims – Capital One	Impaired	Entitled to Vote
2J	Lender Secured Claims – Webster Capital	Impaired	Entitled to Vote
3A	Auto Insurer Secured Claims	Unimpaired	Deemed to Accept
3B	Insurer Secured Claims (WC)	Unimpaired	Deemed to Accept
4	Other Secured Claims	Unimpaired	Deemed to Accept
5A	General Unsecured Claims - Other than Lender Deficiency Claims	Impaired	Entitled to Vote
5B	Auto Liability Claims	Impaired	Entitled to Vote
5C	Auto Insurer Unsecured Indemnity Claims	Impaired	Deemed to Reject
5D	General Unsecured Claims Lender Deficiency Claims	Impaired	Entitled to Vote
6	Intercompany Claims	Impaired	Deemed to Reject
7	Equity Interests	Impaired	Deemed to Reject

This Plan is premised upon the substantive consolidation of the Debtors into two groups. Accordingly, for purposes of the Plan only, the assets and liabilities of the Debtors are deemed the assets and liabilities of two separate substantively consolidated entities and no value is attributed to the membership interests held by NEMF in MyJon, and held by Eastern in Myar. Claims filed against more than one Debtor seeking recovery of the same debt shall be treated as one non-aggregated Claim against the consolidated Estates to the extent that such Claim is an Allowed Claim.

The categories of Claims and Equity Interests listed below are classified for all purposes, including voting, confirmation and Distribution pursuant to the Plan, as follows:

B. Treatment of Claims and Equity Interests

1. Consolidated NEMF Debtors

(a) *Class 1: Priority Non-Tax Claims*

Class 1 consists of the Priority Non-Tax Claims.

Except to the extent that a Holder of an Allowed Other Priority Claim against any of the Debtors agrees to less favorable treatment of such Claim, each such Holder shall receive, in full and final satisfaction of such Claim, Cash in an amount equal to such Claim, payable on the later of the Effective Date and the date on which such Other Priority Claim becomes an Allowed Other Priority Claim.

Class 1 is Unimpaired. The Holders of Allowed Other Priority Claims are unimpaired and deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

(b) *Classes 2A through 2J: Lender Secured Claims – Prepetition Lenders*

Classes 2A through 2J consist of the Lender Secured Claims for each of the Debtors' Prepetition Lenders. These classes are Impaired. The Holder(s) of the Allowed Lender Secured Claims are entitled to vote on the Plan.

(c) *Classes 3A and 3B: Insurer Secured Claims*

Class 3A consists of Auto Insurer Secured Claims; Class 3B consists of Insurer Secured Claims (WC). These classes are Unimpaired. The Holders of Allowed Auto Insurer Secured Claims are unimpaired and deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. The Holders of Allowed Insurer Secured Claims (WC) are unimpaired and deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

(d) *Class 4: Other Secured Claims*

Class 4 consists of the Other Secured Claims. Each Other Secured Claim is secured only to the extent that any such Holder has a non-avoidable Lien on property in which the Estates have

an interest and only to the extent of the value of such Holder's interest in the respective Estate's interest in such property.

On the Effective Date, and except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, at the option of the Debtors or Liquidating Trustee, each holder of an Allowed Other Secured Claim shall receive: (i) payment in full in Cash in full and final satisfaction of such Claim, payable on the later of the Effective Date or the date such Other Secured Claims becomes an Allowed Other Secured Claim, (ii) delivery of the collateral securing such Allowed Other Secured Claims and payment of any interest required by section 506(b) of the Bankruptcy Code, or (iii) such other treatment necessary to satisfy section 1129 of the Bankruptcy Code.

Class 4 is Unimpaired. The Holders of Allowed Other Secured Claims are unimpaired and deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

(e) *Class 5A: General Unsecured Claims Other than Lender Deficiency Claims*

Class 5A consists of General Unsecured Claims other than Lender Deficiency Claims. Each Holder of an Allowed General Unsecured Claim other than NEMF Lender Deficiency Claim shall receive a Beneficial Interest that entitles it to its *pro rata* share (in proportion to each Holder's Allowed Claim to aggregate amount of Allowed Claims in Class 5A) of the Liquidating Trust Assets available for Distribution. Class 5A Claims will share *pro rata* with Class 5D Claims.

Class 5A is Impaired. Holders of General Unsecured Claims in Class 5A are entitled to vote on the Plan.

(f) *Class 5B: Auto Liability Claims*

Class 5B consists of Auto Liability Claims. All Auto Liability Claims are Disputed. Auto Liability Claims shall be administered pursuant to the Auto Liability Claims Protocol and shall be

subject to the Auto Liability Claims Injunction provision set forth in Article X(D) of this Plan, and the Release provisions set forth in Article X(B) of the Plan. To the extent any Auto Liability Claim becomes an Allowed Claim, such Claim shall be treated pursuant to the Auto Liability Claims Protocol, unless otherwise agreed by the Liquidation Trustee, the applicable Insurer and the Holder of such Allowed Auto Liability Claim. Class 5B is Impaired. Holders of General Unsecured Claims in Class 5B are entitled to vote on the Plan.

(g) *Class 5C: Auto Insurer Unsecured Indemnity Claims*

Class 5C consists of Auto Insurer Unsecured Indemnity Claims. Auto Insurer Unsecured Indemnity Claims, if any, are Disputed. Pursuant to the Auto Liability Claims Protocol, the Auto Insurers have each agreed to waive and/or release any and all Auto Insurer Unsecured Indemnity Claims that such Auto Insurer may have against each of the Auto Liability Claims Released Parties as of the Effective Date of the Plan. All Auto Insurer Unsecured Indemnity Claims shall be subject to the Injunction provision set forth in Article X(D) of the Plan, the Release provisions set forth in Article X(B) of the Plan and the terms of the Auto Liability Claims Protocol Settlement Agreement. Holders of Auto Insurer Unsecured Indemnity Claims are not entitled to receive any Distribution from the Liquidating Trust Assets on account of any such Auto Insurer Unsecured Indemnity Claims.

(h) *Class 5D: General Unsecured Claims- Lender Deficiency Claims*

Class 5D consists of General Unsecured Claims- Lender Deficiency Claims. Each Holder of an Allowed General Unsecured Claim- Lender Deficiency Claim shall receive a Beneficial Interest that entitles it to its pro rata share (in proportion to each Holder's Allowed Claim to aggregate amount of Allowed Claims in Class 5D) of the Liquidating Trust Assets available for Distribution. Class 5D Claims will share *pro rata* with Class 5A Claims.

Class 5D is Impaired. Holders of General Unsecured Claims in Class 5D are entitled to vote on the Plan.

(i) *Class 6: Intercompany Claims*

Class 6 consists of the Intercompany Claims. On the Effective Date, all Intercompany Claims shall be extinguished and deemed cancelled. The Holders of Intercompany Claims will receive no Distribution under the Plan.

Class 6 Claims are Impaired. Holders of Class 6 Claims are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

(j) *Class 7: Equity Interests*

Class 7 consists of Equity Interests. On the Effective Date, Equity Interests in each of the Consolidated NEMF Debtors shall be deemed to be cancelled. The Holders of Equity Interests will receive no Distribution or other recovery on account of such Equity Interests.

2. Consolidated Eastern Debtors

(a) *Class 1: Priority Non-Tax Claims*

Class 1 consists of the Priority Non-Tax Claims.

Except to the extent that a Holder of an Allowed Other Priority Claim against any of the Debtors agrees to less favorable treatment of such Claim, each such Holder shall receive, in full and final satisfaction of such Claim, Cash in an amount equal to such Claim, payable on the later of the Effective Date and the date on which such Other Priority Claim becomes an Allowed Other Priority Claim.

Class 1 is Unimpaired. The Holders of Allowed Other Priority Claims are unimpaired and deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

(b) *Classes 2A through 2J: Lender Secured Claims – Prepetition Lenders*

Classes 2A through 2J consist of the Lender Secured Claims for each of the Debtors' Prepetition Lenders. These Classes are Impaired. The Holder(s) of the Allowed Lender Secured Claims are entitled to vote on the Plan. Classes 2C and 2H are reserved.

(c) *Classes 3A and 3B: Insurer Secured Claims*

Class 3A consists of Insurer Secured Claims (Auto); Class 3B consists of Insurer Secured Claims (WC). These classes are Unimpaired. The Holders of Allowed Insurer Secured Claims (Auto) are unimpaired and deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. The Holders of Allowed Insurer Secured Claims (WC) are unimpaired and deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

(d) *Class 4: Other Secured Claims*

Class 4 consists of the Other Secured Claims. Each Other Secured Claim is secured only to the extent that any such Holder has a non-avoidable Lien on property in which the Estates have an interest and only to the extent of the value of such Holder's interest in the respective Estate's interest in such property.

On the Effective Date, and except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, at the option of the Debtors or Liquidating Trustee, each holder of an Allowed Other Secured Claim shall receive: (i) payment in full in Cash in full and final satisfaction of such Claim, payable on the later of the Effective Date or the date such Other Secured Claims becomes an Allowed Other Secured Claim, (ii) delivery of the collateral securing such Allowed Other Secured Claims and payment of any interest required by section 506(b) of the Bankruptcy Code, or (iii) such other treatment necessary to satisfy section 1129 of the Bankruptcy Code.

Class 4 is Unimpaired. The Holders of Allowed Other Secured Claims are unimpaired and deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

(e) *Class 5A: General Unsecured Claims Other than Lender Deficiency Claims*

Class 5A consists of General Unsecured Claims other than Lender Deficiency Claims. Each Holder of an Allowed General Unsecured Claim other than NEMF Lender Deficiency Claim shall receive a Beneficial Interest that entitles it to its *pro rata* share (in proportion to each Holder's Allowed Claim to aggregate amount of Allowed Claims in Class 5A) of the Liquidating Trust Assets available for Distribution. Class 5A Claims will share *pro rata* with Class 5D Claims.

Class 5A is Impaired. Holders of General Unsecured Claims in Class 5A are entitled to vote on the Plan.

(f) *Class 5B: Auto Liability Claims*

Class 5B consists of Auto Liability Claims. All Auto Liability Claims are Disputed. Auto Liability Claims shall be administered pursuant Auto Liability Claims Protocol and shall be subject to the Auto Liability Claims Injunction provision set forth in Article X(D) of the Plan, and the Release provisions set forth in Article X(B) of the Plan. To the extent any Auto Liability Claim becomes an Allowed Claim, such Claim shall be treated pursuant to the Auto Liability Claims Protocol, unless otherwise agreed by the Liquidation Trustee, the applicable Insurer and the Holder of such Allowed Auto Liability Claim. Class 5B is Impaired. Holders of General Unsecured Claims in Class 5B are entitled to vote on the Plan.

(g) *Class 5C: Auto Insurer Unsecured Indemnity Claims*

Class 5C consists of Auto Insurer Unsecured Indemnity Claims. Auto Insurer Unsecured Indemnity Claims, if any, are Disputed. Pursuant to the Auto Liability Claims Protocol, the Auto Insurers have each agreed to waive and/or release any and all Auto Insurer Unsecured Indemnity

Claims that such Auto Insurer may have against each of the Auto Liability Claims Released Parties as of the Effective Date of the Plan. All Auto Insurer Unsecured Indemnity Claims shall be subject to the Injunction provision set forth in Article X(D) of the Plan, the Release provisions set forth in Article X(B) of the Plan, and the terms of the Auto Liability Claims Protocol Settlement Agreement. Holders of Auto Insurer Unsecured Indemnity Claims are not entitled to receive any Distribution from the Liquidating Trust Assets on account of any such Auto Insurer Unsecured Indemnity Claims.

(h) *Class 5D: General Unsecured Claims – Lender Deficiency Claims*

Class 5D consists of General Unsecured Claims- Lender Deficiency Claims. Each Holder of an Allowed General Unsecured Claim- Lender Deficiency Claim shall receive a Beneficial Interest that entitles it to its *pro rata* share (in proportion to each Holder's Allowed Claim to aggregate amount of Allowed Claims in Class 5D) of the Liquidating Trust Assets available for Distribution. Class 5D Claims will share *pro rata* with Class 5A Claims.

Class 5D is Impaired. Holders of General Unsecured Claims in Class 5D are entitled to vote on the Plan.

(i) *Class 6: Intercompany Claims*

Class 6 consists of the Intercompany Claims. On the Effective Date, all Intercompany Claims shall be extinguished and deemed cancelled. The Holders of Intercompany Claims will receive no Distribution under the Plan.

Class 6 Claims are Impaired. Holders of Class 6 Claims are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

(j) *Class 7: Equity Interests*

Class 7 consists of Equity Interests. On the Effective Date, Equity Interests in the Consolidated Eastern Debtors shall be deemed to be cancelled. The Holders of Equity Interests in the Consolidated Eastern Debtors will receive no Distribution or other recovery on account of such Equity Interests.

C. Modification of Treatment of Claims and Equity Interests

At any time after the Confirmation Date, the Liquidating Trustee has the right to modify the treatment of any Allowed Claim or Equity Interest in any manner adverse only to the Holder of such Claim or Equity Interest with the consent of the Holder of such Claim or Equity Interest.

D. Cramdown and No Unfair Discrimination

With respect to the Impaired Classes that are deemed to have rejected the Plan, the Debtors and Committee hereby request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code with respect to each such non-accepting Class, in which case the Plan shall constitute a motion for such relief.

Confirming the Plan under such circumstances is known as a "cramdown." A "cramdown" is appropriate where the Bankruptcy Court finds that such plan does not "unfairly discriminate" against the objecting class and is "fair and equitable" with respect to such objecting Class. A plan "unfairly discriminates" against a Class if another Class of equal priority will receive greater value under the plan than the non-accepting Class without reasonable justification. A plan is "fair and equitable" if no claim or interest junior to the objecting Class shall receive or retain any property under the plan.

ARTICLE VII.

POST-CONFIRMATION LIQUIDATING TRUST

A. The Liquidating Trust.

1. Plan Administration

The Plan will be administered by the Liquidating Trustee, and all actions taken under the Plan after the Effective Date in the name of the Debtors will be taken through the Liquidating Trustee. The Liquidating Trustee, acting as the Plan Administrator, shall also be authorized to make Distributions on behalf of the Consolidated Eastern Debtors outside of the Liquidating Trust, with all fees and expenses associated therewith payable only from the Liquidating Trust Expense Reserve. The Liquidating Trustee shall use all reasonable and best efforts to make final Distributions on behalf of the Consolidated Eastern Debtors within forty-five (45) days from the Effective Date. Upon the Distribution of all Assets of the Consolidated Eastern Debtors pursuant to this Plan, the Liquidating Trustee shall file a certification to that effect with the Bankruptcy Court (which may be included in the application for entry of a final decree). Upon the Distribution of all Liquidating Trust Assets pursuant to the Plan and the Liquidating Trust Agreement, the Liquidating Trustee shall file a certification to that effect with the Bankruptcy Court (which may be included in the application for the entry of the final decree).

2. Appointment of the Liquidating Trustee

Kevin P. Clancy ("Clancy") shall serve as the Liquidating Trustee and shall serve in such capacity pursuant to the terms of the Liquidating Trust Agreement. For the first six (6) months after the Effective Date, the Liquidating Trustee's compensation shall be set at a flat rate of $25,000 per month,[44] which amount shall be pro-rated for the first month if the Effective Date falls

[44] The Liquidating Trustee (or any successor) shall not be entitled to any additional compensation in its capacity as Plan Administrator.

on any date other than the first of the month; thereafter, the Liquidating Trustee shall be compensated at the lower of his usual hourly rate or a flat rate of $25,000 per month. The appointment of Clancy as the Liquidating Trustee shall be approved in the Confirmation Order, and such appointment shall be as of the Effective Date. In accordance with the Liquidating Trust Agreement, the Liquidating Trustee shall serve in such capacity through the earlier of (i) the date that the Liquidating Trust is dissolved in accordance with Section 6.2(1) and (ii) the date such Liquidating Trustee resigns, is terminated or is otherwise unable to serve, provided, however, that, in the event that the Liquidating Trustee resigns, is terminated or is unable to serve, then the Bankruptcy Court, upon the motion of any party-in-interest, including, but not limited to, counsel to the Liquidating Trust, shall approve a successor to serve as the Liquidating Trustee. Any such successor Liquidating Trustee shall serve in such capacity until the Liquidating Trust is dissolved.

3. Powers and Duties of the Liquidating Trustee

The powers, rights and responsibilities of the Liquidating Trustee (including, with respect to the Consolidated Eastern Debtors, in his capacity as Plan Administrator), all of which shall arise upon the occurrence of the Effective Date, shall include, but are not limited to:

i. making Distributions as contemplated herein;

ii. conducting an analysis of any and all Claims and Interests and prosecuting objections thereto or settling or otherwise compromising such Claims and Interests, if necessary and appropriate;

iii. asserting and enforcing all legal and equitable remedies and defenses belonging to the Debtors or their Estates, including, without limitation, setoff, recoupment, and any rights under section 502(d) of the Bankruptcy Code;

iv. pursuing, litigating or settling Causes of Action in accordance with the Plan and paying all associated costs; except, however, the pursuit of any preference claims under

section 547 of the Bankruptcy Code shall only be done on the basis of a pure contingency fee arrangement with the prosecuting law firm;

v. making payments in connection with Liquidation Trustee Expenses;

vi. marshaling and liquidating the Liquidating Trust Assets, including abandoning any property constituting the Liquidating Trust Assets that cannot be sold or otherwise disposed of for value and whose Distribution to Holders of Allowed Claims would not be feasible or cost-effective in the Liquidating Trustee's reasonable judgment;

vii. preparing and filing post-Effective Date quarterly reports with the United States Trustee;

viii. preparation and filing appropriate tax returns in the exercise of the Liquidating Trustee's fiduciary obligations and in his capacity as the "responsible officer" for the Estates from and after the Effective Date, including for all periods prior to the Effective Date, with all associated costs to be paid from the Liquidating Trust Reserve;

ix. pursuing potential recoveries related to excess reserves held by the worker compensation insurance carriers and over payments from the self-funded healthcare plan;

x. retaining such professionals as are necessary and appropriate in furtherance of Liquidating Trustee's fiduciary obligations;

xi. taking such actions as are necessary and reasonable to carry out the purposes of the Liquidating Trust; and

xii. such other powers as may be vested in or assumed by the Liquidating Trustee pursuant to the Liquidating Trust Agreement, the Plan or Order of the Bankruptcy Court.

Notwithstanding any of the foregoing, after the Effective Date, the Liquidating Trustee may (i) modify or change the amounts in Reserves, or (ii) make Distributions under the Plan, without the need for entry of an order by the Bankruptcy Court.

4. Establishment of a Liquidating Trust

Except as otherwise provided for in the Plan, any and all of the Consolidated NEMF Debtors' Estates' Assets shall remain assets of their respective Estates pursuant to section 1123(b)(3)(B) of the Bankruptcy Code until the Effective Date, and on the Effective Date shall be transferred to and vest in the Liquidating Trust free and clear from any and all Claims and Liens for the uses and purposes set forth herein and for the benefit of the Liquidating Trust Beneficiaries. Pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, only the Liquidating Trust and the Liquidating Trustee shall have the right to pursue or not to pursue, or, subject to the terms of the Plan and the Liquidating Trust Agreement, compromise or settle any Liquidating Trust Assets. From and after the Effective Date, the Liquidating Trust and the Liquidating Trustee may commence, litigate and settle any Causes of Action or Claims relating to the Liquidating Trust Assets or rights to payment or Claims that belong to the applicable Debtors as of the Effective Date or are instituted by the Liquidating Trust and Liquidating Trustee on or after the Effective Date, except as otherwise expressly provided in the Plan and the Liquidating Trust Agreement. Other than as set forth herein, no other Person may pursue such Liquidating Trust Assets on or after the Effective Date. The Liquidating Trustee shall be deemed hereby substituted as plaintiff, defendant, or in any other capacity for either the Committee or each Debtor in any Causes of Action pending before the Bankruptcy Court or any other court that relates to a Liquidating Trust Asset without the need for Filing any motion for such relief. On the Effective Date, the applicable Debtors and the Liquidating Trustee shall execute the Liquidating Trust Agreement and shall have established the Liquidating Trust pursuant to the Plan. In the event of any conflict between the

terms of this Article VII and the terms of the Liquidating Trust Agreement, the terms of this Article VII shall control.

5. Liquidating Trust Assets

Notwithstanding any prohibition of assignability under applicable non-bankruptcy law, on the Effective Date and periodically thereafter if additional Liquidating Trust Assets become available, the Consolidated NEMF Debtors shall be deemed to have automatically transferred to the Liquidating Trust all of their right, title, and interest in and to all of the Liquidating Trust Assets, and in accordance with section 1141 of the Bankruptcy Code, including the Debtors' attorney-client privilege, all such assets shall automatically vest in the Liquidating Trust free and clear of all Claims and liens, subject only to the Allowed Claims or Allowed Interests of the Liquidating Trust Beneficiaries as set forth in the Plan and the expenses of the Liquidating Trust as set forth herein and in the Liquidating Trust Agreement.

6. Treatment of Liquidating Trust for Federal Income Tax Purposes; No Successor in-Interest

The Liquidating Trust shall be established for the primary purpose of liquidating and distributing the assets transferred to it, in accordance with Treas. Reg. § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. Accordingly, the Liquidating Trustee shall, in an expeditious but orderly manner, liquidate and convert to Cash the Liquidating Trust Assets, make timely Distributions to the Liquidating Trust Beneficiaries and not unduly prolong its duration. The Liquidating Trust shall not be deemed a successor-in-interest of the Debtors for any purpose other than as specifically set forth herein or in the Liquidating Trust Agreement. Beneficial interests in the Liquidating Trust are not and will not be represented by any certificate or other instrument.

The Liquidating Trust is intended to qualify as a "grantor trust" for federal income tax purposes with the Liquidating Trust Beneficiaries treated as grantors and owners of the Liquidating Trust. For all federal income tax purposes, all parties (including, without limitation, the Debtors, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) shall treat the transfer of the Liquidating Trust Assets by the Debtors to the Liquidating Trust, as set forth in the Liquidating Trust Agreement, as a transfer of such assets by the Debtors to the Holders of Allowed Claims or Allowed Interests of Liquidating Trust Beneficiaries entitled to Distributions from the Liquidating Trust Assets, followed by a transfer by such Holders to the Liquidating Trust. Thus, the Liquidating Trust Beneficiaries shall be treated as the grantors and owners of a grantor trust for federal income tax purposes.

As soon as reasonably practicable on or after the Effective Date, the Liquidating Trustee (to the extent that the Liquidating Trustee deems it necessary or appropriate in the Liquidating Trustee's sole discretion) shall value the Liquidating Trust Assets based on the good faith determination of the value of such Liquidating Trust Assets. The valuation shall be used consistently by all parties (including the Debtors, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) for all federal income tax purposes. The Bankruptcy Court shall resolve any dispute regarding the valuation of the Liquidating Trust Assets.

The right and power of the Liquidating Trustee to invest the Liquidating Trust Assets transferred to the Liquidating Trust, the proceeds thereof, or any income earned by the Liquidating Trust, shall be limited to the right and power to invest such Liquidating Trust Assets (pending distributions in accordance with the Plan) in Permissible Investments.

Pursuant to the Liquidating Trust Agreement, the Liquidating Trustee will need approval of the Bankruptcy Court for the following actions:

i. the sale or liquidation of the Liquidating Trust's Assets for an amount in excess of $100,000;

ii. the settlement of a Cause of Action for an amount greater than $100,000;

iii. the allowance of a Disputed Claim that was Filed in an unliquidated amount or in an amount greater than $100,000 or is unliquidated;

iv. the estimation of Disputed Claim for the purposes of maintaining Reserves in accordance with the Plan or for other purposes; and

v. the granting of releases entered into on behalf of the Debtors' Estates.

7. Expenses of Liquidating Trustee

Fees and expenses incurred by the Liquidating Trustee, including in its capacity as Plan Administrator, shall be paid from the Liquidating Trust Expense Reserve in accordance with Article VII of the Plan. There shall be an absolute cap of $500,000 on the Liquidating Trust Expenses, including, for the avoidance of doubt, the Liquidating Trustee's compensation, which shall be payable only from the Liquidating Trust Expense Reserve. Prior to, or upon dissolution of, the Liquidating Trust, any portion of the Liquidating Trust Expense Reserve not used to pay Liquidating Trust Expenses shall be either (i) Distributed to Liquidating Trust Beneficiaries as provided for herein, or (ii) in the event such amount is too small to economically warrant distribution to the Liquidating Trust Beneficiaries in the Liquidating Trustee's discretion, consistent with his fiduciary obligations, donated to a charity, as directed by the Liquidating Trustee.

8. Bonding of Liquidating Trustee

The Liquidating Trustee shall not be obligated to obtain a bond but may do so, in his or her sole discretion, in which case the expense incurred by such bonding shall be paid by the Liquidating Trust.

9. Fiduciary Duties of the Liquidating Trustee

Pursuant to the Plan and the Liquidating Trust Agreement, the Liquidating Trustee shall act in a fiduciary capacity on behalf of the interests of all Holders of Claims that will receive Distributions pursuant to the terms of the Plan.

10. Dissolution of the Liquidating Trust

The Liquidating Trust shall be dissolved no later than four (4) years from the Effective Date unless the Bankruptcy Court, upon a motion Filed at least ninety (90) days prior to the expiration of the four year term or the end of any extension period approved by the Bankruptcy Court (the Filing of which shall automatically extend the term of the Liquidating Trust pending the entry of an order by the Bankruptcy Court granting or denying the motion), determines that a fixed period extension is necessary to facilitate or complete the recovery and liquidation of the Liquidating Trust Assets. After (a) the final Distribution of the Reserves and the balance of the Assets or proceeds of the Liquidating Trust pursuant to the Plan, (b) the Filing by or on behalf of the Liquidating Trust of a certification of dissolution with the Bankruptcy Court in accordance with the Plan, and (c) any other action deemed appropriate by the Liquidating Trustee, the Liquidating Trust shall be deemed dissolved for all purposes without the necessity for any other or further actions.

11. Liability, Indemnification of the Liquidating Trust Protected Parties

The Liquidating Trust Protected Parties shall not be liable for any act or omission of any other member, designee, agent, or representative of such Liquidating Trust Protected Parties, nor shall such Liquidating Trust Protected Parties be liable for any act or omission taken or not taken in their capacity as Liquidating Trust Protected Parties other than for specific acts or omissions resulting from such Liquidating Trust Protected Parties' willful misconduct, gross negligence, or fraud. The Liquidating Trustee may, in connection with the performance of the Liquidating

Trustee's functions, and in the Liquidating Trustee's sole and absolute discretion, consult with the Liquidating Trustee's attorneys, accountants, financial advisors and agents. Notwithstanding such authority, the Liquidating Trustee shall not be under any obligation to consult with its attorneys, accountants, financial advisors, and agents, and the Liquidating Trustee's determination not to do so shall not result in the imposition of liability on the Liquidating Trustee or the Liquidating Trust Protected Parties, unless such determination is based on willful misconduct, gross negligence, or fraud. The Liquidating Trust shall indemnify and hold harmless the Liquidating Trust Protected Parties from and against and in respect of all liabilities, losses, damages, claims, costs, and expenses (including, without limitation, reasonable attorney's fees, disbursements and related expenses), which such Liquidating Trust Protected Parties may incur or to which such Liquidating Trust Protected Parties may become subject to in connection with any action, suit, proceeding, or investigation brought by or threatened against such Liquidating Trust Protected Parties arising out of or due to their acts or omissions or consequences of such acts or omissions, with respect to the implementation or administration of the Liquidating Trust or the Plan or the discharge of their duties hereunder; provided, however, that no such indemnification will be made to such Liquidating Trust Protected Parties for actions or omissions as a result of their willful misconduct, gross negligence, or fraud.

12. Full and Final Satisfaction of Claims against Liquidating Trust

On and after the Effective Date, the Liquidating Trust shall have no liability on account of any Claims or Interests except as set forth in the Plan and in the Liquidating Trust Agreement. All payments and all Distributions made by the Liquidating Trustee under the Plan shall be in full and final satisfaction, settlement, and release of and in exchange for all Claims or Interests against the Liquidating Trust; provided, however, that nothing contained in the Plan, the Confirmation Order, the Liquidating Trust Agreement, or any other document or agreement shall constitute, be deemed

to constitute or shall result in a discharge of any Debtor under section 1141(d) of the Bankruptcy Code.

ARTICLE VIII.

PROVISIONS GOVERNING DISTRIBUTIONS UNDER THE COMBINED PLAN AND DISCLOSURE STATEMENT

A. Method of Payment

Unless otherwise expressly agreed, in writing, all Cash payments to be made pursuant to the Plan shall be made by check drawn on a domestic bank or an electronic wire.

B. No Interest

No Holder of an Allowed Claim will be entitled to the accrual of post-Petition Date interest or the payment of post-Petition Date interest, penalties or late charges on account of such Claim for any purpose, except to the extent permitted by Section 506(b) of the Bankruptcy Code.

C. Claims Objection Deadline; Prosecution of Claims Objections

Except as otherwise provided for in the Plan, as soon as reasonably practicable on or after the Effective Date, but in no event later than the Claims Objection Deadline (unless extended by an Order of the Bankruptcy Court), the Liquidating Trustee shall File Objections to Claims and serve such objections upon the Holders of each of the Claims to which Objections are made. The Liquidating Trustee shall be authorized to resolve all Disputed Claims by withdrawing or settling such Objections thereto, or by litigating to judgment in the Bankruptcy Court, or such other court having competent jurisdiction, the validity, nature, and/or amount thereof. If the Liquidating Trustee agrees with the Holder of a Disputed Claim to compromise, settle, and resolve a Disputed Claim by granting such Holder an Allowed Claim, then the Liquidating Trustee may compromise, settle, or resolve such Disputed Claim without Bankruptcy Court approval.

D. Estimation of Claims

The Liquidating Trustee, may at any time, request that the Bankruptcy Court estimate any Contingent or unliquidated Claim pursuant to Section 502(c) of the Bankruptcy Code regardless of whether the Debtors, the Liquidating Trustee or any party in interest previously objected to such Claim. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation or a hearing concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. Subject to the provisions of Section 502(c) of the Bankruptcy Code, in the event that the Bankruptcy Court estimates any Contingent or unliquidated Claim, the amount so estimated shall constitute the maximum Allowed amount of such Claim. If the estimated amount constitutes the maximum Allowed amount of such Claim, the Liquidating Trustee may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation and resolution procedures are intended to be cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court, or in accordance with the Plan.

E. Claims Reserve

On any date that Distributions are to be made under the terms of the Plan, the Liquidating Trustee shall reserve Cash or property equal to one-hundred percent (100%) of the Cash or property that would be Distributed on such date on account of Disputed Claims as if each such Disputed Claim were an Allowed Claim but for the pendency of a dispute with respect thereto, unless otherwise Ordered by the Bankruptcy Court following notice to the affected Claim Holder. Such Cash or property, as the case may be, shall be held for the benefit of the Holders of all such Disputed Claims pending determination of their entitlement thereto.

F. Distribution After Allowance

Within the later of (i) ten (10) Business Days after a Claim other than a General Unsecured Claim becomes an Allowed Claim and (ii) thirty (30) days after the expiration of the applicable objection deadline, the Liquidating Trustee shall distribute all Cash or other property, including any interest, dividends or proceeds thereof, to which a Holder of an Allowed Claim is then entitled. **This section VIII.F does not apply to General Unsecured Claims and Allowed General Unsecured Claims because the process regarding such claims is set forth in the Liquidating Trust Agreement.**

G. Adjustments to Claims Without Objection

After the Effective Date, any Claim that has been paid or satisfied, or any Claim that has been amended or superseded, may be marked as satisfied, adjusted or expunged on the register of Claims in the Chapter 11 Cases by the Liquidating Trustee without a Claims objection having to be Filed and without any further notice to or action, Order or approval of the Bankruptcy Court.

H. Late Claims and Amendments to Claims After Confirmation Date

Except as provided herein or otherwise agreed, any and all Holders of Proofs of Claim Filed after the applicable Bar Date shall not be treated as Creditors for purposes of Distribution pursuant to Bankruptcy Rule 3003(c)(2) and the Bar Date Order unless on or before the Confirmation Date such late Claim has been deemed timely Filed by a Final Order. After the Confirmation Date, a Proof of Claim may not be Filed or amended without the authorization of the Bankruptcy Court.

I. Distribution Record Date

Except as otherwise provided in a Final Order of the Bankruptcy Court, the transferees of Claims that are transferred pursuant to Bankruptcy Rule 3001 on or prior to the Distribution Record Date will be treated as the Holders of those Claims for all purposes. The Liquidating Trustee shall

have no obligation to recognize any transfer of any Claim occurring after the Distribution Record Date. In making any Distribution with respect to any Claim, the Liquidating Trustee shall be entitled instead to recognize and deal with, for all purposes hereunder, only the Entity that is listed on the Proof of Claim Filed with respect thereto or on the Schedules as the Holder thereof as of the close of business on the Distribution Record Date and upon such other evidence or record of transfer or assignment that are actually known to the Liquidating Trustee as of the Distribution Record Date.

J. Delivery of Distributions

Except as provided herein, Distributions to Holders of Allowed Claims shall be made: (1) at the addresses set forth on the respective Proofs of Claim or interest Filed by such Holders; (2) at the addresses set forth in any written notices of address changes delivered to the Liquidating Trustee after the date of any related Proof of Claim or interest; or (3) at the address reflected in the Schedules if no Proof of Claim or interest is Filed and the Liquidating Trustee has not received a written notice of a change of address.

If any Distribution is returned as undeliverable, the Liquidating Trustee shall make a reasonable effort to find the correct address, but shall otherwise have no obligation to determine the correct current address, and no Distribution to such Holder shall be made unless and until the Liquidating Trustee is notified, in writing, by the Holder of the current address within sixty (60) days of such Distribution, at which time a Distribution shall be made to such Holder without interest. In the event the Liquidating Trustee does not receive timely notification the Distribution shall be deemed an Unclaimed Distribution and shall revert to the Liquidating Trust to be distributed in accordance with the terms of the Plan, and the right or claim of the Holder to such Distribution shall be discharged and forever barred.

K. Unclaimed Distributions

Any Cash or other property to be Distributed to a Holder of an Allowed Claim under the Plan shall revert to the Liquidating Trust if it is not claimed by the Holder, or if such Cash or other property is returned to the Liquidating Trust as "undeliverable" after reasonable efforts to make the Distribution, on or before the Unclaimed Distribution Deadline. If such Cash or other property is not claimed on or before the Unclaimed Distribution Deadline, the Distribution made to such Holder shall be deemed to be reduced to zero. In such event, the Unclaimed Distribution shall be added to the Funds or other property to be Distributed on a *Pro Rata* basis to the Holders of Allowed Claims in accordance with the Plan.

L. *De Minimis* Distributions

Distributions of fractions of dollars will not be made, but will be rounded to the nearest dollar (up or down), with half dollars being rounded down. No Distribution will be made to any Creditor if either the cost of making the Distribution would exceed the amount of the Distribution, or the amount of Distribution is less than $50.00 in the aggregate, and such amounts shall revert to the Liquidating Trust. Any Cash not distributed pursuant to this Article VII of the Plan will be the property of and revert to the Liquidating Trust.

M. Setoff and Recoupment

The Liquidating Trustee shall retain the right to reduce any Claim by way of setoff and recoupment in accordance with the Debtors' Books and Records upon notice to the claimant. Rights of setoff of any Person are preserved for the purpose of asserting such rights as a defense to any Claims or Causes of Action of the Debtors or their Estates, as applicable.

N. Allocation of Distributions Between Principal and Interest

To the extent that any such Allowed Claim entitled to a Distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such Distribution shall be

allocated to the principal amount (as determined for federal income tax purposes) of the Claim first, and then to accrued but unpaid interest.

O. Privileges as to Causes of Action

Notwithstanding the establishment of the Liquidating Trust or the appointment of the Liquidating Trustee, the Privileges of the Debtors, including any Privileges relating to any Causes Action pursued, investigated, or considered by the Debtors prior to the Effective Date, will not be waived or released. Upon the Effective Date, all of the Privileges shall be assumed by the Liquidating Trustee, who shall possess the sole right and discretion to assert or waive the Privileges. No such Privilege will be deemed waived by disclosures to the Liquidating Trustee of the Debtors' documents, information, or communications subject to the attorney-client privilege, work product protection or other immunities (including those related to the common interest or joint defense with third parties), or protections from disclosure held by the Debtors. The Privileges will remain subject to the rights of the third parties under applicable law, including any rights arising from the common interest doctrine, the joint defense doctrine, joint attorney-client representation, or any agreement. For the avoidance of doubt, nothing contained in this Plan or the establishment of the Liquidating Trust or the appointment of the Liquidating Trustee will be deemed to waive or release the Privileges or affect in any way the right to assert such Privileges.

P. Books and Records

On the Effective Date, the Books and Records will be transferred to the Liquidating Trust. The Liquidating Trustee shall have the sole discretion to abandon, destroy, or otherwise dispose of any such Books and Records in compliance with applicable non-bankruptcy law at any time on and after the Effective Date, without the need for any court order.

Q. Withholding and Reporting Requirements

In connection with the consummation of the Plan, the Liquidating Trustee shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority and all Distributions hereunder shall be subject to any such withholding and reporting requirements. Notwithstanding the above, each Holder of an Allowed Claim that is to receive a Distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on such Holder by any Governmental Unit, including income, withholding and other tax obligations, on account of such Distribution. The Liquidating Trustee has the right, but not the obligation, not to make a Distribution until such Holder has made satisfactory arrangements for payment of any such tax obligations.

The Liquidating Trustee may require, as a condition to receipt of a Distribution, that the Holder of an Allowed Claim complete and return a Form W-8 or W-9, as applicable to each such Holder. If the Liquidating Trustee makes such a request and the Holder fails to comply before the date that is 180 days after the request is made, the amount of such Distribution shall irrevocably revert to the Liquidating Trust and any Claim in respect of such Distribution shall be disallowed and forever barred from assertion against the Debtors, Liquidating Trustee or their property.

ARTICLE IX.

IMPLEMENTATION AND EFFECT OF CONFIRMATION OF COMBINED PLAN AND DISCLOSURE STATEMENT

A. Means for Implementation of the Plan

In addition to the provisions set forth elsewhere in the Plan, the following shall constitute the means for implementation of the Plan:

1. Substantive Consolidation

The Plan provides for substantive consolidation of the Debtors' Estates into two (2) groups, the Consolidated Eastern Debtors and the Consolidated NEMF Debtors, but solely for the purposes of the Plan, including making any Distributions to Holders of Allowed Claims. The Debtors and Committee propose substantive consolidation because the Debtors:

(a) had overlapping officers and directors;

(b) shared management and strategic decisions based on the expected affect or impact on the consolidated group of companies;

(c) shared employees and departments, including, but not limited to, office space, accounting systems, an equipment maintenance department, management and governance, and financial services systems that were offered to their customers in the industry;

(d) paid payroll, health benefits, taxes, and insurance for all Debtors under one entity, usually NEMF;

(e) funded the payment of expenses, including employee payroll and other debts, including certain trade debts, that were owed by another Debtor;

(f) provided their bank lenders and trade creditors evidence of credit-worthiness as a consolidated group;

(g) provided consolidated financial statements to their bank lenders and other creditors; and

(h) filed consolidated tax returns.

For the foregoing reasons, the Debtors and the Committee believe substantive consolidation as provided for herein is in the best interest of all Creditors.

On the Effective Date, as to each of the Consolidated Eastern Debtors and the Consolidated NEMF Debtors, respectively, (i) all assets and liabilities of each respective consolidated group will, solely for Distribution purposes, be treated as if they were merged; (ii) all intercompany claims within each respective consolidated group will be eliminated; (iii) each Claim Filed or to be Filed against each respective consolidated group will be deemed a single non-aggregated Claim

against, and a single non-aggregated obligation of, each respective consolidated group; (iv) all guarantees of any Debtor within each respective consolidated group of the payment, performance, or collection of obligations of any other Debtor within each respective consolidated group shall be eliminated and canceled; and (v) all transfers, disbursements and Distributions on account of Claims made by or on behalf of any of the Debtors' Estates within each respective consolidated group hereunder will be deemed to be made by or on behalf of all of the Debtors' Estates within each respective consolidated group. Holders of Allowed Claims against the Consolidated Eastern Debtors and/or the Consolidated NEMF Debtors entitled to Distributions under the Plan shall be entitled to their *Pro Rata* share of assets available for Distribution, if any, on account of such Claim without regard to which Debtor within the respective consolidated group was originally liable for such Claim. Except as set forth herein, such substantive consolidation shall not (other than for purposes related to the Plan) affect the legal and corporate structures of the Debtors.

The Debtors and Committee propose substantive consolidation to avoid depletion of the funds held by the Estates that would be required in order to properly segregate the assets and liabilities of the Debtors for the purpose of making Distributions to Entity-specific Claims. Substantive consolidation has been approved by the Bankruptcy Court under similar circumstances. *See In re Owens Corning*, 419 F.3d 195 (3d Cir. 2006); *see also In re I.R.C.C., Inc.*, 105 B.R. 237, 239 (Bankr. S.D.N.Y. 1989) (substantively consolidating corporate subsidiaries where they had operated as a single economic unit commingling funds, holding common assets and filing consolidated tax returns and the trustee testified that the "financial affairs of the subsidiaries in the [corporate group] were so entangled that it would be virtually impossible to deal with them separately"); *In re Leslie Fay Companies, Inc.*, 207 B.R. 764, 780 (Bankr. S.D.N.Y. 1997) (substantively consolidating debtors where the "debtors' operations, cash, and

decision-making were all shared such that it would be detrimental to the estates to attempt to disentangle those operations.")

2. Automatic Dissolution of the Debtors

Immediately upon the Effective Date, the Debtors will be deemed dissolved without further action under applicable state law.

3. Funding of the Plan

The Plan shall be funded by (i) available Cash and other available Estate Assets on the Effective Date, and (ii) funds available after the Effective Date from, among other things, the liquidation of the Liquidating Trust Assets, including the prosecution and resolution of Causes of Action.

4. Preservation of Causes of Action

To the extent not otherwise waived, released, settled, assigned or sold pursuant to a prior Order, the Liquidating Trustee specifically retains and reserves the right to assert, after the Effective Date, any and all of the Claims, Causes of Action and related rights, whether or not asserted as of the Effective Date, and all proceeds of the foregoing. The Liquidating Trustee may pursue, abandon, settle or release any or all such Causes of Action, as he or she deems appropriate, without the need to obtain approval or any other or further relief from the Bankruptcy Court, except as set forth in the Liquidating Trust Agreement. To the extent the Liquidating Trustee commences an actual lawsuit (whether by adversary proceeding or otherwise), such lawsuits will be filed on the docket of the Bankruptcy Court or another court of competent jurisdiction.

5. Corporate Action; Effectuating Documents; Further Transactions

On the Effective Date, all matters and actions provided for under the Plan that would otherwise require approval of the Debtors shall be deemed to have been authorized and effective in all respects as provided herein and shall be taken without any requirement for further action by

the Debtors. The Debtors, or the Liquidating Trustee, as applicable, are authorized to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

6. Good Faith

Confirmation of the Plan shall constitute a finding that: (i) the Plan has been proposed by the Debtors, the Committee, and each of their respective members, officers, directors, agents, financial advisors, attorneys, and other retained professionals, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including sections 1125(e) and 1129(a)(3), and all other applicable non-bankruptcy laws, rules and regulations; (ii) is in furtherance of and in compliance with the Debtors' and the Committee's fiduciary duties; and (iii) all Persons' solicitations of acceptances or rejections of the Plan have been in good faith and in compliance with applicable provisions of the Bankruptcy Code. As such, the Debtors, the Committee, and each of their respective members, officers, directors, agents, financial advisors, attorneys, and other retained professionals are entitled to the protections afforded by the Bankruptcy Code and, to the extent applicable, the release, exculpation and injunctive provisions set forth in the Plan.

ARTICLE X.

EXCULPATION, RELEASES AND INJUNCTIONS

A. Exculpation

The Debtors, the Estates and the Exculpated Parties shall not have or incur any liability to any Person or Entity, including any Holder of a Claim or Equity Interest, for any act or omission taken or not taken in connection with, relating to, or arising out of the Chapter 11 Cases, including but not limited to: the negotiation and Filing of the Plan, the Filing of the Chapter 11 Cases, the prosecution and/or settlement of Claims, the performance, termination or rejection of Executory

Contracts, the pursuit of confirmation of the Plan, the consummation of the Plan, the administration of the Plan or the property to be Distributed under the Plan (collectively, the "Post-Petition Activities"), except for their willful misconduct or gross negligence or any obligations that they have under or in connection with the Plan or the transactions contemplated in the Plan. For the avoidance of doubt, other than the Exculpated Parties, no other Person or Entity shall be exculpated for any Post-Petition Activities under the terms of the Plan. Nothing herein shall preclude the Exculpated Parties from asserting as a defense to any claim of willful misconduct or gross negligence that he or she reasonably relied upon the advice of counsel with respect to his duties and responsibilities in the Chapter 11 Cases, under the Plan or otherwise.

B. Releases

1. Releases Pursuant to the Auto Liability Claims Protocol

As of the Effective Date, all Holders of Auto Liability Claims, in accordance with the Auto Liability Claims Protocol, shall be deemed to grant a release of Auto Liability Claims in favor of the Auto Liability Claims Released Parties provided, however, that Holders of Auto Liability Claims shall not be deemed to release their rights to include one or more of the Debtors as a "nominal" party to any future litigation against an Auto Insurer in order to seek payment of such Auto Liability Claims from the Auto Insurers and/or the Auto Liability Claims LC Proceeds, pursuant to the Auto Liability Claims Protocol. No Holder of an Auto Liability Claim shall be entitled to receive a Distribution from the Liquidating Trust on account of such Auto Liability Claim. *For the avoidance of doubt, Holders of Auto Liability Claims shall not be deemed to grant any release in favor of the Auto Insurers upon or after the Effective Date, with the Auto Insurers reserving and retaining all rights and defenses.*

2. Release of Equity Holders and Affiliates

Except as expressly set forth in the Equity Holders and Affiliates Settlement, in consideration of the representations, warranties, and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Debtors, the Committee, the Estates, all Creditors, whether or not any such Creditor filed a Proof of Claim against one or more of the Debtors and/or is entitled to receive any Distribution pursuant to the Plan and/or the Auto Liability Claims Protocol, the Debtors' employees, insurers and brokers, the Liquidating Trust, and all other parties in interest in the Chapter 11 Cases, and their respective representatives, agents, predecessors, successors, and assigns (collectively the "Debtors Releasing Parties"), hereby remise, release, and forever acquit and discharge each and all of the Equity Holders and Affiliates, and their officers, directors, shareholders, members, managers, agents, employees, attorneys, and representatives (the "Equity Holder and Affiliates Released Parties"), of and from any and all manner of acts and actions, cause and causes of actions, arbitrations, mediations, conciliations, dues, sums of money, reckonings, bonds, bills, specialties, contracts, controversies, variances, trespasses, damages, judgments, executions, rights, claims, demands, suits, proceedings, debts, accounts, warranties, covenants, liabilities, agreements, and promises of any nature whatsoever in law or in equity, whether known or unknown, whether sounding in tort or contract or any other basis, that the Debtors Releasing Parties have, have had, or may at any time hereafter have against the Equity Holder and Affiliates Released Parties in any capacity, for, upon, or by reason of any matter, cause, or thing whatsoever, in any way relating to one or more of the Debtors, the Estates, the conduct of the Debtors' business, the Chapter 11 Cases, the same subject matter as the Claim held by any Creditor against one or more of the Debtors, or this Combined Plan and Disclosure Statement (other than the rights under this Combined Plan and Disclosure Statement and the Plan Documents); provided, however, that this release shall not

extend to and is not intended to release any mortgage directly owed by any of the Equity Holder and Affiliates Released Parties on real property such Equity Holder and Affiliates Released Parties own that was formerly used or occupied by the Debtors in their business operations. Further, this release shall not release potential claims that may arise from future transactions and occurrences between the parties. This release shall be effective only upon (i) payment in full of the Cash Payment, (ii) the repayment of any distribution in respect of Pledged Claims referenced in Section 5 of the Equity Holders and Affiliates Settlement, and (iii) the assumption of debt referenced in Section 4 of the Equity Holders and Affiliates Settlement.

3. Release by Equity Holders and Affiliates of the Debtors Released Parties

Except as expressly set forth in this Agreement, in consideration of the representations, warranties, and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Equity Holders and Affiliates hereby waive and release any and all claims that they have or may have against the Debtors, the Debtors' Estates, the Committee and their respective members, officers, directors, shareholders, agents, employees, attorneys, and representatives (collectively the "Debtors Released Parties") of and from any and all manner of acts and actions, cause and causes of actions, arbitrations, mediations, conciliations, dues, sums of money, reckonings, bonds, bills, specialties, contracts, controversies, variances, trespasses, damages, judgments, executions, rights, claims, demands, suits, proceedings, debts, accounts, warranties, covenants, liabilities, agreements, and promises of any nature whatsoever in law or in equity, whether known or unknown, whether sounding in tort or contract or any other basis, including but not limited to any matter relating directly or indirectly to all Claims which the Equity Holders and Affiliates have, have had, or may at any time hereafter have against the Debtor Released Parties; provided, however, that this release shall not release or impair any rights under

insurance policies or coverage or indemnification related to the Debtors to which any of the Equity Holders or Affiliates may be entitled by agreement or law.

4. Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of any of the Debtors' Estates shall be fully released, settled, and compromised and all rights, titles, and interests of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall revert or otherwise transfer to the Liquidating Trust.

C. Injunction

Except as expressly otherwise provided in the Plan or the Confirmation Order, on the Effective Date of the Plan, all Entities or Persons that hold, have held or may hold or have asserted, assert or may assert Claims, causes of action, liabilities against or Equity Interests in the Debtors and their Estates including Holders of Auto Liability Claims (subject only to the Auto Liability Claims Protocol and as expressly set forth in the Plan and/or the Confirmation Order), shall be permanently, forever and completely stayed, restrained, prohibited, barred and enjoined from taking any of the following actions against any of the Debtors, their Estates, the Liquidating Trust, the Auto Liability Released Parties (as related to Auto Liability Claims) or any of their property, whether directly or indirectly, derivatively or otherwise, on account of or based on the subject matter of such Claim or Equity Interest: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding (including, without limitation, any judicial, arbitral, administrative or other proceeding) in any forum; (ii) enforcing, attaching

(including, without limitation, any prejudgment attachment), collecting, or in any way seeking to recover any judgment, award, decree, or other order; (iii) creating, perfecting or in any way enforcing in any matter, directly or indirectly, any Lien; (iv) setting off, seeking reimbursement or contributions from, or subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against any liability or obligation owed to any Person or Entity released under this Plan, except with respect to the Debtors' right of setoff asserted prior to the entry of the Confirmation Order, whether asserted in a Proof of Claim or otherwise, or as otherwise contemplated or allowed by the Plan; and (v) commencing or continuing in any manner, in any place of any judicial, arbitration or administrative proceeding in any forum, that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order.

D. Auto Liability Claims Injunction

Pursuant to 11 U.S.C. § 105(a), upon entry of the Confirmation Order, all Holders of Auto Liability Claims shall be enjoined from taking any action, directly or indirectly, for the purpose of collecting, recovering or receiving payment or recovery with respect to any Auto Liability Claim until and unless each such Holder comply with the terms of the ADR Procedures set forth in the Auto Liability Claims Protocol (the "Auto Liability Claims Injunction"). In accordance with the Auto Liability Claims Protocol, the Auto Liability Claims Injunction shall dissolve automatically with respect to any Auto Liability Claim two (2) business days after the filing of an Unsuccessful Mediation Notice (as defined in the Auto Liability Claims Protocol) for such Auto Liability Claim. Upon the filing of such Unsuccessful Mediation Notice, the Holder of such Auto Liability Claim shall automatically be deemed to have been granted relief from the automatic stay, the Injunction listed in Article X(D) above, and this Auto Liability Injunction for the limited purpose, if necessary, of listing one or more of the Debtors as a "nominal" party to any future litigation commenced by such Holder to seek payment of such Auto Liability Claim from the Auto Insurers

and/or the Auto Liability Claims LC Proceeds, including any amount within the Self-Retention. For the avoidance of doubt, no Holder of Auto Liability Claim, even after the Auto Liability Injunction is dissolved, shall be entitled to receive any Distribution from the Liquidating Trust Assets on account of such Auto Liability Claim. Holders of Auto Liability Claims shall only be entitled to receive payment on account of such Auto Liability Claim from the applicable Auto Insurer and the Auto Liability Claims LC Proceeds held by such Auto Insurer.

E. Reservation of Rights

Except as specifically provided in the Plan or in the Confirmation Order, nothing contained in the Plan or in the Confirmation Order will be deemed to be a waiver or relinquishment of any claim, Cause of Action, right of setoff, or other legal or equitable defense that the Debtors had immediately prior to the Petition Date, against or with respect to any Claim left unimpaired by the Plan or any Cause of Action or other right or remedy of the Debtors and/or the Estates. The Liquidating Trustee will have, retain, reserve, and be entitled to assert all such claims, Causes of Action, rights of setoff, or other legal or equitable defenses which the Debtors had immediately prior to the Petition Date fully as if the Chapter 11 Cases had not been commenced, and all legal and equitable rights of any Debtors respecting any Claim left unimpaired by the Plan may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Cases had not been commenced, except to the extent such Claim has been specifically waived or released. The Liquidating Trustee's right to commence and prosecute Causes of Action will not be abridged or materially altered in any manner by reason of confirmation of the Plan. No defendant party to any Causes of Action brought by the Debtors or the Liquidating Trustee will be entitled to assert any defense based, in whole or in part, upon confirmation of the Plan, and confirmation of the Plan will not have any res judicata or collateral estoppel effect upon the commencement and prosecution of the Causes of Action.

ARTICLE XI.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Executory Contracts and Unexpired Leases Deemed Rejected

Except as otherwise provided for in the Plan, on the Effective Date, all of the Debtors' Executory Contracts and Unexpired Leases will be deemed rejected as of the Effective Date in accordance with, and subject to, the provisions and requirements of Sections 365 and 1123 of the Bankruptcy Code, except to the extent: (a) the Debtors previously have assumed, assumed and assigned or rejected such Executory Contract or Unexpired Lease, (b) such Executory Contract or Unexpired Lease expired or terminated pursuant to its own terms or by agreement of the parties thereto, or (c) prior to the Effective Date, the Debtors have Filed a motion to assume, assume and assign, or reject an Executory Contract or unexpired lease on which the Bankruptcy Court has not ruled. Subject to the Effective Date, entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of all rejections of Executory Contracts and Unexpired Leases pursuant to this Article XI and Sections 365(a) and 1123 of the Bankruptcy Code.

B. Insurance Policies

Notwithstanding anything to the contrary in the Plan, the Auto Liability Claims Protocol, or Confirmation Order, any insurance policies of the Debtors in which the Debtors are or were insured parties (including, without limitation, any policies covering directors' or officers' conduct) or any related insurance agreement issued prior to the Petition Date shall continue in effect after the Effective Date pursuant to their respective terms and conditions and shall be treated as if assumed. To the extent that any insurance policies or related insurance agreements are deemed Executory Contracts, then, notwithstanding anything to the contrary in the Plan, the Plan shall constitute a motion to assume, assume and assign, or ratify such insurance policies or insurance agreements. Subject to the occurrence of the Effective Date, the entry of the Confirmation Order

shall constitute approval of such assumption pursuant to section 365 of the Bankruptcy Code and a finding by the Bankruptcy Court that such assumption is in the best interest of the Estates. Unless otherwise determined by the Bankruptcy Court pursuant to a Final Order or agreed upon by the parties prior to the Effective Date, no payments shall be required to cure any defaults of the Debtors existing as of the Confirmation Date with respect to the respective insurance policy or insurance agreement assumed by the Debtors pursuant to this Section, and the Debtors' failure to pay any Self-Retention shall not affect the obligations of U.S. Fire and Protective to perform their duties in accordance with the terms of the Excess Indemnity Contracts, Surety Bonds, or any other collateral and/or indemnity agreements. Nothing contained herein shall be deemed to increase or enhance the Insurers' existing contraction obligations in accordance with the terms of the Excess Indemnity Contracts, Surety Bonds, or any other collateral and/or indemnity agreements in any manner.

C. Bar Date For Rejection Damages

If the rejection by the Debtors of an Executory Contract or an Unexpired Lease pursuant to Article XI of the Plan results in damages to the other party or parties to such Executory Contract or Unexpired Lease, a Claim for such damages arising from such rejection shall not be enforceable against the Debtors or their Estates or agents, successors, or assigns, unless a Proof of Claim is Filed with the Claims Agent, Donlin Recano & Company, Inc., **so as to actually be received on or before the Rejection Claim Bar Date**.

ARTICLE XII.

CONDITIONS PRECEDENT TO AND OCCURRENCE OF CONFIRMATION AND THE EFFECTIVE DATE

A. Conditions Precedent to Confirmation

The following are conditions precedent to Confirmation that must be satisfied or waived:

(i) The Confirmation Order shall be reasonably acceptable in form and substance to the Debtors and the Committee; and

(ii) Any exhibits or schedules incorporated as part of the Plan shall be reasonably acceptable in form and substance to the Debtors and the Committee, and consistent with the Lender Settlement Agreements.

B. Conditions Precedent to the Effective Date

The Plan shall not become effective unless and until the following conditions shall have been satisfied or waived:

(i) Entry of the Confirmation Order;

(ii) There shall exist sufficient Cash to satisfy Administrative Expense Claims, Priority Tax Claims and Priority Non-Tax Claims which are or become Allowed Claims; and

(iii) The Confirmation Order becomes a Final Order.

C. Establishing the Effective Date

The calendar date to serve as the Effective Date shall be a Business Day after all conditions specified in Article XII(B) have been satisfied or waived by the Debtors or the Liquidating Trustee, but no earlier than February 3, 2020. On or within three (3) Business Days of the Effective Date, the Liquidating Trustee shall File and serve a notice of occurrence of the Effective Date. Such notice shall contain, among other things, the Administrative Claims Bar Date, the deadline by which Professionals must file and serve any Professional Fee Claims and the deadline to file a proof of claim relating to damages from the rejection of any Executory Contract pursuant to the terms of the Plan.

ARTICLE XIII.

RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, following the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the Chapter 11 Cases as is legally permissible, including, without limitation, such jurisdiction as is necessary to ensure that the interests and purposes of the Plan are carried out. The Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, and related to, the Chapter 11 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(i) To hear and determine any objections to Claims and to address any issues relating to Disputed Claims;

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

(iii) To issue such Orders in aid of execution and consummation of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code;

(iv) To consider any amendments to or modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in any Order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(v) To hear and determine all requests for compensation and reimbursement of expenses under sections 330, 331 or 503 of the Bankruptcy Code;

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

(vii) To hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code

(including, without limitation, any request by the Liquidating Trustee for an expedited determination of tax under section 505(b) of the Bankruptcy Code);

(viii) To hear any other matter not inconsistent with the Bankruptcy Code;

(ix) To enter a final decree closing the Chapter 11 Cases;

(x) To ensure that Distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

(xi) To decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving the Debtors that may be pending on the Effective Date;

(xii) To issue injunctions, enter and implement other Orders or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with the occurrence of the Effective Date or enforcement of the Plan or the Liquidating Trust Agreement, except as otherwise provided herein;

(xiii) To determine any other matters that may arise in connection with or related to the Plan, the Confirmation Order, the Liquidating Trust Agreement, or any contract, instrument, release, indenture or other agreement or document created or implemented in connection with the Plan, including any disputes that may arise in connection with the Auto Liability Claims Protocol and/or ADR Procedures pursuant thereto;

(xiv) To enforce, interpret, and determine any disputes arising in connection with any stipulations, orders, judgments, injunctions, exculpations, and rulings

entered in connection with the Chapter 11 Cases (whether or not the Chapter 11 Cases have been closed);

(xv) To resolve disputes concerning any Reserves with respect to Disputed Claims or the administration thereof;

(xvi) To resolve any disputes concerning whether a Person or Entity had sufficient notice of the Chapter 11 Cases, the General Bar Date, the Special Administrative Claims Bar Date, the Administrative Claims Bar Date, the Government Bar Date, the Amended Schedules Bar Date, the Rejection Claims Bar Date, and/or the hearing on the approval of the Plan for the purpose of determining whether a Claim or Equity Interest is Allowed and/or enjoined hereunder or for any other purpose;

(xvii) To hear and determine pending applications for the assumption or rejection of Executory Contracts or Unexpired Leases, if any are pending, and the allowance of any Claims resulting therefrom;

(xviii) To recover all assets of the Liquidating Trust and property of the Liquidating Trust, wherever located;

(xix) To issue such orders as may be necessary or appropriate to expand or otherwise modify the powers and duties of the Liquidating Trustee; and

(xx) To resolve any other matter or for any purpose specified in the Plan, the Confirmation Order, or any other document entered into in connection with any of the foregoing.

ARTICLE XIV.

MISCELLANEOUS PROVISIONS

A. Transfer of Debtors' Assets

Except as otherwise provided herein, any assets that are property of the Consolidated NEMF Debtors' Estates on the Effective Date including, without limitation, any Causes of Action, shall transfer to the Liquidating Trust on the Effective Date. Thereafter, the Liquidating Trustee may use, sell or dispose of such property free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules or Bankruptcy Court approval, except as otherwise provided in the Combined Plan and Disclosure Statement or the Confirmation Order. Except as specifically provided in the Plan or the Confirmation Order, as of the Effective Date, all Liquidating Trust Assets shall be free and clear of any liens, Claims, encumbrances and interests of any kind. To the extent the Chapter 11 Cases are converted post-confirmation, property transferred to the Liquidating Trust shall re-vest in the converted Debtors' Estates.

B. Termination of Injunctions or Stays

Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code or otherwise, and extant on the Confirmation Date shall terminate on the Effective Date, at which time the injunctions and stays set forth in the Plan shall take effect.

C. Exemption from Transfer Taxes

Pursuant to section 1146(a) of the Bankruptcy Code, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, shall not be subject to any stamp or similar tax.

D. Amendment or Modification of the Plan

Alterations, amendments or modifications of the Plan may be proposed in writing by the Debtors and the Committee, at any time before the Confirmation Date, provided that the Plan, as altered, amended or modified, satisfies the conditions of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors and the Committee shall have complied with section 1125 of the Bankruptcy Code. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such holder. Prior to the Effective Date, the Debtors and the Committee may make appropriate technical non-material modifications to the Plan without further order or approval of the Bankruptcy Court, provided that such technical modifications do not adversely affect the treatment of Holders of Claims.

E. Severability

In the event the Bankruptcy Court determines, before the Confirmation Date, that any provision in the Plan is invalid, void or unenforceable, such provision shall be invalid, void or unenforceable with respect to the Holder or Holders of such Claims or Equity Interests as to which the provision is determined to be invalid, void or unenforceable. The invalidity, voidability or unenforceability of any such provision shall in no way limit or affect the enforceability and operative effect of any other provision of the Plan and shall not require the re-solicitation of any acceptance or rejection of the Plan unless otherwise ordered by the Bankruptcy Court.

F. Revocation or Withdrawal of the Plan

The Debtors and the Committee reserve the right to revoke or withdraw the Plan before the Confirmation Date. If the Debtors and the Committee revoke or withdraw the Plan before the Confirmation Date, then the Plan shall be deemed null and void. In such event, nothing contained

herein shall constitute or be deemed a waiver or release of any Claims by or against the Debtors and the Estates.

G. Binding Effect

The Plan shall be binding upon and inure to the benefit of the Debtors, the Holders of Claims and the Holders of Equity Interests, and their respective successors and assigns, whether or not the Claim or Equity Interest of such Holder is impaired under the Plan and whether or not such Holder has accepted the Plan.

H. Notices

All notices, requests and demands to or upon the Liquidating Trustee, to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as shall be set forth in the Confirmation Order.

I. Revised Bankruptcy Rule 2002 Service List

After the Effective Date, any Entities or Persons that want to continue to receive notice in these Chapter 11 Cases must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002 within thirty (30) days of the Effective of the Plan. To the extent a renewed request is not filed with the Bankruptcy Court, the Liquidating Trustee is authorized to limit notice and not include such Entities or Persons on any official Post-Effective Date service lists.

J. Governing Law

Except to the extent the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, or to the extent an exhibit to the Plan provides otherwise, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of New Jersey, without giving effect to the principles of conflicts of law of such jurisdiction.

K. Headings

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

L. Exhibits/Schedules

All exhibits and schedules to the Plan, including the Plan Supplements, are incorporated into and are a part of the Plan as if set forth in full herein.

M. Filing of Additional Documents

On or before substantial consummation of the Plan, the Debtors, the Committee and/or Liquidating Trustee, as applicable, may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

N. No Admissions

Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed as an admission by any Entity with respect to any matter set forth herein.

O. Successors and Assigns

The rights, benefits and obligations of any Person or Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign of such Person or Entity.

P. Return of Deposits

Unless the Debtors and the Committee have agreed otherwise in a written agreement, stipulation or order approved by the Bankruptcy Court, all deposits provided by the Debtors to any Person or Entity at any time shall be returned to the Liquidating Trust within twenty (20) days after the Effective Date, without deduction or offset of any kind and any such deposits shall be.

Q. Implementation

The Debtors, the Committee and/or Liquidating Trustee, as applicable, shall take all steps, and execute all documents, including appropriate releases, necessary to effectuate the provisions contained in the Plan.

R. Inconsistency

In the event of any inconsistency among the Plan and any other instrument or document created or executed pursuant to the Plan, the provisions of the Plan shall govern. Notwithstanding the foregoing, nothing in the Plan shall affect the validity of the Eastern Sale Order, the Real Property Sale Order, and the Rolling Stock Sale Order.

S. Cancellation of Equity Interests

On the Effective Date, all existing Equity Interests shall, without further act or action by any party, be cancelled, annulled, and extinguished, and any Certificates representing such cancelled, annulled and extinguished Equity Interests shall be null and void.

T. Dismissal of Hollywood Solar and United Solar

Immediately upon the Bankruptcy Court's entry of the Confirmation Order, the Chapter 11 Cases of Hollywood Solar and United Solar (collectively, the "Dismissed Debtors") shall be deemed dismissed pursuant to Sections 105(a) and 1112(b) of the Bankruptcy Code. In connection with the dismissal of the Dismissed Debtors, the Liquidating Trustee is authorized to take all actions necessary in furtherance of the dismissal of the Dismissed Debtors.

U. Dissolution of the Remaining Debtors; Closing of Chapter 11 Cases Other Than NEMF and Eastern

Immediately upon the Effective Date, the Debtors, other than Hollywood Solar and United Solar, will be deemed dissolved (the "Dissolved Debtors") without further action under applicable state law. In furtherance of the Debtors' dissolution, the Liquidating Trustee is authorized (a) to

take any and all actions necessary to effect the Dissolved Debtors' dissolution for all purposes under applicable state law; and (b) to file any required, final federal, state and local tax returns and to take such other action as shall be necessary or appropriate to effect a final determination of any amounts of Post-Petition Date federal, state or local taxes owed by the Dissolved Debtors.

Except for the chapter 11 cases of NEMF (Case No. 19-12809) and Eastern (Case No. 19-12812), which shall remain open until their Estates are fully administered pursuant to this Plan, all other Debtor cases shall be closed on the Effective Date, or as soon as practicable thereafter.

V. Request for Expedited Determination of Taxes

The Liquidating Trustee shall have the right to request an expedited determination under section 505(b) of the Bankruptcy Code with respect to tax returns filed, or to be filed, for any and all taxable periods ending after each Debtor's respective Petition Date through the Effective Date.

ARTICLE XV.

CONFIRMATION REQUEST

The Plan Proponents hereby request confirmation of this Plan as a Cramdown Plan with respect to any Impaired Class that does not accept this Plan or is deemed to have rejected this Plan.

Dated: November 19, 2019

Respectfully submitted,

NEW ENGLAND MOTOR FREIGHT, INC., ET AL.

BY: */s/ Vincent J. Colistra*
VINCENT J. COLISTRA,
CHIEF RESTRUCTURING OFFICER

-and-

OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF NEW ENGLAND MOTOR FREIGHT, INC., ET AL.

BY: */s/ Dawn Bowers*
DAWN BOWERS,
LANDSTAR TRANSPORTATION LOGISTICS, INC., CHAIR OF THE COMMITTEE

EXHIBIT A

LIQUIDATING TRUST AGREEMENT

EXHIBIT B

LIQUIDATION ANALYSIS

EXHIBIT C

AUTO LIABILITY CLAIMS PROTOCOL SETTLEMENT AGREEMENT

[TO BE SUPPLIED]

EXHIBIT D

EQUITY HOLDERS AND AFFILIATES SETTLEMENT AGREEMENT

EXHIBIT E

LIQUIDATING TRUSTEE'S CURRICULUM VITAE

EXHIBIT A

LIQUIDATING TRUST AGREEMENT

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In re: NEW ENGLAND MOTOR FREIGHT, INC., et al., Debtors.[1]	Chapter 11 Case No. 19-12809 (JKS) (Jointly Administered)

NEW ENGLAND MOTOR FREIGHT, INC., ET AL.
LIQUIDATING TRUST AGREEMENT

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Counsel for the Official Committee of Unsecured Creditors Holders

Dated: October __, 2019

[1] The Debtors in these chapter 11 cases and the last four digits of each Debtor's taxpayer identification number are as follows: New England Motor Freight, Inc. (7697); Eastern Freight Ways, Inc. (3461); NEMF World Transport, Inc. (2777); Apex Logistics, Inc. (5347); Jans Leasing Corp. (9009); Carrier Industries, Inc. (9223); Myar, LLC (4357); MyJon, LLC (7305); Hollywood Avenue Solar, LLC (2206); United Express Solar, LLC (1126); and NEMF Logistics, LLC (4666).

PREAMBLE

This Agreement (the "Liquidating Trust Agreement"), as amended, is made this ___ day of _____, 2019, by and among New England Motor Freight, Inc, *et al*. (the "Debtors"), the Official Committee of Unsecured Creditors Holders (the "Committee"), and Kevin P. Clancy, solely in his capacity as trustee of this Liquidating Trust (the "Liquidating Trustee" and, collectively with the Debtors and the Committee, the "Parties") in accordance with the *Joint Combined Plan of Liquidation and Disclosure Statement*, dated September 9, 2019 [Docket No. __] (as may be amended, modified or supplemented) (the "Plan"), confirmed by the Bankruptcy Court (as defined *infra*) by the *Order Confirming the Debtors' Joint Plan of Liquidation*, dated _____, 2019 (the "Confirmation Order") [Docket No. __].[2]

R E C I T A L S:

A. On February 11, 2019, the Debtors each filed their voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District New Jersey (the "Bankruptcy Court") and commenced their chapter 11 cases (the "Chapter 11 Cases");

B. On February 22, 2019, the Office of the United States Trustee (the "U.S. Trustee") appointed the Official Committee of Unsecured Creditors (the "Committee").

C. The Plan and the Confirmation Order provide, among other things, that the Liquidating Trustee shall be empowered to make distributions, pursuant to the Plan, the Confirmation Order and this Liquidating Trust Agreement, to Holders of Claims and Interests entitled to receive a Distribution or other amounts pursuant to the Plan or as otherwise allowed under the terms of the Plan (each a "Liquidating Trust Beneficiary" and collectively, the "Liquidating Trust Beneficiaries");

D. The Liquidating Trust is created pursuant to, and to effectuate, the Plan and the Confirmation Order;

E. The Liquidating Trust is created on behalf of, and for the sole benefit of, the Liquidating Trust Beneficiaries;

F. The powers, authority, responsibilities and duties of the Liquidating Trustee shall be governed by this Liquidating Trust Agreement, the Plan, applicable orders issued by the Bankruptcy Court (including the Confirmation Order), and general fiduciary obligations of trustees under Delaware law;

[2] Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan.

G. Pursuant to the terms and conditions of the Plan, the Confirmation Order and this Liquidating Trust Agreement, the Liquidating Trustee shall administer all assets of the Liquidating Trust, including, without limitation (a) Causes of Action; (b) all Cash held by the Debtors; and (c) the Debtors' remaining property, including real estate, motor vehicles, furniture, fixtures, inventory, investments, partnership or other ownership interests, refunds, accounts, equipment, any other tangible or intangible personal property and any and all proceeds thereof;

H. This Liquidating Trust Agreement is intended to supplement and complement the Plan and the Confirmation Order; provided, however, that if any of the terms and/or provisions of this Liquidating Trust Agreement conflict with the terms and/or provisions of the Plan or the Confirmation Order, the Plan and the Confirmation Order shall govern; and

I. The Liquidating Trust is intended to qualify as a "liquidating trust" under the Internal Revenue Code of 1986 and the regulations promulgated thereunder, specifically Treas. Reg. § 301.7701-4(d), and as such is a "grantor trust" for federal income Tax purposes with the Liquidating Trust Beneficiaries treated as the grantors and owners of the Liquidating Trust Assets. In particular:

(ii) The Liquidating Trust is organized for the primary purpose of liquidating the Liquidating Trust Assets, with no objective to conduct a trade or business except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. The Liquidating Trust shall not be deemed a successor of the Debtors for Tax purposes;

(iii) The Liquidating Trust provides that the Beneficiaries of the Liquidating Trust will be treated as the grantors of the Liquidating Trust and deemed owners of the Liquidating Trust Assets. This Liquidating Trust Agreement requires the Liquidating Trustee to file returns for the Liquidating Trust as a grantor trust pursuant to Treas. Reg. § 1.671-4(a);

(iv) This Liquidating Trust Agreement provides for consistent valuations of the transferred property by the Liquidating Trustee and the Liquidating Trust Beneficiaries, and those valuations shall be used for federal income Tax purposes;

(v) All of the Liquidating Trust's income is to be treated as subject to Tax on a current basis to the Liquidating Trust Beneficiaries who will be responsible for payment of any Tax due;

(vi) The investment powers of the Liquidating Trustee, other than those reasonably necessary to maintain the value of the Liquidating Trust Assets and to further the liquidating purpose of the Liquidating Trust, are limited to powers to invest in demand and time deposits, such as short-term certificates of deposit, in banks or other savings institutions, or other temporary, liquid investments, such as treasury bills; and

(vii) The Liquidating Trustee is required to make a distribution at least once per twelve-month period to the Liquidating Trust Beneficiaries in the order of priorities set forth in this Liquidating Trust Agreement based on the Liquidating Trust's net income, except that the Liquidating Trustee may retain an amount of net income reasonably necessary to maintain the value of the Liquidating Trust Assets or to satisfy claims, interests and contingent liabilities (including Disputed Claims and Interests).

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and in the Plan and the Confirmation Order, and expressly incorporating the Recitals into the terms and provisions of this Liquidating Trust Agreement, the Parties agree as follows:

ARTICLE I
ESTABLISHMENT OF THE LIQUIDATING TRUST

1.2 Transfer of Assets to the Liquidating Trust

1.2.1 Pursuant to the Plan, the Debtors, the Committee and the Liquidating Trustee hereby establish the Liquidating Trust on behalf of the Liquidating Trust Beneficiaries, to be treated as the grantors and deemed owners of the Liquidating Trust Assets, and the Debtors and their Estates hereby transfer, assign and deliver to the Liquidating Trust, on behalf of the Liquidating Trust Beneficiaries, all of their right, title and interest in the Liquidating Trust Assets, notwithstanding any prohibition of assignability under applicable non-bankruptcy law. The Liquidating Trust agrees to accept and hold the Liquidating Trust Assets in the Liquidating Trust for the benefit of the Liquidating Trust Beneficiaries, subject to the terms of the Plan, the Confirmation Order and this Liquidating Trust Agreement.

1.2.2 All rights in connection with the vesting and transfer of the Liquidating Trust Assets, including the Causes of Action, will vest with the Liquidating Trust; provided, however, that the transfer of any attorney-client privileges, work-product protection or other privilege or immunity attaching to any documents or communications of the Debtors' or the Committee's professionals (whether written or oral), shall relate only to those Causes of Action that the Liquidating Trustee intends to prosecute. All bank accounts established by the Debtors will be transferred to and held in the Liquidating Trust on behalf of the Liquidating Trust Beneficiaries, subject to the provisions of the Plan and this Liquidating Trust Agreement. The Debtors, the Committee and the Liquidating Trustee are authorized to take all necessary actions to effectuate the foregoing.

1.3 Title to Assets

1.3.1 Upon the Effective Date of the Plan, the Debtors shall cause the Estates' Assets (as defined in the Plan) to be transferred to and vest in the Liquidating Trust for the benefit of the Liquidating Trust Beneficiaries. Notwithstanding any prohibition of assignability under applicable non-bankruptcy law, all assets and properties transferred to the Liquidating Trust pursuant to the Plan shall vest in the Liquidating Trust in accordance with section 1141 of the

Bankruptcy Code. Upon the transfer of the Liquidating Trust Assets to the Liquidating Trust, the Debtors shall have no interest in or with respect to such Liquidating Trust Assets or the Liquidating Trust.

1.3.2 For federal income Tax purposes, all parties (including, without limitation, the Debtors, the Liquidating Trustee and the Liquidating Trust Beneficiaries) shall treat the transfer of the Liquidating Trust Assets by the Debtors and their Estates to the Liquidating Trust as a transfer of such assets by the Debtors and their Estates to the Holders of Allowed Claims and Interests entitled to Distributions under the Plan and the Confirmation Order, followed by a transfer by such Holders to the Liquidating Trust. Thus, the Liquidating Trust Beneficiaries shall be treated as the grantors and owners of a grantor trust for federal income Tax purposes.

1.3.3 To any extent not effectuated by the Confirmation Order, the Debtors and the Committee shall execute and deliver or cause to be executed and delivered all such documents (in recordable form where necessary or appropriate), and the Debtors and the Committee shall take or cause to be taken such further action as may reasonably be necessary or appropriate, to vest or perfect in or confirm to the Liquidating Trust title to and possession of the Liquidating Trust Assets.

1.4 Valuation of Assets

Consistent with the terms of the Plan, the Liquidating Trust, to the extent that the Liquidating Trustee deems it necessary or appropriate, may conduct a good faith valuation of the Liquidating Trust Assets, and shall make such valuation available to the Liquidating Trust Beneficiaries by filing a report of such valuation with the Bankruptcy Court promptly after its completion. The valuation shall be used consistently by all parties (including the Debtor, the Liquidating Trustee and the Liquidating Trust Beneficiaries) for federal income Tax purposes. Any dispute regarding the valuation of the Liquidating Trust Assets shall be resolved by the Bankruptcy Court.

1.5 Claims Against the Liquidating Trust Assets

The Liquidating Trust Assets shall be subject to the claims of the Liquidating Trustee, its Professionals (as defined *infra*) and Non-Professionals (as defined *infra*) and U.S. Trustee fees. The Liquidating Trustee shall be entitled to reimburse such persons out of any available Cash in the Liquidating Trust, for reasonable compensation and actual reasonable out-of-pocket expenses, and against and from any and all loss, liability, expense or damage, which each may sustain in good faith and without willful misconduct, gross negligence, fraud or, solely in the case of the Liquidating Trustee, breach of fiduciary duty other than negligence, in the exercise and performance of any of the powers and duties of the Liquidating Trustee.

ARTICLE II
APPOINTMENT OF THE LIQUIDATING TRUSTEE

Kevin P. Clancy is hereby appointed to serve as the initial Liquidating Trustee under the Plan and hereby accepts this appointment and agrees to serve in such capacity, effective upon the date of this Liquidating Trust Agreement. Any successor Liquidating Trustee shall be appointed

as set forth in **Section 4.6** in the event any Liquidating Trustee is removed or resigns pursuant to this Liquidating Trust Agreement, or if such Liquidating Trustee otherwise vacates the position.

ARTICLE III
DUTIES AND POWERS OF THE LIQUIDATING TRUSTEE

3.1 Generally

The Liquidating Trustee shall be responsible for administering the Liquidating Trust Assets and taking actions on behalf of, and representing, the Liquidating Trust. The Liquidating Trustee shall have the authority to bind the Liquidating Trust within the limitations set forth herein, but shall for all purposes hereunder be acting in the capacity of Liquidating Trustee and not individually.

3.2 Scope of Authority

Within the limitations set forth herein, the responsibilities and authority of the Liquidating Trustee shall include, without limitation: (a) collecting and liquidating the Liquidating Trust Assets and distributing the Liquidating Trust Assets to the Liquidating Trust Beneficiaries in accordance with the Plan, the Confirmation Order and this Liquidating Trust Agreement; (b) facilitating the prosecution or settlement of objections to, or estimations of, Claims and Interests in accordance with, but subject to the limitations set forth in, the Plan; (c) analyzing, prosecuting and settling Causes of Action; (d) filing all required Tax returns and paying Taxes and all other obligations on behalf of the Liquidating Trust from funds held by the Liquidating Trust; (e) filing semi-annual reports; (f) providing periodic reports to the Bankruptcy Court and other parties-in-interest on the status of the Claims and Interests resolution process, the status of the prosecution of Causes of Action, Distributions to Liquidating Trust Beneficiaries and the financial status of the Liquidating Trust; and (g) carrying out such other responsibilities not specifically set forth herein as may be vested in the Liquidating Trustee pursuant to the Plan, this Liquidating Trust Agreement, any Bankruptcy Court order or as may otherwise be necessary and proper to carry out the provisions of the Plan and the Confirmation Order.

3.3 Fiduciary Obligations to the Liquidating Trust and Liquidating Trust Beneficiaries

The Liquidating Trustee's actions as Liquidating Trustee will be held to the same standard as a trustee of a trust under Delaware law. His, her or its fiduciary obligations to the Liquidating Trust and its Beneficiaries are the same fiduciary obligations that the trustee of a trust owes to that trust and its beneficiaries under Delaware law.

3.4 Powers

In connection with the administration of the Liquidating Trust, except as otherwise set forth in this Liquidating Trust Agreement, the Plan or the Confirmation Order, the Liquidating Trustee is hereby authorized to perform those acts necessary to accomplish the purposes of the Liquidating Trust, without further authorization from the Bankruptcy Court. Without limiting, but subject to, the foregoing, the Liquidating Trustee is expressly authorized, but not required, unless otherwise

provided in this Liquidating Trust Agreement and subject to the limitations contained herein, in the Plan and in the Confirmation Order, to:

(a) hold legal title (on behalf of the Liquidating Trust as Liquidating Trustee, but not individually) to the Liquidating Trust Assets;

(b) effect all actions and execute all agreements, instruments and other documents necessary to implement the Plan;

(c) protect and enforce the rights to the Liquidating Trust Assets vested in the Liquidating Trust by the Plan and the Confirmation Order by any method deemed appropriate, including, without limitation, by judicial proceedings or pursuant to any applicable bankruptcy, insolvency, moratorium or similar law and general principles of equity;

(d) invest funds (in the manner set forth in **Section 3.8**), make Distributions, and pay Taxes and other obligations owed by the Liquidating Trust from funds held by the Liquidating Trustee and/or the Liquidating Trust in accordance with the Plan and the Confirmation Order;

(e) prosecute, defend, compromise, adjust, arbitrate, abandon or otherwise deal with and settle, in accordance with the terms set forth herein and in the Plan and Confirmation Order, all actions arising under state law or the Bankruptcy Code and all Causes of Action;

(f) determine, compromise and satisfy any and all liabilities created, incurred or assumed by the Liquidating Trust;

(g) file, if necessary, any and all Tax and information returns with respect to the Liquidating Trust and pay Taxes properly payable by the Liquidating Trust, if any, commensurate with the Liquidating Trust's classification as a grantor trust pursuant to Treas. Reg. § 1.671-4(a);

(h) make all Tax withholdings and make Tax elections by and on behalf of the Liquidating Trust;

(i) as determined by the Liquidating Trustee in his or her discretion, send annually to each Beneficiary a separate statement stating the Beneficiary's share of income, gain, loss, deduction or credit and instruct all such Liquidating Trust Beneficiaries to report such items on their federal Tax returns;

(j) in reliance upon the list of Claims and Interests provided by the Debtors, maintain on the Liquidating Trustee's books and records, a register evidencing the beneficial interest herein held by each Liquidating Trust Beneficiary;

(k) administer, reconcile, compromise, estimate and/or resolve Claims and Interests in accordance with, but subject to the limitations set forth in, the Plan (including the filing of any objections to such Claims and Interests as appropriate);

(l) in accordance with the terms of the Plan, modify the Reserves (as defined in the Plan) as appropriate, or upon order of the Bankruptcy Court, and establish such additional reserves for Disputed Claims and Interests, Taxes, assessments, Professional fees and other expenses of administration of the Liquidating Trust as may be necessary and appropriate for the proper operation of matters incident to the Liquidating Trust;

(m) make Distributions as provided for in this Liquidating Trust Agreement, the Plan and the Confirmation Order;

(n) open and maintain bank accounts on behalf of or in the name of the Liquidating Trust;

(o) pay expenses and make disbursements necessary to preserve, liquidate and enhance the Liquidating Trust Assets;

(p) purchase such insurance coverage as the Liquidating Trustee deems necessary and appropriate with respect to the liabilities and obligations of the Liquidating Trustee (in the form of an errors and omissions policy, fiduciary policy or otherwise);

(q) purchase such insurance coverage as the Liquidating Trustee deems necessary and appropriate with respect to real and personal property which may be or may become Liquidating Trust Assets;

(r) enforce any rights of the Debtors with respect to existing or past insurance policies or coverage related to claims of or against the Liquidating Trust or the Liquidating Trust Assets;

(s) retain and pay Professionals and Non-Professionals as provided for in **Article X** of this Liquidating Trust Agreement to assist the Liquidating Trust and/or the Liquidating Trustee with respect to its responsibilities to the extent permitted by this Liquidating Trust Agreement, the Plan and the Confirmation Order;

(t) take such actions as are necessary, appropriate or desirable to close or dismiss the Chapter 11 Cases;

(u) enforce any rights of and take such action on behalf of the Debtors or any of their boards of directors under the Debtors' articles of incorporation, bylaws, or applicable state law as the Liquidating Trustee may deem necessary, appropriate or desirable to protect, preserve, and enhance the Liquidating Trust Assets;

(v) take such actions as are necessary, appropriate or desirable to terminate the existence of the Debtors to the extent not already effectuated pursuant to the Plan;

(w) terminate and dissolve the Liquidating Trust pursuant to and in accordance with the terms of the Plan and this Liquidating Trust Agreement; and

(x) assume such other powers as may be vested in or assumed by the Liquidating Trust pursuant to the Plan or Bankruptcy Court order, or as may be necessary and proper to carry out the provisions of the Plan, the Confirmation Order or this Liquidating Trust Agreement.

3.5 General Authority of the Liquidating Trustee

Unless specifically stated otherwise herein, the Liquidating Trustee shall not be required to obtain Bankruptcy Court approval with respect to any proposed action or inaction authorized in this Liquidating Trust Agreement or specifically contemplated in the Plan and the Confirmation Order.

3.6 Limitation of Liquidating Trustee's Authority; No On-Going Business

The Liquidating Trustee shall have no power or authority except as set forth in this Liquidating Trust Agreement, in the Plan or in the Confirmation Order. For federal Tax purposes, the Liquidating Trustee shall not be authorized to engage in any trade or business with respect to the Liquidating Trust Assets except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. The Liquidating Trustee shall take such actions consistent with the prompt orderly liquidation of the Liquidating Trust Assets as required by applicable law and consistent with the treatment of the Liquidating Trust as a liquidating trust under Treas. Reg. § 301.7701-4(d), to the extent such actions are permitted by this Liquidating Trust Agreement.

3.7 Other Activities of the Liquidating Trustee

The Liquidating Trustee shall be entitled to be employed by third parties while serving as Liquidating Trustee for the Liquidating Trust; provided, however, that such employment shall not include actions or representations of parties that are adverse to the Liquidating Trust.

3.8 Investment and Safekeeping of Liquidating Trust Assets

All monies and other assets received by the Liquidating Trust shall, until distributed or paid over as herein provided, be held in trust for the benefit of the Liquidating Trust Beneficiaries, but need not be segregated from other Liquidating Trust Assets. The Liquidating Trustee shall promptly invest any such monies in the manner set forth in this **Section 3.8**, but shall otherwise be under no liability for interest or income on any monies received by the Liquidating Trust hereunder and held for Distribution or payment to the Liquidating Trust Beneficiaries, except as such interest shall actually be received by the Liquidating Trustee. Investment of any monies held by the Liquidating Trust shall be administered in accordance with the Liquidating Trustee's general duties and obligations hereunder and in view of the Liquidating Trustee's general fiduciary duties under Delaware law. The rights and powers of the Liquidating Trustee to invest the Liquidating Trust Assets transferred to the Liquidating Trust, the proceeds thereof or any income earned by the Liquidating Trust, shall be limited to the right and power to: (a) invest such Liquidating Trust Assets (pending Distributions in accordance with the Plan and the Confirmation Order) in (i) short-term direct obligations of, or obligations guaranteed by, the United States of America or (ii) short-term obligations of any agency or corporation which is or may hereafter be created by or pursuant

to an act of the Congress of the United States as an agency or instrumentality thereof; or (b) deposit such assets in demand accounts at any bank or trust company, which has, at the time of the deposit, a capital stock and surplus aggregating at least $1,000,000,000 (collectively, the "Permissible Investments"); provided, however, that the scope of any such Permissible Investments shall be limited to include only those investments that a liquidating trust, within the meaning of Treas. Reg. § 301.7701-4(d), may be permitted to hold, pursuant to the Treasury Regulations, or any modification in the Internal Revenue Service ("IRS") guidelines, whether set forth in IRS rulings, other IRS pronouncements or otherwise.

3.9 Authorization to Expend Liquidating Trust Assets

The Liquidating Trustee may expend assets of the Liquidating Trust to the extent necessary to: (a) satisfy and discharge liabilities and to maintain the value of the Liquidating Trust Assets during liquidation; (b) pay Liquidating Trust Expenses (including, but not limited to, any Taxes imposed on the Trainor Liquidating Trust, fees and expenses incurred in connection with litigation, and compensation of the Liquidating Trustee in accordance with **Section 4.1** below); (c) satisfy other liabilities incurred or assumed by the Liquidating Trust (or to which the Liquidating Trust Assets are otherwise subject) in accordance with this Liquidating Trust Agreement, the Plan or the Confirmation Order; and (d) make Distributions to Liquidating Trust Beneficiaries on account of their Allowed Claims and Interests in accordance with this Liquidating Trust Agreement, the Plan and the Confirmation Order.

ARTICLE IV
LIQUIDATING TRUSTEE

4.1 Compensation of the Liquidating Trustee

The Liquidating Trustee shall be entitled to receive reasonable compensation for services rendered on behalf of the Liquidating Trust. All compensation and other amounts payable to the Liquidating Trustee shall be paid out of the Liquidating Trust Assets, in accordance with the terms of the Plan. The Liquidating Trust shall reimburse the Liquidating Trustee for its actual reasonable out-of-pocket expenses incurred including, without limitation, postage, telephone and facsimile charges upon receipt of periodic billings. All reimbursement for expenses payable to the Liquidating Trustee shall be paid from the Liquidating Trust Assets in priority over any distributions to Liquidating Trust Beneficiaries to be made under the Plan. If the Liquidating Trust Assets are insufficient to fully satisfy the amounts payable to, or other obligations owing to, the Liquidating Trustee, the Liquidating Trust Beneficiaries shall be required to disgorge their Pro Rata share of any interim Distributions received from the Liquidating Trust, until all such amounts have been fully paid and all such obligations have been fully satisfied. If the Liquidating Trustee dies or becomes disabled, then such former Liquidating Trustee (or his or her estate, successor or assigns) shall be entitled to any remaining unpaid compensation and reimbursement due hereunder.

4.2 Term of Service

The Liquidating Trustee shall serve until the earliest of: (a) the completion of all the Liquidating Trustee's duties, responsibilities and obligations under this Liquidating Trust

Agreement and the Plan; (b) termination of the Liquidating Trust in accordance with this Liquidating Trust Agreement; and (c) the Liquidating Trustee's death, resignation or removal.

4.3 No Bond

The Liquidating Trustee shall serve without bond.

4.4 Removal

The Liquidating Trustee may be removed for cause at any time by any person upon entry of an order of the Bankruptcy Court following a noticed motion for removal served upon the Liquidating Trustee (and his or her Professionals); provided, however, that the Liquidating Trustee may not be removed until a successor Liquidating Trustee has been named. Any person seeking removal through an order of the Bankruptcy Court must demonstrate to the Bankruptcy Court that such removal is appropriate for cause. The removal shall be effective on the date specified in the order. "Cause" shall include, without limitation: (a) the undue prolongation of the duration of the Liquidating Trust and of Distributions of the Liquidating Trust Assets to the Liquidating Trust Beneficiaries; (b) gross negligence, fraud or willful misconduct (as determined by a Final Order) in connection with the affairs of the Liquidating Trust; (c) a physical and/or mental disability that substantially prevents the Liquidating Trustee from performing the duties of a Liquidating Trustee hereunder; or (d) breach of fiduciary duty or an unresolved conflict of interest.

4.5 Resignation

The Liquidating Trustee may resign by giving not less than thirty (30) days' prior written notice thereof to the parties entitled to notice under **Section 13.10** hereof. The resignation will be effective on the later of: (a) the date specified in the notice; (b) the date that is thirty (30) days after the date the notice is delivered; and (c) the date the successor Liquidating Trustee accepts his or her appointment as such.

4.6 Appointment of Successor Trustee

4.6.1 In the event the Liquidating Trustee is removed or upon the Liquidating Trustee's death, the Bankruptcy Court shall appoint a proposed successor Liquidating Trustee within thirty (30) days after the occurrence of the vacancy.

4.6.2 Any successor Liquidating Trustee appointed hereunder shall execute an instrument accepting such appointment and shall deliver such acceptance to the Bankruptcy Court. Thereupon, such successor Liquidating Trustee shall, without any further act, become vested with all of the properties, rights, powers, trusts and duties of his or her predecessor in the Liquidating Trust with like effect as if originally named herein; provided, however, that the removed or resigning Liquidating Trustee shall, nevertheless, when requested in writing by the successor Liquidating Trustee, execute and deliver any reasonable instrument or instruments conveying and transferring to such successor Liquidating Trustee the estate, properties, rights, powers and trusts of the removed or resigning Liquidating Trustee.

4.7 Liquidating Trust Continuance

The resignation or removal of the Liquidating Trustee will not terminate the Liquidating Trust or revoke any existing agency created pursuant to this Liquidating Trust Agreement or invalidate any action theretofore taken by the Liquidating Trustee.

ARTICLE V
LIQUIDATING TRUST BENEFICIARIES

5.1 Identification of Beneficiaries

The beneficial interests of each Liquidating Trust Beneficiary in the Liquidating Trust shall be recorded and set forth in the list of Claims and Interests maintained by the Liquidating Trustee.

5.2 Beneficial Interest Only

The ownership of a beneficial interest in the Liquidating Trust shall not entitle any Beneficiary or the Debtors to any title in or to the Liquidating Trust Assets or to any right to call for a partition or division of such Liquidating Trust Assets or to require an accounting, except as specifically provided herein.

5.3 Ownership of Beneficial Interests Hereunder

Each Beneficiary shall own a beneficial interest in the Liquidating Trust Assets equal in proportion to the Pro Rata share of such Beneficiary's Allowed Claim in accordance with the Plan.

5.4 Evidence of Beneficial Interest

Ownership of a beneficial interest in the Liquidating Trust Assets shall not be evidenced by any certificate, security or receipt or in any other form or manner whatsoever.

5.5 Limitation on Transferability

It is understood and agreed that the beneficial interests in the Liquidating Trust shall be non-assignable during the term of this Liquidating Trust Agreement except by operation of law. An assignment by operation of law shall not be effective until appropriate notification and proof thereof is submitted to the Liquidating Trustee, and the Liquidating Trustee may continue to pay all amounts to or for the benefit of the assigning Beneficiary until receipt of proper notification and proof of assignment by operation of law. The Liquidating Trustee may rely upon such proof without the requirement of any further investigation. Any notice of a change of beneficial interest ownership as permitted by operation of law shall be forwarded to the Liquidating Trustee by registered or certified mail pursuant to the notice provisions set forth in **Section 13.10** hereof. The notice shall be executed by both the transferee and the transferor, and the signatures of the parties shall be acknowledged before a notary public and as required by Bankruptcy Rule 3001(e). The notice must clearly describe the interest to be transferred. The Liquidating Trustee may conclusively rely upon such signatures and acknowledgments as evidence of such transfer without the requirement of any further investigation.

5.6 Conflicting Claims

If any conflicting claims or demands are made or asserted with respect to the Liquidating Trust Assets, or if there is any disagreement between the assignees, transferees, heirs, representatives or legatees succeeding to all or a part of the Liquidating Trust Assets resulting in adverse claims or demands being made in connection with such assets, then, in any of such events, the Liquidating Trustee shall be entitled to refuse to comply with any such conflicting claims or demands. In so refusing, the Liquidating Trustee may elect to make no payment or distribution with respect to the Liquidating Trust Assets that are the subject of the claims or demands involved, or any part thereof, and to refer such conflicting claims or demands to the Bankruptcy Court, which shall have exclusive jurisdiction over resolution of such conflicting claims or demands. In so doing, the Liquidating Trustee shall not be or become liable to any of such parties for its refusal to comply with any of such conflicting claims or demands, nor shall the Liquidating Trustee be liable for interest on any funds that it may so withhold. The Liquidating Trustee shall be entitled to refuse to act until either: (a) the rights of the adverse claimants have been adjudicated by a Final Order of the Bankruptcy Court; or (b) all differences have been resolved by a valid written agreement among all of such parties and the Liquidating Trustee.

ARTICLE VI
PROVISIONS GOVERNING DISTRIBUTIONS

6.1 Timing and Methods of Distributions

6.1.1 Generally. The Liquidating Trustee, on behalf of the Liquidating Trust, or such other entity as may be designated by the Liquidating Trustee, on behalf of the Liquidating Trust, will make all distributions to the Liquidating Trust Beneficiaries as set forth in, and as required by, this Liquidating Trust Agreement, the Plan and the Confirmation Order. Unless the entity or Person receiving a payment agrees otherwise, the Liquidating Trustee, in its sole discretion, will make any payment in Cash to be made by the Liquidating Trust by check drawn on a domestic bank or by wire transfer from a domestic bank.

6.1.2 Priority of Distributions. After payment of all unpaid Liquidating Trust Expenses (or reserved for as set forth in the Plan), the Liquidating Trustee in its good faith judgment and based on available Liquidating Trust Assets, shall distribute available Cash remaining to Holders of Allowed Claims and Interests, Pro Rata in order of priorities as set forth in the Plan. The Liquidating Trustee may withhold from amounts distributable to any entity any and all amounts, determined in the Liquidating Trustee's reasonable discretion to be required by any law, regulation, rule, ruling, directive or other government equivalent of the United States or of any political subdivision thereof, or to otherwise facilitate the administration of the Liquidating Trust.

6.1.3 Distributions by the Liquidating Trustee. Subject to the provisions of this **Article VI**, and consistent with the terms of the Plan, the Liquidating Trustee shall make an initial distribution (the "Initial Distribution") of Cash income (including as Cash for this purpose, all cash equivalents), and all subsequent distributions, to the Liquidating Trust Beneficiaries on dates determined by the Liquidating Trustee. The Liquidating Trustee shall make subsequent Distributions from time to time in accordance with the provisions of this **Article VI** and the terms of the Plan, but such additional distributions shall occur at least once per year after the date of the

Initial Distribution. The Liquidating Trustee shall make Distributions to the Liquidating Trust Beneficiaries of all net Cash income (including as Cash for this purpose, all cash equivalents) from time to time at such time intervals as decided by the Liquidating Trustee (but within a reasonable time after creation of a Reserve determined to be sufficient to make Pro Rata Distributions on Disputed Claims and Interests and to pay the Liquidating Trust Expenses in full), pursuant to the terms of the Plan and the Confirmation Order. The Liquidating Trustee may cause the Liquidating Trust to retain an amount of net Cash proceeds or net Cash income reasonably necessary to maintain the value of its assets, as set forth in, and to effectuate the provisions of, the Plan and the Confirmation Order. The Liquidating Trustee may withhold from the amount distributable from the Liquidating Trust at any time to any Person (except with respect to the IRS) such sum or sums as may be sufficient to pay any Tax or Taxes or other charge or charges that have been or may be imposed on such Person or upon the Liquidating Trust with respect to the amount distributable or to be distributed under the income Tax laws of the United States or of any state or political subdivision or entity by reason of any Distribution provided for in this Liquidating Trust Agreement, whenever such withholding is required by any law, regulation, rule, ruling, directive or other governmental requirement, and the Liquidating Trustee may enter into agreements with taxing or other authorities for the payment of such amounts as may be withheld in accordance with the provisions of this Section. Notwithstanding the foregoing, but without prejudice to the Liquidating Trustee's rights hereunder, such Person shall have the right with respect to the United States, or any state, or any political subdivision of either, to contest the imposition of any Tax or other charge by reason of any Distribution hereunder.

6.1.4 Claims and Interests Lists. At least ten (10) days prior to the Effective Date, the Debtors will deliver to the Liquidating Trustee a list of all Claims and Interests scheduled by the Debtors and/or filed against the Debtors as of such date, the addresses of all Holders of such Claims and Interests as of a record date that is not more than fifteen (15) days prior to the date of the list, the designation and amount of each such Claim as disputed or not disputed, fixed or contingent and liquidated or unliquidated, and the Employer or Taxpayer Identification Number as assigned by the IRS for each Holder (the "Claims and Interests Lists"). The Liquidating Trustee shall be entitled to rely upon the Claims and Interests Lists in calculating and making distributions from the Liquidating Trust as provided herein; provided, however, that the Claims and Interests Lists shall be adjusted from time to time by the Liquidating Trustee as necessary to maintain its accuracy. The Liquidating Trustee shall also revise the Claims and Interests Lists from time to time upon receipt of notice from a Beneficiary notifying the Liquidating Trustee of a change of address or stating that its Claim or Interest has been transferred to a new Beneficiary, that the new Beneficiary has complied with any applicable provisions of Bankruptcy Rule 3001(e) (and providing evidence thereof) and setting forth the name and address of such new Beneficiary.

6.2 Delivery of Distributions

Subject to the provisions of Bankruptcy Rule 2002(g), and except as otherwise provided herein, distributions and deliveries to Holders of record of Allowed Claims shall be made at the address of each such Holder set forth on the Claims and Interests Lists.

6.3 No Postpetition Interest on Claims or Interests

Except as expressly provided in the Plan, the Confirmation Order or any contract, instrument, release, settlement or other agreement entered into in connection with the Plan, or as required by applicable bankruptcy law, postpetition interest will not accrue on account of any Claim or Interest and the Liquidating Trustee will not distribute postpetition interest on account of any Claim or Interest.

6.4 No Post-Confirmation Date Interest on Claims or Interests

Post-Confirmation Date interest will not accrue on account of any Claim or Interest, and the Liquidating Trustee will not distribute post-Confirmation Date interest on account of any Claim or Interest.

6.5 Undeliverable Distributions

If any distribution with respect to an Allowed Claim or Interest is returned to the Liquidating Trustee as undeliverable, or otherwise unclaimed, no further Distributions shall be made to such Holder, unless the Liquidating Trustee is notified in writing of the Claim or Interest Holder's current address. Upon receipt of the notification, the Liquidating Trustee will remit all missed Distributions to the Claim or Interest Holder without interest. All claims for undeliverable distributions must be made within six (6) months of the Distribution Date (as defined in the Plan). If a claim is not made within that time, all unclaimed distributions will revert to the Liquidating Trust and be distributed Pro Rata to the remaining Beneficiaries of the Liquidating Trust. Nothing contained in the Plan, the Confirmation Order or this Liquidating Trust Agreement shall require the Liquidating Trustee to attempt to locate any Liquidating Trust Beneficiary.

6.6 Lapsed Distributions

Any distribution that has not cleared within ninety (90) days of the date of the Distribution will lapse. With respect to any lapsed distributions, the lapsed distribution will revert to the Liquidating Trust and be distributed to the remaining Liquidating Trust Beneficiaries.

6.7 Compliance with Tax Requirements/Allocation

To the extent applicable, the Liquidating Trust shall comply with all Tax withholding and reporting requirements imposed on it by any governmental unit, and all distributions pursuant to the Plan and the Confirmation Order shall be subject to such withholding and reporting requirements. For Tax purposes, Distributions received in respect of Allowed Claims or Interests will be allocated first to the principal amount of such Claims or Interests, with any excess allocated to unpaid accrued interest.

6.8 Fractional Dollars; *De Minimis* Distributions

Notwithstanding anything contained herein to the contrary, payments of fractions of dollars will not be made. Whenever any payment of a fraction of a dollar under this Liquidating Trust Agreement, the Plan or the Confirmation Order would otherwise be called for, the actual payment made will reflect a rounding of such fraction to the nearest dollar (up or down), with half dollars being rounded down. The Liquidating Trustee shall not be required to make any payment in the

aggregate of less than one-hundred dollars ($100.00) on account of any Allowed Claim or Allowed Interest. To the extent that any interim distribution is not paid to a Beneficiary on the grounds that it amounts to less than twenty-five dollars ($25), the amount of such withheld distribution shall be reserved for addition to any future distribution or as the final distribution to such Beneficiary, and may be made at that time if the total distribution is at least one-hundred dollars ($100.00) in the aggregate.

6.9 Setoffs

The Liquidating Trustee may, pursuant to sections 502(d) or 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off against any Beneficiary and the distributions to be made pursuant to the Plan and the Confirmation Order on account thereof (before any distribution is made on account of such Claim or Interest), the claims, rights and causes of action of any nature that the Liquidating Trust may hold against a Beneficiary; provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim or Interest shall constitute a waiver or release by the Liquidating Trust or the estate of any such claims, rights and causes of action that they may possess against such Holder.

6.10 Preservation of Debtors' Subordination Rights

All subordination rights and claims relating to the subordination by the Debtors or their Estates of the Claims or Interests of any Beneficiary shall remain valid and enforceable by the Liquidating Trust, unimpaired in accordance with section 510 of the Bankruptcy Code or otherwise, and may be asserted by the Liquidating Trustee as necessary or appropriate.

6.11 Waiver by Creditors of All Subordination Rights

Except as otherwise ordered by the Bankruptcy Court, each Liquidating Trust Beneficiary shall be deemed to have waived all contractual, legal and equitable subordination rights that they may have, whether arising under general principles of equitable subordination, section 510(c) of the Bankruptcy Code or otherwise, with respect to any and all Distributions to be made under the Plan and the Confirmation Order, and all such contractual, legal or equitable subordination rights that each Beneficiary has individually and collectively, with respect to any such Distribution, made pursuant to the Plan and the Confirmation Order shall be discharged and terminated, and all actions related to the enforcement of such subordination rights will be permanently enjoined.

ARTICLE VII
PROCEDURES FOR RESOLUTION OF DISPUTED, CONTINGENT AND UNLIQUIDATED CLAIMS AND INTERESTS

7.1 Objections to Claims and Interests; Prosecution of Disputed Claims and Interests

The Liquidating Trustee, on behalf of the Liquidating Trust, may file objections to Claims and Interests, even if such Claims or Interests were scheduled by the Debtors as undisputed, liquidated and non-contingent. The Liquidating Trustee shall have the authority to file, settle, compromise or withdraw any objections to Claims or Interests, without approval of the Bankruptcy Court. The Liquidating Trustee shall file objections to Claims and Interests on or before the latest

of: (a) ninety (90) days after the Effective Date, subject to extension by order of the Bankruptcy Court; or (b) such other period of limitation as may be specifically fixed by this Plan, the Confirmation Order, the Bankruptcy Rules or a Final Order for objecting to such a Claim or Interest.

7.2 Estimation of Claims

The Liquidating Trustee, on behalf of the Liquidating Trust, may at any time request that the Bankruptcy Court estimate any contingent or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether the Debtors, the Committee or the Liquidating Trustee previously have objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to such Claim, including, without limitation, during the pendency of any appeal relating to any such objection. Subject to the provisions of section 502(j) of the Bankruptcy Code, in the event that the Bankruptcy Court estimates any contingent or Disputed Claim, the amount so estimated shall constitute the maximum allowed amount of such Claim. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Liquidating Trust may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation and resolution procedures are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

7.3 Disputed Claims and Interests

7.3.1 If the Liquidating Trustee has objected to a Claim or Interest, Distributions will be withheld only with respect to the amount actually in dispute, and such objection shall not affect payments or Distributions under the Plan on the undisputed portion of the Claim or Interest.

7.3.2 The Liquidating Trustee shall maintain, in accordance with the Liquidating Trustee's powers and responsibilities under the Plan, the Confirmation Order and this Liquidating Trust Agreement, a Reserve.

7.3.3 Once a Disputed Claim or Interest becomes an Allowed, the Liquidating Trustee shall, as soon as practicable following the entry of a Final Order regarding the allowance of such Claim or Interest, and to the extent of the allowance of such Claim or Interest, distribute to the Holder thereof, from the Reserve, such amount of Liquidating Trust Assets as would have been distributed to such Holder if the allowed portion of its Claim or Interest had been an Allowed Claim or Interest on the Confirmation Date, less such Holder's share of any Taxes paid or payable by the Reserve. If a Disputed Claim or Interest becomes disallowed, in whole or part, the Liquidating Trustee shall reallocate the disallowed amount previously set aside in the Reserve in connection with such Disputed Claim or Interest among the Liquidating Trust Beneficiaries and the Reserve on behalf of the Disputed Claims and Interests not yet resolved, as applicable, all to be distributed pursuant to **Article VI** of this Liquidating Trust Agreement.

ARTICLE VIII
LIABILITY AND EXCULPATION PROVISIONS

8.1 Standard of Liability

In no event shall the Liquidating Trustee or the Liquidating Trust, or their respective Professionals, Non-Professionals or representatives, be held personally liable for any claim asserted against the Liquidating Trust or the Liquidating Trustee, or any of their Professionals, Non-Professionals or representatives. Specifically, the Liquidating Trustee, the Liquidating Trust and their respective Professionals, Non-Professionals or representatives shall not be liable for any negligence or any error of judgment made in good faith with respect to any action taken or omitted to be taken in good faith. Notwithstanding the foregoing, the Liquidating Trust or the Liquidating Trustee, or any of their Professionals, Non-Professionals or representatives may be held personally liable to the extent that the action taken or omitted to be taken by each of the same or their respective Professionals, Non-Professionals or representatives is determined by a Final Order to be solely due to their own respective gross negligence, willful misconduct, fraud or, solely in the case of the Liquidating Trustee, breach of fiduciary duty other than negligence. Any act or omission taken with the approval of the Bankruptcy Court will be conclusively deemed not to constitute gross negligence, willful misconduct, fraud or a breach of fiduciary duty.

8.2 Reliance by Liquidating Trustee

Except as otherwise provided in **Article III** hereof:

(a) the Liquidating Trustee may rely, and shall be protected in acting upon, any resolution, certificate, statement, installment, opinion, report, notice, request, consent, order or other paper or document reasonably believed by him or her to be genuine and to have been signed or presented by the proper party or parties except as otherwise provided in the Plan or the Confirmation Order; and

(b) the Liquidating Trustee shall not be liable for any action reasonably taken or not taken by him or her in accordance with the advice of a Professional retained pursuant to **Article X**, and Persons dealing with the Liquidating Trustee shall look only to the Liquidating Trust Assets to satisfy any liability incurred by the Liquidating Trustee to such person in carrying out the terms of this Liquidating Trust Agreement, and the Liquidating Trustee shall have no personal obligation to satisfy any such liability, except to the extent that actions taken or not taken after the Effective Date by the Liquidating Trustee are determined by a Final Order to be solely due to the Liquidating Trustee's own gross negligence, willful misconduct, fraud or breach of fiduciary duty, other than negligence.

8.3 Exculpation

8.3.1 From and after the Effective Date, the Liquidating Trustee and its Professionals, Non-Professionals and representatives shall be and hereby are exculpated by all Persons, including, without limitation, Holders of Claims and Interests and other parties in interest, from any and all claims, causes of action and other assertions of liability arising out of the discharge of the powers and duties conferred upon said parties pursuant to or in furtherance of this

Liquidating Trust Agreement, the Plan, the Confirmation Order or any order of the Bankruptcy Court or applicable law or otherwise, except only for actions taken or not taken, from and after the Effective Date only to the extent determined by a Final Order to be solely due to their own respective gross negligence, willful misconduct, fraud or, solely in the case of the Liquidating Trustee, breach of fiduciary duty, other than negligence.

8.3.2 No Holder of a Claim or Interest or other party-in-interest will be permitted to pursue any claim or cause of action against the Liquidating Trustee or its Professionals, Non-Professionals or representatives for making payments in accordance with the Plan or the Confirmation Order or for implementing the provisions of the Plan or the Confirmation Order. Any act taken or not taken by the Liquidating Trustee with the approval of the Bankruptcy Court will be conclusively deemed not to constitute gross negligence, willful misconduct or fraud or, solely in the case of the Liquidating Trustee, a breach of fiduciary duty, other than negligence.

8.4 Indemnification

The Liquidating Trust shall indemnify, defend and hold harmless the Liquidating Trustee, and their respective Professionals, Non-Professionals and representatives from and against any and all claims, causes of action, liabilities, obligations, losses, damages or expenses (including reasonable attorneys' fees and expenses) occurring after the Effective Date, other than to the extent determined by a Final Order to be solely due to their own respective gross negligence, willful misconduct or fraud or, solely in the case of the Liquidating Trustee, breach of fiduciary duty, other than negligence, to the fullest extent permitted by applicable law.

ARTICLE IX
ADMINISTRATION

9.1 Purpose of the Liquidating Trust

The Liquidating Trust shall be established for the primary purpose of liquidating its assets, in accordance with Treas. Reg. § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. Accordingly, the Liquidating Trust shall, in an expeditious but orderly manner, liquidate and convert to Cash the Liquidating Trust Assets, make timely Distributions to the Liquidating Trust Beneficiaries and not unduly prolong the duration of the Liquidating Trust.

9.2 Books and Records

9.2.1 Maintenance of Books and Records. The Liquidating Trustee shall maintain, with respect to the Liquidating Trust and the Liquidating Trust Beneficiaries, books and records relating to the assets and income of the Liquidating Trust and the payment of expenses of and liabilities of, claims against or assumed by, the Liquidating Trust in such detail and for such period of time as the Liquidating Trustee determines may be necessary to make full and proper accounting in respect thereof in accordance with this **Article IX** and to comply with applicable provisions of law. Except as otherwise provided herein, in the Plan, or in the Confirmation Order, nothing in this Liquidating Trust Agreement requires the Liquidating Trust to file any accounting

or seek approval of any court with respect to the administration of the Liquidating Trust, or as a condition for making any payment or distribution out of the Liquidating Trust Assets. Subject to all applicable privileges, the Liquidating Trust Beneficiaries shall have the right, in addition to any other rights they may have pursuant to this Liquidating Trust Agreement, under the Plan and the Confirmation Order, or otherwise, upon thirty (30) days' prior written notice delivered to the Liquidating Trustee, to request a reasonable inspection (as determined by the Liquidating Trustee) of such books and records; provided, however, that, if so requested, such Beneficiary shall: (a) first enter into a confidentiality agreement satisfactory in form and substance to the Liquidating Trustee; (b) make such other reasonable arrangements as requested by the Liquidating Trustee; and (c) bear all costs and expenses of such inspection.

9.2.2 Quarterly Reports. From and after the Effective Date, the Liquidating Trustee shall prepare and file with the Bankruptcy Court a report by the end of the first calendar month following the conclusion of every calendar quarter setting forth: (i) all Distributions to Creditors during the calendar quarter; (ii) a summary of the Liquidating Trust deposits and Disbursements during the calendar quarter; and (iii) a summary of the Liquidating Trust Assets. As used in this section, "calendar quarter" shall mean a three (3) month period of time, and the first calendar quarter shall commence on the first day of the first month immediately following the occurrence of the Effective Date. In the event the Effective Date does not occur, the Liquidating Trustee shall have no obligation to prepare and file quarterly reports.

9.3 Security Interests

The Liquidating Trustee, its respective Professionals and Non-Professionals and the U.S. Trustee are hereby granted a first-priority lien on, and security interest in, the Liquidating Trust Assets to secure the payment of all amounts owed to, accrued or reserved on account of, to be retained by or otherwise due hereunder to each of the above. The Liquidating Trustee shall cause the Liquidating Trust to take such actions and execute such documents as the Liquidating Trustee, its respective Professionals and Non-Professionals and the U.S. Trustee deem appropriate to perfect the security interests granted hereunder. The Liquidating Trustee is authorized to execute and deliver all documents on behalf of the Liquidating Trust to accomplish the purposes of this Liquidating Trust Agreement, the Plan and the Confirmation Order.

9.4 Compliance with Laws

Any and all Distributions of Liquidating Trust Assets shall comply with all applicable laws and regulations, including, but not limited to, applicable federal and state Tax and securities laws.

ARTICLE X
PROFESSIONALS AND NON-PROFESSIONALS

10.1 Retention of Professionals and Non-Professionals

10.1.1 Retention of Professionals. The Liquidating Trustee, upon acceptance by the Liquidating Trustee of its appointment in accordance with the Plan and this Liquidating Trust Agreement, shall have the right to retain its own professionals without any further approval by any court or otherwise including, without limitation, legal counsel, accountants, experts, advisors,

consultants, investigators, appraisers, real estate brokers, auctioneers and other professionals as the Liquidating Trustee deems appropriate (collectively, the "Professionals"). Such Professionals shall be compensated in accordance with **Section 10.3** hereof. The Professionals so retained need not be "disinterested" as that term is defined in the Bankruptcy Code and may include, without limitation, counsel and financial advisors of any party in the Chapter 11 Cases for efficiency.

10.1.2 Retention of Non-Professionals. The Liquidating Trustee, upon acceptance by the Liquidating Trustee of its appointment in accordance with the Plan and this Liquidating Trust Agreement, shall have the right to retain non-professionals without any further approval by any court or otherwise including, without limitation, employees, independent contractors or other agents as the Liquidating Trustee deems appropriate (the "Non-Professionals"). Such Non-Professionals shall be compensated in accordance with **Section 10.3** hereof. The Non-Professionals so retained need not be "disinterested" as that term is defined in the Bankruptcy Code and may include, without limitation, employees, independent contractors and agents of any party in the Chapter 11 Cases for efficiency.

10.2 Retention of Liquidating Trustee's Legal Counsel

The initial Liquidating Trustee has chosen to retain Elliott Greenleaf, P.C. and Lowenstein Sandler LLP as his co-counsel. Such retention is made pursuant to this **Article X** without any further approval by any court. Elliott Greenleaf, P.C., Lowenstein Sandler LLP, and CohnReznick LLP are Professionals as that term is used herein, and shall be compensated in accordance with **Section 10.3** hereof.

10.3 Compensation of Professionals and Non-Professionals

Each Professional and Non-Professional shall submit monthly invoices to the Liquidating Trustee for its fees and expenses incurred in connection with services requested by, and provided to, the Liquidating Trustee. The Liquidating Trustee may pay the reasonable fees and expenses of such Professionals and Non-Professionals as an expense of the Liquidating Trust without application to the Bankruptcy Court, subject to the following procedure: Each Professional and Non-Professional shall serve its fee invoice (which shall contain detailed time entries) upon the Liquidating Trustee no more frequently than once a month. The Liquidating Trustee shall have until fourteen (14) days after its receipt of an invoice to review such invoice and deliver to the applicable Professional or Non-Professional, any objections thereto. Any objection to an invoice (each an "Objection") must: (a) be in writing; and (b) set forth the precise nature of the Objection and the amount of objectionable fees and expenses at issue. If no Objection is timely filed, served and received in respect of an invoice, then the Professional or Non-Professional shall be entitled to payment from the Liquidating Trust on such invoice. If a timely Objection is filed, the Professional or Non-Professional shall be entitled to payment from the Liquidating Trust of only that portion of the invoice that is not the subject of the Objection, and the Liquidating Trustee and the affected Professional or Non-Professional may attempt to resolve on a consensual basis that portion of the invoice that is the subject of the Objection. If the parties are unable to reach a resolution of the Objection, the affected Professional or Non-Professional may file a request for payment of the disputed amount with the Bankruptcy Court and serve such request on the Liquidating Trustee on regular notice, and the Liquidating Trustee or the affected Professional or

Non-Professional may request, by motion, that the Bankruptcy Court adjudicate and rule on the Objection.

ARTICLE XI
TAXES

11.1 Tax Returns and Payments

The Liquidating Trustee will be responsible for: (a) the preparation and timely filing of all required federal, state and local Tax returns for the Liquidating Trust and the Debtors; (b) the timely payment of any Taxes shown on such returns as owing by the Liquidating Trust or the Debtors (as applicable) from the applicable Liquidating Trust Assets; and (c) the preparation and timely distribution to the Liquidating Trust Beneficiaries of any necessary federal, state or local information returns. The Liquidating Trustee will retain all Tax returns and supporting documentation until the expiration of the applicable statute of limitations. The Liquidating Trustee may request an expedited determination of the Taxes owed by the Debtors, the Liquidating Trust or any Reserve under section 505(b) of the Bankruptcy Code for any Tax return for which such determination may be requested.

11.2 Liquidating Trust

The Liquidating Trustee will file Tax returns pursuant to Treas. Reg. § 1.671-4(a) on the basis that the Liquidating Trust is a grantor trust that is a "liquidating trust" within the meaning of Treas. Reg. § 301.7701-4(d) and related regulations. Pursuant to such provisions, for federal income Tax purposes, the Liquidating Trustee will allocate to the Liquidating Trust Beneficiaries their applicable shares of any income or loss of the Liquidating Trust Assets, and such Liquidating Trust Beneficiaries will be subject to Tax on the Liquidating Trust Assets' taxable income on a current basis. As soon as reasonably practicable after the close of each calendar year, the Liquidating Trustee will send each affected Beneficiary a statement setting forth such Beneficiary's share of the Liquidating Trust's income, gain, deduction, loss and credit for the year and will instruct the Beneficiary to report all such items on his, her or its Tax return for such year and pay any Tax due with respect thereto. The Liquidating Trustee, in his or her discretion, may limit such returns to those classes of beneficiaries he or she determines will receive a distribution.

11.3 Disputed Claims and Interests Reserves

The Liquidating Trustee will file all applicable Tax and other returns and statements for the Disputed Claims and Interests Reserves in accordance with the requirements for discrete trusts taxed pursuant to section 641, *et seq.* of the Internal Revenue Code or as "disputed ownership funds" within the meaning of Treas. Reg. § 1.468B-9(b)(1), as applicable. In addition, the Liquidating Trustee will pay from the applicable Liquidating Trust Assets on a current basis any Taxes owed on any net income or gain of such Disputed Claims and Interests Reserves.

11.4 Tax Withholding and Reporting; Liability for Taxes

The Liquidating Trustee (and its designees) will comply with all applicable Tax withholding and reporting requirements imposed on it or on the Liquidating Trust by any

governmental unit, and all Distributions pursuant to the Plan will be subject to applicable withholding and reporting requirements. The Liquidating Trustee (and its designees) will be authorized to take any actions that may be necessary or appropriate to comply with such Tax withholding and reporting requirements, including liquidating a portion of the Distribution to be made under the Plan to generate sufficient funds to pay applicable withholding Taxes or establishing any other mechanism the Liquidating Trustee believes is reasonable and appropriate, including requiring Holders of Claims and Interests to submit appropriate Tax and withholding certifications. To the extent any Claim Holder fails to submit appropriate Tax and withholding certifications as required by the Liquidating Trustee, such Claim Holder's distribution may, in the Liquidating Trustee's reasonable discretion, be deemed undeliverable and be subject to the provisions of the Plan and this Liquidating Trust Agreement with respect to undeliverable Distributions. Each Person or entity receiving (or deemed to receive) a Distribution pursuant to the Plan will have sole responsibility for the payment of any Taxes imposed on it.

ARTICLE XII
TERMINATION OF THE LIQUIDATING TRUST

12.1 Duration and Extension

The Liquidating Trust will terminate no later than the fifth (5th) anniversary of the Effective Date; provided, however, that on or prior to the date six (6) months prior to such termination, the Bankruptcy Court, upon motion by a party in interest, may extend the term of the Liquidating Trust for a finite period if it is necessary to the liquidating purpose thereof. Multiple extensions may be obtained so long as Bankruptcy Court approval is obtained at least six (6) months prior to the expiration of such extended term; provided, however, that prior to requesting any such extension, the Liquidating Trustee must receive an opinion of counsel or a favorable ruling from the IRS that any further extension would not adversely affect the status of the trust as a grantor trust for federal income Tax purposes.

12.2 Termination Upon Distribution of All Liquidating Trust Assets

The Liquidating Trust will terminate and the Liquidating Trustee will have no additional responsibility in connection therewith except as may be required to effectuate such termination under relevant law and except as described in **Section 12.4** hereof, upon the latest of: (a) the payment of all costs, expenses and obligations incurred in connection with administering the Liquidating Trust; (b) the Distribution of all remaining Liquidating Trust Assets; (c) the closure or dismissal of the Chapter 11 Cases; and (d) the completion of any necessary or appropriate reports, Tax returns or other documentation determined by the Liquidating Trustee, in its reasonable discretion, to be necessary, appropriate or desirable, in each case pursuant to and in accordance with the Plan, the Confirmation Order and this Liquidating Trust Agreement.

12.3 Diligent Administration

The Liquidating Trustee shall: (a) not unduly prolong the duration of the Liquidating Trust; (b) at all times endeavor to resolve, settle or otherwise dispose of all claims that constitute Liquidating Trust Assets; (c) effect the Distribution of the Liquidating Trust Assets to the

Liquidating Trust Beneficiaries in accordance with the terms hereof; and (d) endeavor to terminate the Liquidating Trust as soon as practicable and without derogating from the Plan or this Liquidating Trust Agreement. Prior to and upon termination of the Liquidating Trust, the Liquidating Trustee shall distribute the Liquidating Trust Assets to the Liquidating Trust Beneficiaries in accordance with their distribution rights under the Plan and the Confirmation Order, subject to the provisions set forth herein. If any Distributions of the Liquidating Trust are not duly claimed, the Liquidating Trustee shall dispose of all such Distributions in accordance with the Plan, the Confirmation Order and this Liquidating Trust Agreement.

12.4 Other Termination Procedures

Upon termination of this Liquidating Trust, the Liquidating Trustee will file a written notice with the Bankruptcy Court disclosing the Liquidating Trust's termination. Notwithstanding the foregoing, after the termination of the Liquidating Trust, the Liquidating Trustee will have the power to exercise all the rights, powers and privileges herein conferred solely for the purpose of liquidating and winding up the affairs of the Liquidating Trust. Except as otherwise provided under the Plan or this Liquidating Trust Agreement, for a period of five (5) years after the Distribution of all of the Liquidating Trust Assets, the Liquidating Trustee will retain the books, records and files that have been delivered to or created by the Liquidating Trustee, at which time the Liquidating Trustee may dispose of such books, records and files in any manner that the Liquidating Trustee deems appropriate. Except as otherwise specifically provided herein after termination of this Liquidating Trust Agreement, the Liquidating Trustee shall have no further duties or obligations hereunder.

ARTICLE XIII
MISCELLANEOUS PROVISIONS

13.1 Intention of Parties To Establish a Grantor Trust

This Liquidating Trust Agreement is intended to create a grantor trust for United States federal income Tax purposes and, to the extent provided by law, shall be governed and construed in all respects as a grantor trust.

13.2 Preservation of Privilege

In connection with the rights, claims and Causes of Action that constitute the Liquidating Trust Assets, any attorney-client privilege, work-product privilege or other privilege or immunity attaching to any documents or communications (whether written or oral) transferred to the Liquidating Trust shall vest in the Liquidating Trust and its representatives, the Debtors and the Creditors' Committee, on the one hand, and the Liquidating Trustee, on the other hand, are authorized to take all necessary actions to effectuate the transfer of such privileges. For the avoidance of doubt, neither the Liquidating Trustee nor the Liquidating Trust shall be treated as a successor to the Debtors or their Estates for any purpose.

13.3 Cooperation

The Debtors and their Professionals shall provide the Liquidating Trustee with access to or copies of such of their books and records as the Liquidating Trustee shall reasonably require for the purpose of performing its duties and exercising its powers under this Liquidating Trust Agreement, the Plan or the Confirmation Order, and all reasonable costs and fees of the Debtors' and its Professionals relating to their compliance with this **Section 13.3** shall be paid by the Liquidating Trust. All third parties in possession of the Debtors' books and records shall provide the Liquidating Trustee with similar cooperation, and the Liquidating Trustee shall have the right to seek appropriate relief from the Bankruptcy Court to the extent that a third party unreasonably refuses to cooperate with the Liquidating Trustee's requests.

13.4 Payment of Statutory Fees

Following the transfer of all Liquidating Trust Assets to the Liquidating Trust on and after the Effective Date and through the date that a final decree is entered in the Chapter 11 Cases, the Liquidating Trust shall be obligated to pay any U.S. Trustee fees pursuant to 28 U.S.C. § 1930(a)(6) on account of the Estate.

13.5 Prevailing Party

In the event of a dispute regarding the provisions of this Liquidating Trust Agreement or the enforcement thereof, the prevailing party shall be entitled to collect any and all costs, expenses and fees, including attorneys' fees, from the non-prevailing party incurred in connection with such dispute or enforcement action.

13.6 Implied Authority of the Liquidating Trustee

No person dealing with the Liquidating Trust shall be obligated to inquire into the authority of the Liquidating Trustee in connection with the protection, conservation or disposition of Liquidating Trust Assets.

13.7 Confidentiality

The Liquidating Trustee, its employees, Professionals and Non-Professionals (each a "Confidential Party" and collectively the "Confidential Parties") shall hold strictly confidential and not use for personal gain any material, non-public information of which they have become aware in their capacity as a Confidential Party, of or pertaining to any entity to which any of the Liquidating Trust Assets relate; provided, however, that such information may be disclosed if: (a) it is now or in the future becomes generally available to the public other than as a result of a disclosure by the Confidential Parties; (b) was available to the Confidential Parties on a non-confidential basis prior to its disclosure to the Confidential Parties pursuant to this Liquidating Trust Agreement; (c) becomes available to the Confidential Parties on a non-confidential basis from a source other than their work in connection with the Debtors or the Liquidating Trust, provided that the source is not also bound by a confidentiality agreement with the Debtors or the Liquidating Trust; or (d) such disclosure is required of the Confidential Parties pursuant to legal process including but not limited to subpoena or other court order or other applicable laws or regulations. In the event that any Confidential Party is requested to divulge confidential information pursuant to subparagraph (d), such Confidential Party shall promptly, in advance of

making such disclosure, provide reasonable notice of such required disclosure to the Liquidating Trustee to allow the Liquidating Trustee sufficient time to object to or prevent such disclosure through judicial or other means and shall cooperate reasonably with the Liquidating Trustee in making any such objection, including, but not limited to, appearing in any judicial or administrative proceeding in support of the Liquidating Trustee's objection to such disclosure.

13.8 Governing Law; Submission to Jurisdiction; Service of Process

This Liquidating Trust Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to rules governing the conflict of law. The Bankruptcy Court will have exclusive jurisdiction over any dispute arising out of or in connection with the transactions contemplated by this Liquidating Trust Agreement. The parties to this Liquidating Trust Agreement consent to the exclusive jurisdiction of the Bankruptcy Court (and of the appropriate appellate courts therefrom) and irrevocably waive, to the fullest extent permitted by law, any objection that they may now or hereafter have to the laying of the venue of any such dispute in the Bankruptcy Court or that any such dispute brought in the Bankruptcy Court has been brought in an inconvenient forum. This Liquidating Trust Agreement is subject to any order or act of the Bankruptcy Court applicable hereto. Process may be served on any party anywhere in the world, whether within or without the jurisdiction of the Bankruptcy Court. Without limiting the foregoing, each party to this Liquidating Trust Agreement agrees that service of process on that party may be made upon the designated Person or entity at the address provided in **Section 13.10** hereof and will be deemed to be effective service of process on that party.

13.9 Severability

If any provision of this Liquidating Trust Agreement or the application thereof to any Person or circumstance shall be finally determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Liquidating Trust Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

13.10 Notices

Any notice or other communication hereunder shall be in writing and shall be deemed to have been sufficiently given, for all purposes, if delivered via personal delivery, first-class mail (unless registered or certified mail is required), facsimile or electronic mail to the addresses as set forth below, or such other addresses as may be filed with the Bankruptcy Court:

Liquidating Trustee:

Kevin P. Clancy
CohnReznick LLP
4 Becker Farm Road
Roseland, NJ 07068
E-mail: kevin.clancy@cohnreznick.com

with a copy to:

Rafael X. Zahralddin, Esq.
Jonathan M. Stemerman, Esq.
Sarah Denis, Esq.
Elliott Greenleaf, P.C.
1105 Market Street, Suite 1700
Wilmington, DE 19801
Phone: (302) 384-9400
Facsimile: (302) 384-9399
E-mail: rxza@elliottgreenleaf.com
E-mail: jms@elliottgreenleaf.com
E-mail: sxd@elliottgreenleaf.com

-and-

Mary E. Seymour, Esq.
Joseph J. DiPasquale, Esq.
Lowenstein Sandler LLP
One Lowenstein Drive
Roseland, NJ 07068
Telephone: (973) 597-2500
Facsimile: (973) 597-2400
E-mail: mseymour@lowenstein.com
E-mail: jdipasquale@lowenstein.com

Debtors:

Karen A. Giannelli, Esq.
Mark B. Conlan, Esq.
Brett S. Theisen, Esq.
Gibbons, P.C.
One Gateway Center
Newark, New Jersey 07102
Telephone: (973) 596-4500
Facsimile: (973) 596-0545
E-mail: kgiannelli@gibbonslaw.com
mconlan@gibbonslaw.com
btheisen@gibbonslaw.com

13.11 Notices if to a Beneficiary

Any notice or other communication hereunder shall be in writing and shall be deemed to have been sufficiently given, for all purposes, if deposited, postage prepaid, in a post office or letter box addressed to the person for whom such notice is intended to the name and address set forth on the Claims and Interest Lists.

13.12 Headings

The Article and Section headings contained in the Liquidating Trust Agreement are solely for the convenience of reference and shall not affect the meaning or interpretation of this Liquidating Trust Agreement or of any term or provision thereof.

13.13 Counterparts and Facsimile Signatures

This Liquidating Trust Agreement may be executed in counterparts and a facsimile or other electronic form of signature shall be of the same force and effect as an original.

13.14 Amendment or Waiver

Any substantive provision of this Liquidating Trust Agreement may be materially amended or waived by the Liquidating Trustee, with the approval of the Bankruptcy Court upon notice and an opportunity for a hearing; provided, however, that no change may be made to this Liquidating Trust Agreement that would adversely affect the federal income Tax status of the Liquidating Trust as a "grantor trust," if applicable. Technical or non-material amendments to or waivers of portions of this Agreement may be made by the Liquidating Trustee without the approval of the Bankruptcy Court, as necessary, to clarify this Liquidating Trust Agreement or to enable the Liquidating Trust to effectuate the terms of this Liquidating Trust Agreement.

13.15 Intervention

On the Effective Date, and without requirement of obtaining any order of the Bankruptcy Court, the Liquidating Trustee shall be deemed to have intervened or substituted as plaintiff, moving, defendant or additional party, as appropriate, in any adversary proceeding, contested matter, Claim or Interest objection or other motion that was filed prior to the Effective Date, where the subject matter of such action involves any Disputed Claim or Interest, any Liquidating Trust Asset or any Claim or Interest, to the extent such Claim or Interest impacts the Liquidating Trust Assets.

IN WITNESS WHEREOF, the Parties hereto have either executed and acknowledged this Liquidating Trust Agreement, or caused it to be executed and acknowledged on their behalf by their duly authorized officers all as of the date first above written.

TRUSTEE

By: _____
Kevin P. Clancy

NEW ENGLAND MOTOR FREIGHT, INC, ET AL.

By: _____
Vincent J. Colistra
Their Chief Restructuring Officer

OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: _____
Dawn Bowers
Chair

EXHIBIT B

LIQUIDATION ANALYSIS

Liquidation Analysis - Substantive Consolidation

	COMBINED		NOTES
	$ Amount		
Cash (as of 10/13/19)	$ 9,402,709		
Eastern Escrow Funds	$ 5,958,117		
Projected cash	**$ 15,360,826**		
Remaining Proceeds from Unencumbered Rolling Stock	$ 43,750		
Proceeds from T & M settlement and True-Up (Estimated)	$ 100,000		
Est. Proceeds from Liquifying Insurance Note Receivable	$ -		A
Est. Proceeds from remaining A/R	$ 43,000		
Less - Accrued & Unpaid Professional Fees thru August (Incl. US Trustee Fees)	$ (1,929,000)		B
Less - Projected Professional fees Sept. thru Dec. (Incl. Trustee Fees)	$ (2,500,000)		
Class Action Settlement #2 (Estimated)	$ (625,000)		
	$ -		
Est. Remaining Employee payroll/ severance/Insurance pmts/post petition vendor pmt., server costs, document retainage costs, D & O costs	$ (787,744)		
Surplus LOC Claims	$ -		C
Potential Cases of Action	$ -		D
Projected Net cash	**$ 9,705,832**		
Claims			
Admin Expense Claims:			
Chapter 7 Trustee Commissions	$ 413,057		
Chapter 7 Professional Fees	$ 500,000		
Post-Petition Health Care-Related Claims (The Deloitte Analysis)	$ 506,000		
Post-Petition Auto Liability Claims	$ 218,499		
503(b)(9) Claims	$ 2,393,996		
Other Admin Expense Claims	$ 286,153		
Priority Tax Claims	$ 1,321,875		
Non-Tax Priority Claims	$ 333,154		
Other Secured Claims	$ 126,424		E
Total Admin, Priority, and Secured Claims	**$ 6,099,158**		
	$ -		
Cash Available for Unsecured Claims	**$ 3,606,674**		
General Unsecured Claims ("GUC"):			
Auto Liability Claims	$ 81,668,070		F
Auto Insurer Indemnity Claims	$ -		G
Executory Contract Rejection Damages Claims	$ 15,244,088		H
Insider Lease Rejection Claims (Estimated)	$ 10,000,000		
Secured Lender Deficiency Claims	$ 33,270,875		
Other GUC	$ 15,483,847		
Total Unsecured Claims	**$ 155,666,880**	**2.32%**	
Total Claims	**$ 161,766,038**		

NOTES

A	Neither the Committee nor the Debtors were able to identify a potential purchaser willing to acquire the Life Insurance Note Receivable as a standalone asset. As such, the value of this asset is unknown, and for this analysis is projected to be $0.
B	Relfects $6,071,000 already paid and netted from the cash balance as of 10/13/19.
C	Certain workers compensation insurers are holding letter of credit proceeds as collateral to secure the Debtors' obligations under the policies. To the extent such proceeds are not used in their entirety to settle claims, the surplus will revert to the estates. At this time, the estimated amount of any possible surplus has not been determined and is therefore projected to be $0.
D	The Debtors and the Committee have identified certain claims, including chapter 5 avoidance actions, which could be pursued. Any recovery on such claims is highly speculative due to the nature of litigation and the cost to procesute such claims. As such, at this time the estimated recovery on such claims is assumed to be $0.
E	Includes asserted secured tax claims and asserted secured rejection damages claims
F	Based on filed proofs of claim. The Auto Insurers are holding approximately $12.5 million in letter of credit proceeds to secure the Debtors' self-insured retention obligations for these claims.
G	Amount unknown; pending liquidation of Auto Liability Claims.
H	Based on filed proofs of claim.

EXHIBIT C

AUTO LIABILITY CLAIMS PROTOCOL SETTLEMENT AGREEMENT

AUTO LIABILITY CLAIMS PROTOCOL SETTLEMENT AGREEMENT
(To Be Approved by FRBP Rule 9019(b) Pursuant to the Plan)

The parties, New England Motor Freight, Inc. and its affiliated debtors (collectively, the "Debtors"), the Official Committee of Unsecured Creditors appointed in the Debtors' chapter 11 cases (the "Committee"), United States Fire Insurance Company ("U.S. Fire"), and Protective Insurance Company ("Protective") (together with the Debtors, and the Committee are each a "Party" to this Agreement, and together, these entities are collectively referred to as the "Parties") enter into this Settlement Agreement (the "Agreement"), which, subject to the approval of the Bankruptcy Court presiding over the Debtors' chapter 11 cases, sets forth the terms and conditions of their agreement to resolve certain pending legal proceedings and disputes between them.

RECITALS

A. On February 11, 2019 (the "Petition Date"), debtors New England Motor Freight, Inc. and certain affiliates[1] each filed a petition for relief under chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of New Jersey (the "Bankruptcy Court"). These bankruptcy cases (collectively, the "Bankruptcy Cases") are jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure as *In re:, New England Motor Freight, Inc. et al.*, Case No. 19-12809-JKS.

B. The Debtors have continued in the possession of their properties and have continued to operate as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

C. No request has been made for the appointment of a trustee or an examiner in these cases. On February 21, 2019, the Committee was appointed by the Office of the United States Trustee.

D. On March 14, 2019, the Debtors commenced an adversary proceeding styled *New England Motor Freight, Inc., et al. v. State Farm Mutual Automobile Insurance Company, a/s/o Riquet Simplice, et. al.*, Adv. Pro. No. 19-01119 in the United States Bankruptcy Court for the District of New Jersey (the "Auto Liability Injunction Action"). The purpose of the Auto Liability Injunction Action was to (i) seek a preliminary injunction under 11 U.S.C. §§ 105(a) and 362(a) enjoining the continuation or commencement of any action against any of the Debtors' employees and/or former employees who may be individually liable for Auto Liability Claims (collectively, the "Drivers"), and/or (ii) extend the automatic stay to protect the Debtors' estates on account of possible indemnity claims the Drivers may possess against the Debtors if judgment is entered against a Driver in any Auto Liability Action.

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[1] The Debtors in these chapter 11 cases and the last four digits of each Debtor's taxpayer identification number are as follows: New England Motor Freight, Inc. (7697); Eastern Freight Ways, Inc. (3461); NEMF World Transport, Inc. (2777); Apex Logistics, Inc. (5347); Jans Leasing Corp. (9009); Carrier Industries, Inc. (9223); Myar, LLC (4357); MyJon, LLC (7305); Hollywood Avenue Solar, LLC (2206); United Express Solar, LLC (1126); and NEMF Logistics, LLC (4666).

E. On April 16, 2019, the Court entered a temporary restraining order in the Auto Liability Injunction Action staying the Auto Liability Actions (the "TRO"), and directed the parties to meet and confer regarding a consensual protocol to govern the orderly resolution of all Auto Liability Claims. The Court subsequently extended the TRO, with the consent of the parties—including the Insurers and an ad hoc group of counsel representing Holders of Auto Liability Claims—while those discussions continued, including through the General Bar Date on June 18, 2019, and the Special Administrative Claims Bar Date applicable to certain Auto Liability Claims (defined below) arising after the Petition Date. The TRO is presently in effect through November 5, 2019 [Adv. Proc. No. 19-01119, Docket No. 46].

F. On October 21, 2019 the Debtors and the Committee filed the *Debtors' and Official Committee of Unsecured Creditors' Joint Combined Plan of Liquidation and Disclosure Statement* [Docket No. 932] (as amended, the "Plan"), and on November 8, 2019 the Debtors and the Committee filed an amended Plan [Docket No. __]. The Debtors and the Committee anticipate that a hearing to consider conditional approval of the Plan and solicitation procedures will be scheduled in November 2019. The Debtors and the Committee anticipate that a hearing to consider confirmation of the Plan will be scheduled in January 2020.

F. Protective and U.S. Fire (together, the "Insurers" and each an "Insurer") are parties to various insurance contracts with the Debtors (the specific policies are identified on Exhibit A) (the "Excess Indemnity Contracts") that may apply to certain claims for personal injury or property damage relating to or arising out of the Debtors' commercial trucking and transportation operations ("Auto Liability Claims").

G. The terms and provisions contained in each of the Excess Indemnity Contracts speak for themselves and govern the obligations of the parties to each such contract. Notwithstanding, the Debtors represent that the terms and conditions are materially the same across all of the Excess Indemnity Contracts. Generally, the Excess Indemnity Contracts provide that a self-insured retention amount of $500,000.00 (the "SIR") applies to each claimed occurrence under the Excess Indemnity Contracts. The Debtors assert that the Insurers are obligated to indemnify one or more of the Debtors for amounts paid by the Debtors on a per occurrence basis above the SIR

H. In order to guarantee the Debtors' obligations to the public for the payment of claims within the Self-Retention (and above, up to $1,000,000 "for each accident"), both U.S. Fire and Protective filed surety bonds and certificates with federal and state regulatory agencies and others (the "Surety Bonds"). The Surety Bonds are judgment bonds under which the Insurer "agree[s] to be responsible for the payment of any final judgment or judgments against [one or more of the Debtors] for public liability, property damage, and environmental restoration liability claims", including any final judgment issued against one or more of the Debtors relating to Auto Liability Claims, in the amount of $1,000,000 "for each accident". Surety Bonds, pp. 1-2. The Insurers retain the right and ability to settle and pay such claims prior to judgment without interference or objection by the Debtors. In exchange for the foregoing surety obligations, the Debtors executed various collateral and indemnity agreements with the Insurers providing for the Debtors' indemnification of the Insurers for costs incurred or payments made pursuant to the terms

and conditions of the Surety Bonds because of the Debtors' inability or refusal to make such payments.

I. As collateral to secure the Debtors' Self-Retention and potential indemnification obligations, the Debtors caused letters of credit to be issued in favor of both Protective and U.S. Fire. After receiving notice by certain lenders that the Debtors' letters of credit with those lenders would not be renewed, both Protective (in the amount of $9,539,000) (the "Protective Auto Liability LC Proceeds") and U.S. Fire (in the amount of $2,450,000) (the "U.S. Fire Auto Liability LC Proceeds," and collectively with the Protective Auto Liability LC Proceeds, the "Auto Liability LC Proceeds") drew down on their respective letters of credit. The Protective Auto Liability LC Proceeds were paid by East West Bank and Santander Bank, and the U.S. Fire Auto Liability LC Proceeds were paid by JPMorgan Chase Bank, N.A. (collectively, the "Payor Banks").

J. Protective filed timely proofs of claim with each of the Debtors (Claim Nos. 1144, 1146, 1147, 1148, 1149, and 1150, collectively the "Protective POCs") regarding, among other things, Protective's contingent and unliquidated claim against the Debtors to the extent that Protective's losses, costs, and expenses that fall within the SIR exceed the amount of the Protective Auto Liability LC Proceeds.

K. U.S. Fire filed timely proofs of claim with each of the Debtors (Claim Nos. 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, and 947, collectively the "U.S. Fire POCs") regarding, among other things, U.S. Fire's contingent and unliquidated claim against the Debtors to the extent that U.S. Fire's losses, costs, and expenses that fall within the SIR exceed the amount of the U.S. Fire Auto Liability LC Proceeds.

L. The Parties believe it is in their respective best interests to resolve, to the extent set forth in this Agreement, certain claims, disputes and issues that exist among them with respect to the Protective POCs, the U.S. Fire POCs, and/or the applicable Excess Indemnity Contracts, Surety Bonds, and/or other collateral and indemnity agreements, in order to avoid the high costs, uncertainty, and delay of any and all possible legal proceedings.

M. The Parties understand and agree that this Agreement is dependent and contingent upon entry of a final and non-appealable order of the Bankruptcy Court confirming the Plan, which Plan incorporates the terms of this Agreement and that final approval of the Plan by the Bankruptcy Court is a condition precedent to the validity and enforceability of this Agreement and the Parties' performance of their respective duties and obligations set forth herein.

NOW, THEREFORE, after extensive review and negotiations between the Parties, and in consideration of the foregoing recitals and of the mutual agreements, covenants and releases set forth herein, and for other good and valuable consideration, the sufficiency and adequacy of which is acknowledged by the Parties, the Parties hereto agree as follows:

AGREEMENT

I. **Recitals.** The above recitals are true and correct, incorporated herein as an integral part of this Agreement, and a material inducement for the Parties to enter into this Agreement.

II. **Rules of Construction.** The following rules of construction govern and apply to the interpretation and construction of this Agreement:

a. Use of the term "Debtor" or "Debtors" includes the Debtor(s) current and former agents, employees, officers and directors, successors and assigns, as applicable, and each in such capacity.

b. Use of the term "Protective" includes Protective's current and former agents, employees, officers and directors, all successors and assigns of Protective, as applicable, and each in such capacity.

c. Use of the term "U.S. Fire" includes U.S. Fire's current and former agents, including but not limited to DMC Insurance, employees, officers and directors, all successors and assigns of U.S. Fire's, as applicable, and each in such capacity.

d. "Liquidating Trust" shall mean the liquidating trust established by the Plan and described in Article VII of the Plan and in the Liquidating Trust Agreement establishing and delineating the terms and conditions of the Liquidating Trust, a copy of which shall be provided in a supplement to the Plan.

e. "Liquidating Trustee" shall mean the person or entity designated pursuant to Article VII of the Plan to act in accordance with the terms and authority granted under the Plan and the Bankruptcy Court's order confirming the Plan. The initial Liquidating Trustee will be Kevin P. Clancy.

f. Capitalized terms in this Agreement and in the exhibits hereto that are not otherwise defined herein shall have the meanings ascribed to them in the Plan. In the event of any inconsistency, the Plan shall control.

g. The headings of the sections of this Agreement are intended only as a guide and are not intended, and should not be construed, as controlling, enlarging, restricting, explaining or modifying, in any manner, the language or meaning of those sections or subsections.

III. **Effective Date.** This Agreement shall be effective on the date upon which Plan is confirmed pursuant to a confirmation order entered by the Bankruptcy Court, which order includes approval of this Agreement (the "Settlement Effective Date").

IV. **Reservation of Existing Contractual Rights and Continuing Effect.** The Debtors and the Insurers reserve all of their rights under the Excess Indemnity Contracts, the Surety Bonds, and/or any and all collateral and/or indemnity agreements between the Debtors and an Insurer relating in any way to one or more Excess Indemnity Contracts or Surety Bonds. Pursuant to the Plan, except

as set forth herein, the Excess Indemnity Contracts, the Surety Bonds, and any other collateral and/or indemnity agreements related thereto shall continue in effect after the Effective Date pursuant to their respective terms and conditions and shall be treated as if assumed. For the avoidance of doubt, notwithstanding that such Excess Indemnity Contracts, Surety Bonds, and other collateral and/or indemnity agreements shall be treated as if assumed, no Insurer shall be entitled to assert and/or receive any distribution from the Liquidating Trust or the Consolidated Eastern Debtors on account of any asserted claims, including Administrative Expense Claims, except as expressly set forth herein or in the Plan.

V. **Insurers' Assumption of Administration.** In furtherance of the Insurers' existing rights under the Excess Indemnity Contracts to assume the administration of Auto Liability Claims and/or any litigation resulting therefrom in whole or part, upon the Effective Date, the Insurers shall assume from the Debtors the sole right and obligation to administer all Auto Liability Claims (including those that involve amounts below the Self-Retention), including the obligation to investigate, defend (including the selection of counsel and all other matters involving litigation), and settle such claims, but only with respect to those Auto Liability Claims arising prior to the Petition Date. Auto Liability Claims arising after the Petition date shall be treated as Administrative Expense Claims under the Plan. The Debtors, the Debtors' Estates, the Liquidating Trust, and the Liquidating Trustee shall cooperate with the Insurers in all matters following the assumption of administration under this Agreement. The Insurers agree that their obligations under the Excess Indemnity Contracts, Surety Bonds, or any other collateral and/or indemnity agreements shall remain in full force and effect. The Insurers shall not disclaim coverage under the Excess Indemnity Contracts based solely upon the Debtors' failure to pay the Self-Retention, except as otherwise provided for in the Excess Indemnity Contracts, Surety Bonds, or any other collateral and/or indemnity agreements or under applicable law. Nothing contained herein is intended to increase or enhance the Insurers' existing contractual obligations in accordance with the terms of the Excess Indemnity Contracts, Surety Bonds, or any other collateral and/or indemnity agreements in any manner.

VI. **Insurers' Use of Auto Liability LC Proceeds; Mandatory Reporting.** Each Insurer shall be permitted to utilize its respective Auto Liability LC Proceeds only in accordance with the terms of the applicable Excess Indemnity Contract, the Surety Bonds, and/or any other collateral and/or indemnity agreement between the Debtors and such Insurer relating to the applicable Excess Indemnity Contracts and/or Surety Bonds, which shall specifically include, (i) for U.S. Fire, the right to utilize the U.S. Fire Auto Liability LC Proceeds to pay all reasonable and customary sums paid or to be paid by U.S. Fire to its counsel, Riker Danzig Scherer Hyland & Perretti LLP ("Riker Danzig"), in connection with Riker Danzig's representation of U.S. Fire in the Bankruptcy Case, and all reasonable and customary sums paid to DMC Insurance for its fees for time and expenses incurred in the handling of the Auto Liability Claims for U.S. Fire, and (ii) for Protective, the right to utilize the Protective Auto Liability LC Proceeds to pay all reasonable and customary sums paid or to be paid by Protective to its counsel, Turner Law Firm, LLC ("Turner Law"), in connection with Turner Law's representation of Protective in the Bankruptcy Case, and all reasonable and customary sums incurred by Protective or its agents for fees for time and expenses incurred in the handling of the Auto Liability Claims for Protective. The fees and expenses incurred by U.S. Fire, DMC, Protective, or any of their agents shall be comparable to industry standards. Reasonable time and expenses shall include travel time, plus all reasonable actual out-of-pocket expenses.

Following the Effective Date of the Plan (as defined and provided therein), each Insurer shall provide to the Liquidating Trustee for the Debtors' estates on a quarterly basis concerning written report concerning: (i) the Auto Liability Claims being administered and/or defended pursuant to the Auto Liability Protocol; (ii) losses and allocated expenses and fees, as defined above, related to the same; (iii) the Insurer's remaining amount of Auto Liability LC Proceeds; (iv) the Insurer's projected use of Auto Liability LC Proceeds as to each remaining Auto Liability Claim; and (v) any other information as the Liquidating Trustee may reasonably request related to the Auto Liability Claims Protocol and the use of Auto Liability LC Proceeds. The Liquidating Trustee's only basis to challenge or object to an Insurer's use of Auto Liability LC Proceeds shall be unreasonableness with respect to fees and expenses in comparison with industry standards, or gross negligence, willful dishonesty or fraud on the part of an Insurer, which shall be asserted by filing a written objection with the Bankruptcy Court.

VII. **ADR Program.** There will be a mandatory alternative dispute resolution program implemented as part of the Plan, attached hereto as Exhibit B. The Plan shall include appropriate provisions requiring that all claimants participate in the mandatory alternative dispute resolution procedures included in Exhibit B hereto and enjoining such claims from being pursued until such alternative dispute resolution have been followed.

VIII. **Return of Excess Auto Liability LC Proceeds to Liquidating Trust.** After the final resolution of all Auto Liability Claims by the Insurers, the Insurers, consistent with the terms of any applicable contractual obligations and applicable law, shall turn over any excess Auto Liability LC Proceeds to the Liquidating Trust, to be held by the Liquidating Trust in escrow pending a final determination by the Bankruptcy Court as to the ownership of and appropriate disposition of such funds.

IX. **Waiver of Indemnity Claims.** Any Auto Insurer Unsecured Indemnity Claim (as defined in the Plan) against the Debtors, the Liquidating Trust, the Debtors' current and former owners, shareholders, members, managers, agents, employees, officers, directors, landlords (to the extent any such landlord is or was owned or controlled by any current or former owner of any Debtor), successors and assigns, as applicable, and each in such capacity, shall be deemed waived, released, and discharged on the Effective Date of the Plan, and such Insurer shall also not be entitled to any Distribution from the Liquidating Trust Assets or the Assets of the Consolidated Eastern Debtors on account of such Auto Insurer Unsecured Indemnity Claim.

X. **Release of Auto Liability Claims Against the Debtors *et al.*** The Plan shall provide that as of the Effective Date, all Holders of Auto Liability Claims shall be deemed to grant a release of Auto Liability Claims in favor of the Debtors, the Drivers, the Debtors' Estates, all Estate representatives, the Exculpated Parties, the Released Parties and the Liquidating Trust (collectively, the "Auto Liability Claims Released Parties") *provided, however*, that Holders of Auto Liability Claims shall not be deemed to release their rights to include one or more of the Debtors as a "nominal" party to any future litigation against an Insurer in order to seek payment of such Auto Liability Claims from the Insurers and/or the Auto Liability Claims LC Proceeds, pursuant to this Agreement. No Holder of an Auto Liability Claim shall be entitled to receive a Distribution from the Liquidating Trust or the Consolidated Eastern Debtors on account of such Auto Liability Claim. *For the avoidance of doubt, Holders of Auto Liability Claims shall not be*

deemed to grant any release in favor of the Insurers upon or after the Effective Date, with the Insurers reserving and retaining all rights and defenses.

XI. **Auto Liability Claims Injunction.** The Plan shall provide that, pursuant to 11 U.S.C. § 105(a), upon the Effective Date, all Holders of Auto Liability Claims shall be enjoined from taking any action, directly or indirectly, for the purpose of collecting, recovering or receiving payment or recovery with respect to an Auto Liability Claim until and unless each such Holders comply with the terms of the ADR Procedures (the "Auto Liability Claims Injunction"). The Auto Liability Claims Injunction shall dissolve automatically with respect to any Auto Liability Claim two (2) business days after the filing of an Unsuccessful Mediation Notice (as described and defined in the ADR Procedures attached hereto) for such Auto Liability Claim. Upon the filing of such Unsuccessful Mediation Notice, the Holder of such Auto Liability Claim shall automatically be deemed to have been granted relief from the automatic stay, the Injunction listed in Article X(C) of the Plan, and this Auto Liability Injunction for the limited purpose, if necessary, of listing one or more of the Debtors as a "nominal" party to any future litigation commenced by such Holder to seek payment of such Auto Liability Claim from the Insurers and/or the Auto Liability Claims LC Proceeds, including any amount within the Self-Retention. For the avoidance of doubt, no Holder of Auto Liability Claim, even after the Auto Liability Injunction is dissolved, shall be entitled to receive any Distribution from the Liquidating Trust Assets or the Assets of the Consolidated Eastern Debtors on account of such Auto Liability Claim. Holders of Auto Liability Claims shall only be entitled to receive payment, if any, on account of such Auto Liability Claim from the applicable Auto Liability Claims LC Proceeds held by such Insurer and/or from such Insurer directly.

XII. **Binding Effect.** This Agreement shall bind and inure to the benefit of each of the Parties hereto and their respective successors in interest.

XIII. **Final Integrated Agreement.** This Agreement constitutes the entire, final and binding understanding among the Parties hereto. No other statement or representation, written or oral, express or implied, has been received or relied upon in the Agreement, and all prior and contemporaneous discussions, statements and negotiations made or which have occurred prior to or simultaneous with the date of this Agreement shall be deemed merged into this Agreement, and of no legal force or effect. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the Parties. The Parties hereto agree to execute such other documentation as is necessary to carry out the terms of this Agreement.

XIV. **Voluntary Agreement.** Each Party enters into this Agreement knowingly and voluntarily, in the total absence of any fraud, mistake, duress, coercion, or undue influence and after careful thought and reflection upon this Agreement and, accordingly, by signing this document, each signifies full understanding, agreement and acceptance.

XV. **No Admission.** Each Party expressly recognizes that neither this Agreement, nor any other action taken to comply with this Agreement represents an admission of liability or responsibility on the part of either Party. Neither this Agreement nor any action taken to comply with its provisions shall be construed as, or used as, an admission of any fault, wrongdoing or liability whatsoever in this or any other matter.

XVI. Mutual Warranties and Representations. The Parties hereby represent and warrant to each other that as of the date of this Agreement:

a. The Parties have each consulted with or have had the opportunity to consult with an attorney of their choosing, and each of them has carefully read and fully understands the Agreement and its terms and provisions, and each of them is relying upon legal advice in entering into this Agreement voluntarily.

b. The Parties have each made such investigation of the facts and matters pertaining to this Agreement and settlement of the disputes as each of them has deemed necessary.

c. Each Party acknowledges and agrees that it has not relied on any statement or representation of any other Party, person, or entity in determining to enter into this Agreement.

d. Each person executing this Agreement on behalf of a Party hereto has been duly authorized to execute on behalf of the Party and to bind the Party to the terms and provisions (by appropriate appointment, delegation of authority, corporate by-laws or board resolutions if necessary).

e. As to the matters addressed herein, this Agreement is intended to be final and binding upon the Parties hereto, regardless of any mistake of fact or law made by the Parties hereto. The Debtors and Insurers each assume the risk of any mistake of fact or law in relation to this Agreement which has been mutually drafted by the Parties.

f. Each Party represents that it has not assigned or transferred to any third party, any claims or rights that it has or might have relating to any and all claims, contentions or any matters in dispute between or relating to the Parties as of the effective date of the Plan.

XVII. Retention of Jurisdiction and Tolling. The Parties agree that the Bankruptcy Court shall retain exclusive jurisdiction for the purpose of enforcing the terms of this Agreement. The Parties agree that the promises and undertakings set forth herein shall be specifically enforceable. The Parties further agree that before filing any motion with the Bankruptcy Court to enforce this Agreement, they shall meet and attempt in good faith to resolve any dispute arising under this Agreement.

XVIII. Status Quo: If this Agreement is not approved by the Court, then it shall be null and void and of no force or effect. In such event, each of the Parties shall be returned to the Parties' position *status quo ante,* and the Parties reserve all of their respective rights, claims, and defenses with respect to all of the matters set forth herein. Any statute or period of limitations, statutes of repose, or other time-based limitations or defenses, whether at law, in equity, under statute, contract, or otherwise (including, but not limited to, the doctrine of laches or waiver), which might be asserted as a time bar and/or limitation between the Parties is hereby tolled until the Settlement Effective Date or the date the Court declines to approve the Agreement. Nothing in this Agreement shall operate to revive or extend the time for filing any claim that is now time barred or barred by any applicable statute or period of limitations, statutes of repose, or other time-related defense as of the date this Agreement is executed as set forth below

XIX. Successors. This Agreement shall bind and inure to the benefit of the Parties hereto and their respective successors, predecessors and assigns.

XX. Severability. The Parties agree that if any provision of this Agreement is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall be automatically reformed to embody the essence of that provision to the maximum extent permitted by law, and this Agreement shall be construed, performed and enforced as if the reformed provision had been included in this Agreement at inception. The legality, validity and enforceability of the remaining provisions shall not be affected by a provision of this Agreement that is illegal, invalid or unenforceable.

XXI. Claims Register. The Debtors' claims agent, and/or the Clerk of the Court are authorized to take all necessary and appropriate actions to give effect to this Agreement.

XXII. Choice of Law. This Agreement shall be governed by and construed under the laws of the State of New Jersey. The Parties irrevocably waive any objection on the grounds of venue, *forum non conveniens* or any similar grounds.

XXIII. Counterparts. This Agreement may be executed in any number of counterparts by the Parties on different counterpart signature pages, all of which when taken together shall constitute one and the same agreement. Each of the Parties may execute this Agreement by signing any such counterpart, and each such counterpart, including a facsimile or other electronic copy of a signature, shall for all purposes be deemed to be an original. This Agreement shall not be binding until signed by both Parties.

IN WITNESS WHEREOF, the below Parties execute this Settlement Agreement as of the dates indicated below:

NEW ENGLAND MOTOR FREIGHT, INC., ET AL. **By:** */s/ Vincent J. Colistra* **Name:** Vincent J. Colistra **Title:** Chief Restructuring Officer **Date:** November 8, 2019	**PROTECTIVE INSURANCE COMPANY** **By:**_____ **Name:** _____ **Title:** _____ **Date:** _____
UNITED STATES FIRE INSURANCE COMPANY **By:**_____ **Name:** _____ **Title:** _____ **Date:** _____	**OFFICIAL COMMITTEE OF UNSECURED CREDITORS** **By:** */s/ Dawn Bowers* **Name:** Dawn Bowers, Landstar Transportation Logistics, Inc. **Title:** Chair of the Committee **Date:** November 8, 2019

NEW ENGLAND MOTOR FREIGHT, INC., ET AL. **By:** _____ **Name:** _____ **Title:** _____ **Date:** _____	**PROTECTIVE INSURANCE COMPANY** **By:** Sally Wignall **Name:** Sally Wignall **Title:** General Counsel **Date:** 11/8/19
UNITED STATES FIRE INSURANCE COMPANY **By:** _____ **Name:** _____ **Title:** _____ **Date:** _____	**OFFICIAL COMMITTEE OF UNSECURED CREDITORS** **By:** _____ **Name:** _____ **Title:** _____ **Date:** _____

NEW ENGLAND MOTOR FREIGHT, INC., ET AL. **By:**_____ **Name:** _____ **Title:** _____ **Date:** _____	**PROTECTIVE INSURANCE COMPANY** **By:**_____ **Name:** _____ **Title:** _____ **Date:** _____
UNITED STATES FIRE INSURANCE COMPANY **By:**_____ **Name:** G. Patrick Corydon **Title:** Chief Operating Officer **Date:** November 11, 2019	**OFFICIAL COMMITTEE OF UNSECURED CREDITORS** **By:**_____ **Name:** _____ **Title:** _____ **Date:** _____

Exhibit A

Excess Indemnity Contracts

- An Excess Indemnity Contract with U.S. Fire for the period April 10, 2018 through April 10, 2019 related to Auto Liability Claims (the "U.S. Fire Contract").

- A Large Fleet Trucking Excess Contract with Protective for the period April 10, 2017 to April 10, 2018 (the "2017-2018 Protective Contract").

- A Large Fleet Trucking Excess Contract with Protective for the period April 10, 2016 to April 10, 2017 (the "2016-2017 Protective Contract").

- A Large Fleet Trucking Excess Contract with Protective for the period April 1, 2015 to April 11, 2017 (the "2015-2017 Protective Contract").

- A Fleet Trucking Excess Contract with Protective for the period April 10, 2014 to April 10, 2016 (the "2014-2016 Protective Contract," and collectively with the 2015-2017 Protective Contract, the 2016-2017 Protective Contract, the 2017-2018 Protective Contract, and the U.S. Fire Contract, the "Excess Indemnity Contracts," and each individually an "Excess Indemnity Contract").

Exhibit B

ADR Procedures

A. Effectiveness of the ADR Procedures

1. The Plan shall provide and any Confirmation Order so order, that the alternative dispute resolution procedures described herein (the "ADR Procedures") shall apply to all Holders of Auto Liability Claims whether or not such Holder has filed a proof of claim against one or more of the Debtors.

2. The Plan shall contain an injunctive provision (the "Auto Liability Claims Injunction") with respect to such Auto Liability Claims prohibiting any Holders of Auto Liability Claims from taking any of the following actions for the purpose of, directly or indirectly, litigating, collecting, recovering, or receiving payment of, on or with respect to any Auto Liability Claims, from or against the Debtors, the Drivers, the Debtors' Estates, all Estate representatives, the Exculpated Parties, and the Released Parties and/or the Liquidating Trust (collectively, the "Auto Liability Claims Released Parties"), or from or against the Auto Insurers, until such Holder participates in the ADR Procedures set forth in the Auto Liability Claims Protocol, including, but not limited to:

a. commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding (including a judicial, arbitral, administrative or other proceeding) in any forum against or affecting the Auto Liability Claims Released Parties and/or the Insurers or any property or interests in property of the Auto Liability Claims Released Parties and/or the Insurers; and

b. proceeding in any manner in any place with regard to any matter that is subject to resolution pursuant to the ADR Procedures, except in conformity and compliance with the ADR Procedures.

B. Initial Period of Mandatory Disclosures and Informal Discovery

3. Following the Effective Date, each Holder of an Auto Liability Claim — either individually or through its agents, attorneys and representatives — shall engage with the applicable Insurer in negotiations regarding the potential resolution of the Auto Liability Claim in accordance with the terms of the Auto Liability Claims Protocol. Those negotiations may include, without limitation, the informal exchange of requests for information and other discovery, as well as the assertion of rights, remedies, claims and defenses arising from or relating to the applicable Auto Liability Claim. The Holders of Auto Liability Claims and the Insurers shall engage in cooperative, informal exchanges and requests for information and other discovery, in a good faith effort to resolve the Auto Liability Claims.

C. Mandatory Mediation

4. If, after ninety (90) days from the Effective Date, an Auto Liability Claim has not been resolved and/or settled through the informal negotiation process, either the applicable Insurer or the Holder of the Auto Liability Claim may file a written request with the Bankruptcy Court for the Auto Liability Claim to be referred to non-binding mediation (a "Mediation Request"). Upon the filing of a Mediation Request by either party, the Auto Liability Claim shall automatically be referred to mandatory, non-binding mediation without further order or action of the Bankruptcy Court.

5. The mediation shall take place in Newark, New Jersey or in such a location as may be mutually acceptable to the parties and the mediator. After the filing of a Mediation Request, the Holder of the Auto Liability Claim and the applicable Insurer shall cooperate in the selection of a qualified mediator. In the event that the Holder of the Auto Liability Claim and the applicable Insurer are unable to agree on such a selection within ten (10) days, they shall jointly move the Bankruptcy Court to appoint a qualified mediator of its own choosing. Once a mediator is selected or assigned as provided herein, such parties shall schedule and complete mediation within sixty (60) days of such appointment (or such later date to which a Holder of Auto Liability Claim and the applicable Insurer may further stipulate). Following selection or assignment of a mediator, the parties and the mediator shall confer to determine which provisions of Local Bankruptcy Rule 9019-2, if any, shall be applicable to the mediation.

6. The applicable Insurer and the Holder of the Auto Liability Claim shall equally share the cost of the mediator's fees and expenses. Such parties shall agree upon mutually acceptable mediation procedures in consultation with the mediator. All proceedings and writings incident to the mediation shall be privileged and confidential, and shall not be reported or placed in evidence. The ADR Procedures, and any disputes that may arise out of the same, shall be subject to the jurisdiction of the Bankruptcy Court.

D. Litigation After Unsuccessful Mandatory Mediation

7. Should mediation fail to resolve the Auto Liability Claim, the applicable Insurer and the Holder of the Auto Liability Claim shall file a joint statement with the Bankruptcy Court, with notice to Liquidating Trustee, advising the Court that the mediation did not result in a settlement (an "Unsuccessful Mediation Filing"), and within two (2) business days of the Unsuccessful Mediation Filing the Holder of the Auto Liability Claim shall be permitted to pursue any legally available remedy, so as to liquidate and fix the value of such Auto Liability Claim. Notwithstanding the foregoing, the parties may reserve their respective rights to agree to such additional mediation, arbitration or other alternative dispute resolution procedures as may be mutually acceptable to them.

8. To the extent a Holder of an Auto Liability Claim elects to file a lawsuit to liquidate its Auto Liability Claim after the Unsuccessful Mandatory Mediation, then (i) the statute of limitations for such Holder of the Auto Liability Claim to file a lawsuit to liquidate such Auto Liability Claim in the forum in which the Auto Liability Claim arose shall be extended to sixty (60) days from the date the Insurer and the Holder of the Auto Liability Claim filed their joint

statement of the Unsuccessful Mediation provided, however, that such statute of limitations had not expired prior to the Petition Date; (ii) the Holder of the Auto Liability Claim may name one or more of the Debtors as a "nominal party" in a lawsuit filed after the Unsuccessful Mandatory Mediation, but service of any Summons and Complaint shall be accepted and considered valid once perfected on the applicable Insurer.

E. Miscellaneous

9. The deadlines and/or provisions contained in these ADR Procedures may be extended and/or modified on consent of the applicable Insurer and the Holder of an Auto Liability Claim.

10. Nothing in these ADR Procedures shall reduce, enlarge, waive, modify or otherwise alter the terms and conditions of the Excess Indemnity Contracts or the parties' rights in connection with the Excess Indemnity Contracts. For the avoidance of doubt, notwithstanding these ADR Procedures, all policy limits, exclusions, terms and conditions, and any other provisions of the Excess Indemnity Contracts and the relevant coverage are expressly reserved.

11. Nothing in these ADR Procedures shall reduce, enlarge, waive, modify or otherwise alter the rights, claims, and defenses of the parties in relation to any Auto Liability Claim or the Excess Indemnity Contracts, any of which may be asserted or raised in further litigation in any court of competent jurisdiction should these ADR Procedures provided herein fail to resolve such Auto Liability Claim.

12. Upon approval of the settlement between the Debtors and the Insurers and inclusion or modification of the ADR Procedures as part of the confirmed Plan, the Insurers shall be authorized to take all actions reasonably required to settle or litigate the pending Auto Liability Claims to conclusion in accordance with these ADR Procedures.

13. These ADR Procedures, and any disputes that may arise out of these ADR Procedures, shall be subject to the jurisdiction of the Bankruptcy Court.

EXHIBIT D

EQUITY HOLDERS AND AFFILIATES SETTLEMENT AGREEMENT

EXECUTION VERSION

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release (this "Agreement") is made and entered into this 25th day of October, 2019, by and between:

A. New England Motor Freight, Inc., Eastern Freight Ways, Inc., NEMF World Transport, Inc., Apex Logistics, Inc., Jans Leasing Corp., Carrier Industries, Inc., Myar, LLC, MyJon, LLC, Hollywood Avenue Solar, LLC, United Express Solar, LLC, NEMF Logistics, LLC (collectively the "Debtors") on behalf of themselves, their estates, and any successors;

B. The Official Committee of Unsecured Creditors appointed in the Debtors' Chapter 11 bankruptcy cases (the "Committee") on behalf of itself and any successors; and

C. The Debtors' equity holders, officers, directors, lessors, and affiliates (collectively, the "Equity Holders and Affiliates") as identified in Schedule 1 hereto.

D. The Debtors and the Committee will be filing a joint plan of liquidation with the Bankruptcy Court (the "Joint Plan"), which will incorporate the terms and provisions of this Agreement. The Joint Plan will also effectuate the transfer of certain assets being purchased or acquired pursuant to this Agreement.

RECITALS

1. Each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code on February 11, 2019 in the United States Bankruptcy Court for the District of New Jersey (the "Bankruptcy Court"). The Debtors' chapter 11 cases are being jointly administered under Case No. 19-12809 (JKS) (the "Chapter 11 Cases").

2. The Committee was appointed by the Office of the United States Trustee in the Chapter 11 Cases.

3. The Committee was designated and authorized by the Debtors to undertake the identification, investigation, presentment, and potential resolution of any and all claims and causes of action that could be asserted against the Equity Holders and Affiliates. The Committee worked with the Debtors and the Debtors' Chief Restructuring Officer to obtain information necessary to complete its investigation and regularly updated the Debtors on its efforts and negotiations.

4. The Committee was further authorized by the Debtors to explore the best manner in which to both monetize and maximize the value of several promissory notes evidencing amounts owed to the Debtors by the Shevell Family 2016 Dynasty Trust relating to split dollar insurance policies (the "Insurance Promissory Notes").

5. The Committee conducted an extensive investigation of potential claims and causes of action against the Equity Holders and Affiliates. The Committee presented these alleged claims and causes of action to the Equity Holders and Affiliates.

6. The Equity Holders and Affiliates dispute the factual and legal basis for each of the asserted claims and causes of action presented by the Committee.

7. Thereafter, and over a period of several months, the Committee and the Equity Holders and Affiliates exchanged information and engaged in extensive negotiations in an attempt to resolve the asserted claims and causes of action presented by the Committee.

8. As part of those negotiations, the Equity Holders and Affiliates expressed a desire to assist the Committee and the Debtors with the cost of liquidating the Debtors' assets and in maximizing the value of the Insurance Promissory Notes for the benefit of the Debtors' estates and their creditors.

9. The extensive and protracted negotiations between the parties resulted in the Committee, the Debtors, and the Equity Holders and Affiliates reaching a global agreement and settlement for the resolution of any and all asserted claims and causes of action, the cash monetization of the Insurance Promissory Notes, relinquishment and waiver of claims, and other financial assistance and contributions by the Equity Holders and Affiliates to the Debtors and their estates, as set forth herein.

10. Without admitting liability, the Equity Holders and Affiliates, the Debtors, and the Committee, to avoid the cost and expense of litigation and to resolve and settle fully any and all asserted and potential claims and causes of action, are entering into this Agreement upon the terms set forth herein.

NOW, THEREFORE, WITNESSETH: that in consideration of the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party, the parties hereto covenant and agree as follows:

Agreements

1. Incorporation of Recitals. Each of the preceding recitals is a material part of this Agreement and is incorporated into this Agreement by reference as if more fully set forth herein.

2. Settlement. The Equity Holders and Affiliates shall remit to the Debtors and the Debtors' estates cash and non-cash contributions and consideration comprised of cash in the total sum of $6,100,000 (the "Cash Payment"), relinquishment of certain Lease Rejection Claims (as defined below), the assumption of debt, and the relinquishment of any and all other claims. The Cash Payment shall be paid in the following manner:

a. An initial cash payment in the amount of $2,000,000 (the "Initial Payment") shall be paid into an escrow account with Whiteford, Taylor & Preston LLP within five (5) business days after the entry of a final non-appealable order of the Bankruptcy Court approving this Agreement. The date on which the Bankruptcy Court order becomes a final non-appealable order shall be the date upon which the time for appeal and motion for reconsideration expires with no such appeal or motion for reconsideration having been sought. The Escrow Agreement is attached hereto as Exhibit A.

b. The remaining balance of $4,100,000 of the Cash Payment (the "Final Payment") shall be paid on the date of transfer of the Insurance Promissory Notes to the Equity Holders and Affiliates (or their designee), and conditioned upon the entry of a final order of the Bankruptcy Court confirming the Joint Plan. The Initial Payment shall be released from escrow and paid to the Debtors or Liquidating Trustee, as applicable, at the time that the Final Payment is paid to the Debtors or Liquidating Trustee, as applicable, subject to the use of funds provision contained in Section 2(c) below.

c. $500,000 of the Cash Payment shall be a contribution earmarked for the Liquidating Trust and used for the purposes of implementing the Joint Plan, claims reconciliation and claim objections, the pursuit of avoidance actions, and any other actions necessary to complete the administration of the Debtors' Chapter 11 Cases.

d. The Equity Holders and Affiliates will, in their sole discretion, but without affecting in any way the distribution of the Cash Payment agreed to and provided for under the Joint Plan, determine and designate the allocation of the cash and non-cash contributions and consideration among the settlement and release of asserted claims and causes of action against the Equity Holders and Affiliates, the assets being transferred by the Debtors or the Liquidating Trustee, as applicable, to the Equity Holders and Affiliates pursuant to this Agreement, and the obligations being assumed by the Equity Holders and Affiliates pursuant to this Agreement.

3. Transfer of Insurance Promissory Notes. Upon the entry of a final order of the Bankruptcy Court confirming the Joint Plan and payment in full of the Cash Payment, the Debtors or Liquidating Trustee shall take all actions necessary and deliver all documents necessary to transfer the Insurance Promissory Notes to the Equity Holder and Affiliates (or their designees). The Committee agrees to support and assist in such efforts as may be required. Attached hereto as Exhibit B are the documents to be executed and delivered by the Debtors to effectuate the transfer of the Insurance Promissory Notes.

4. Transfer of Solar Generation Systems and Debt Assumption. Upon the entry of a final order of the Bankruptcy Court approving this Agreement, the Debtors shall take all actions necessary and deliver all documents necessary to transfer ownership of the solar power generation systems located at 1618 Union Avenue, Pennsauken, New Jersey and 3101 Hollywood Avenue, S. Plainfield, New Jersey, together with all rights, claims, and interests of the Debtors relating to the solar power generation systems to the Equity Holders and Affiliates (or their designee). The Committee agrees to support and assist in said transfer as may be required. The Equity Holders and Affiliates (or their designee) shall assume the debt obligations of the Debtors to Public Service Electric and Gas Company ("PSEGC") in the maximum amount of $1,140,815.36, as well as any true-up due to PSEGC relating to the solar power generation systems, such true-up not to exceed $5,000.00. Attached hereto as Exhibit C are the documents to be executed and delivered by the Debtors to effectuate the transfer of the solar generation systems and the assumption of debt described in this Section 4. Upon entry of a final order

approving this Agreement, any amounts due to the Equity Holders and Affiliates from Hollywood Avenue Solar, LLC and United Express Solar, LLC shall be deemed waived, released and discharged, and the Debtors shall file a motion to dismiss the bankruptcy cases of Hollywood Avenue Solar, LLC and United Express Solar, LLC.

5. Lease Rejection Damages Claims. The Equity Holders and Affiliates filed proofs of claim for lease rejection damages in the total amount of $11,827,660.38 (the "Lease Rejection Claims"). The Equity Holders and Affiliates agree to vote the Lease Rejection Claims in favor of the Joint Plan, provided that the Joint Plan incorporates this Agreement and the releases contained herein, and provided further, however, that the Equity Holders and Affiliates shall not be obligated to vote Lease Rejection Claims that have been pledged as collateral (the "Pledged Claims") to certain mortgage lenders if such mortgage lenders do not consent to the voting of the Pledged Claims. The Equity Holders and Affiliates agree to relinquish any and all distributions relating to the Lease Rejection Claims from the Debtors' estates, except for the Pledged Claims. The Equity Holders and Affiliates will relinquish any and all distributions relating to the Pledged Claims only upon the consent of the certain mortgage lenders. In the absence of such relinquishment of the distributions for the Pledged Claims, any distributions relating to the Pledged Claims shall be paid to the applicable claim holder and thereafter remitted to the certain mortgage lenders in accordance with the applicable loan agreements. In such event, simultaneously with the receipt of any distribution, the Equity Holders and Affiliates shall make repayment to the Debtors' estates or the Liquidating Trust, as applicable, in an amount equal to such distributions. For the avoidance of doubt, in the event of a potential repayment to the Debtors' estates, the net economic effect is that the Equity Holders and Affiliates shall not receive any distribution or dividend from the Debtors' estates.

6. Bankruptcy Court Approval. This Agreement is expressly contingent upon approval of the Bankruptcy Court pursuant to Fed. R. Bankr. P. 9019. Within ten (10) calendar days of execution of this Agreement, the Debtors and the Committee shall file a joint motion with the Bankruptcy Court requesting such approval and agree to use their best efforts to obtain approval by the Bankruptcy Court of this Agreement. This Agreement shall be effective only when it has been both fully executed and approved by the entry of a final, non-appealable order of the Bankruptcy Court. The Bankruptcy Court order approving this Agreement shall be in a form and substance acceptable to the Equity Holders and Affiliates, the Debtors, and the Committee.

7. Joint Plan. The terms of this Agreement shall be fully incorporated into the Joint Plan and any related Disclosure Statement and the Joint Plan shall be consistent in all respects with this Agreement, including but not limited to the releases in this Agreement. Any order approving the Joint Plan shall be in a form and substance acceptable to the Equity Holders and Affiliates, the Debtors, and the Committee. Any capitalized terms used but not defined in this Agreement, shall have the meaning given in the Joint Plan.

8. Full and Complete Settlement. By executing this Agreement, the Debtors, the Committee, and the Equity Holders and Affiliates expressly agree, declare, and acknowledge that it is their intention to resolve any and all disputes and potential disputes which may now exist, known or unknown, between them.

EXECUTION VERSION

9. Release of Equity Holders and Affiliates. Except as expressly set forth in this Agreement, in consideration of the representations, warranties, and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Debtors, the Committee, the Estates, all Creditors, whether or not any such Creditor filed a Proof of Claim against one or more of the Debtors and/or is entitled to receive any Distribution pursuant to the Plan and/or the Auto Liability Protocol, the Debtors' employees, insurers and brokers, the Liquidating Trust, and all other parties in interest in the Chapter 11 Cases, and their respective representatives, agents, predecessors, successors, and assigns (collectively the "Debtors Releasing Parties"), hereby remise, release, and forever acquit and discharge each and all of the Equity Holders and Affiliates, and their officers, directors, shareholders, members, managers, agents, employees, attorneys, and representatives (the "Equity Holder and Affiliates Released Parties"), of and from any and all manner of acts and actions, cause and causes of actions, arbitrations, mediations, conciliations, dues, sums of money, reckonings, bonds, bills, specialties, contracts, controversies, variances, trespasses, damages, judgments, executions, rights, claims, demands, suits, proceedings, debts, accounts, warranties, covenants, liabilities, agreements, and promises of any nature whatsoever in law or in equity, whether known or unknown, whether sounding in tort or contract or any other basis, that the Debtors Releasing Parties have, have had, or may at any time hereafter have against the Equity Holder and Affiliates Released Parties in any capacity, for, upon, or by reason of any matter, cause, or thing whatsoever, in any way relating to one or more of the Debtors, the Estates, the conduct of the Debtors' business, the Chapter 11 Cases, the same subject matter as the Claim held by any Creditor against one or more of the Debtors, or the Combined Plan and Disclosure Statement (other than the rights under the Combined Plan and Disclosure Statement and the Plan Documents); provided, however, that this release shall not extend to and is not intended to release any mortgage directly owed by any of the Equity Holder and Affiliates Released Parties on real property such Equity Holder and Affiliates Released Parties own that was formerly used or occupied by the Debtors in their business operations. This release shall be effective only upon (i) payment in full of the Cash Payment, (ii) the repayment of any distribution in respect of Pledged Claims referenced in Section 5 above, and (iii) the assumption of debt referenced in Section 4 above.

10. Release of Debtors, Debtors' Estates and the Committee. Except as expressly set forth in this Agreement, in consideration of the representations, warranties, and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Equity Holders and Affiliates hereby waive and release any and all claims that they have or may have against the Debtors, the Debtors' estates, the Committee and their respective members, officers, directors, shareholders, agents, employees, attorneys, and representatives (collectively the "Debtors Released Parties") of and from any and all manner of acts and actions, cause and causes of actions, arbitrations, mediations, conciliations, dues, sums of money, reckonings, bonds, bills, specialties, contracts, controversies, variances, trespasses, damages, judgments, executions, rights, claims, demands, suits, proceedings, debts, accounts, warranties, covenants, liabilities, agreements, and promises of any nature whatsoever in law or in equity, whether known or unknown, whether sounding in tort or contract or any other basis, including but not limited to any matter relating directly or indirectly to all claims which the Equity Holders and Affiliates have, have had, or may at any time hereafter have against the

Debtor Released Parties; provided, however, that this release shall not release or impair any rights under insurance policies, including coverage or indemnification, related to the Debtors to which any of the Equity Holders or Affiliates may be entitled under any such insurance policies.

11. No Admission. The parties hereto agree that the claims released hereby are disputed claims, and neither their execution of this Agreement nor any payment of any sums in connection with this Agreement are to be construed as an admission of liability on the part of any party, and that the parties, in fact, expressly deny liability to each other and each intends merely to avoid litigation and to buy its peace without further expense. This Agreement shall not be offered as evidence by the parties in any action or proceeding, except as may be necessary enforce its terms or for the Debtors or the Committee to seek approval of this Agreement by the Bankruptcy Court.

12. Further Assurances. The parties agree to take such other and further actions, and to execute and deliver such other documents as may be reasonably required to implement the terms and provisions of this Agreement.

13. Binding Nature. Upon approval by a final, non-appealable order of the Bankruptcy Court, this Agreement shall be binding upon and inure to the benefit of the parties and their respective representatives, predecessors, successors, and assigns.

14. Jurisdiction and Governing Law. The laws of the State of New Jersey shall govern the rights and obligations of the parties to this Agreement, any interpretations and enforceability thereof, any documents prepared and any and all issues relating to the transaction contemplated herein. Any disputes under this Agreement shall be determined by the Bankruptcy Court and the parties agree that the Bankruptcy Court shall be the sole venue for adjudicating any such dispute.

15. Final Agreement. This Agreement sets forth the final and entire agreement and understanding of the parties, superseding all prior representations, understandings, and agreements not expressly incorporated herein; and terms and conditions not set forth in this Agreement are not a part of this Agreement or the understanding of the parties hereto.

16. No Modification. This Agreement may not be supplemented, changed, waived, discharged, terminated, modified, or amended, except by written instrument executed by all parties to this Agreement.

17. Severability. In the event that one or more provisions or portions of a provision contained in this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions or parts of the provisions contained herein shall be construed to the extent allowable and shall remain effective and binding and shall not be affected or impaired thereby.

18. Counterparts. This Agreement may be executed in separate identical actual or electronic counterparts (including scanned .pdf signatures), each of which (when all parties have

executed and delivered to one another such counterparts) shall be deemed for all purposes to constitute an original, but all of which shall collectively constitute one agreement.

19. Authority. The undersigned represent and warrant that they have the full and complete authority to enter into this Agreement on behalf of the persons represented below for which they are executing this Agreement.

20. Actions to Enforce. Should any action be brought by one of the parties to enforce any provision of this Agreement, the non-prevailing party to such action shall reimburse the prevailing party for all reasonable attorneys' fees and court costs and other expenses incurred by the prevailing party in said action to enforce.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above-mentioned, with the specific intention that this Agreement shall constitute an instrument under seal.

NEW ENGLAND MOTOR FREIGHT, INC.
EASTERN FREIGHT WAYS, INC.
NEMF WORLD TRANSPORT, INC.
APEX LOGISTICS, INC.
JANS LEASING CORP.
CARRIER INDUSTRIES, INC.
MYAR, LLC
MYJON, LLC
HOLLYWOOD AVENUE SOLAR, LLC
UNITED EXPRESS SOLAR, LLC
NEMF LOGISTICS, LLC

By: _____ (SEAL)
Vincent J. Colistra, Chief Restructuring Officer

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: _____ (SEAL)
Dawn Bowers, Landstar Transportation Logistics, Inc., Committee Chairperson

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20. Actions to Enforce. Should any action be brought by one of the parties to enforce any provision of this Agreement, the non-prevailing party to such action shall reimburse the prevailing party for all reasonable attorneys' fees and court costs and other expenses incurred by the prevailing party in said action to enforce.

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EASTERN FREIGHT WAYS, INC.
NEMF WORLD TRANSPORT, INC.
APEX LOGISTICS, INC.
JANS LEASING CORP.
CARRIER INDUSTRIES, INC.
MYAR, LLC
MYJON, LLC
HOLLYWOOD AVENUE SOLAR, LLC
UNITED EXPRESS SOLAR, LLC
NEMF LOGISTICS, LLC

_____

By:_____(SEAL)
Vincent J. Colistra, Chief Restructuring Officer

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

_____

By:_____(SEAL)
Dawn Bowers, Landstar Transportation Logistics, Inc., Committee Chairperson

EXECUTION VERSION

EQUITY HOLDERS AND AFFILIATES[1]

By: _____ (SEAL)
Myron P. Shevell, Authorized Representative

[1] See Schedule I

EXECUTION VERSION

Schedule 1
Equity Holders and Affiliates

1. MYRON P. SHEVELL
2. NANCY SHEVELL-MCCARTNEY
3. SUSAN SHEVELL
4. ZACHARY COHEN
5. ARLEN BLAKEMAN
6. MERISSA SIMON
7. MATTHEW LOMUTI
8. CRAIG EISENBERG
9. THOMAS CONNERY
10. AS TO THE INDIVIDUALS LISTED IN 1 THROUGH 9 ABOVE, ANY ENTITY WHICH ANY OF THEM OWN OR CONTROL (DIRECTLY OR INDIRECTLY)
11. VINCENT J. COLISTRA
12. SHEVELL FAMILY 2016 DYNASTY TRUST
13. NANCY SHEVELL-MCCARTNEY 2016 TRUST
14. SUSAN COHEN 2016 TRUST
15. JON SHEVELL 2002 TRUST
16. NANCY BLAKEMAN 2002 TRUST
17. SUSAN COHEN 2002 TRUST
18. JON SHEVELL 2000 TRUST
19. NANCY BLAKEMAN 2000 TRUST
20. SUSAN COHEN 2000 TRUST
21. MERISSA COHEN 2000 TRUST
22. ZACHARY COHEN 2000 TRUST
23. ARLEN BLAKEMAN 2000 TRUST
24. MERISSA COHEN 1996 TRUST
25. ZACHARY COHEN 1996 TRUST
26. ARLEN BLAKEMAN 1996 TRUST
27. MYRON P. SHEVELL LIVING TRUST
28. MYRON P. SHEVELL 1990 TRUST
29. 12731 RT 30 CORP.
30. 1362 CLOVER LEAF RD, LLC
31. 15 MIDDLETOWN AVE CORP.
32. 345 WALCOTT ST LLC
33. 3600 GEORGETOWN CORP.
34. 55 DELTA DRIVE LLC
35. 6867 SCHUYLER ROAD LLC
36. 9 DUNHAM ROAD
37. ARLEN FARM CORP.
38. ARMERACH LP
39. BLANCHARD ST

40. BABCO, LLC
41. BURMONT, LLC
42. CAMP HILL TERMINAL, LLC
43. COLUMBUS TERMINAL, LLC (WELLS)
44. CONCORD TERMINAL LLC
45. ELK EAST, LLC
46. FAIR TERMINAL CORP
47. HOLLYWOOD CORP.
48. JON S CORP.
49. JPS HAWKS. INC.
50. LATHCO LLC
51. LEHCO, L.P.
52. MERCOHEN CORP.
53. MERI PROPERTIES
54. MILTON PROPERTIES, LP
55. MYDAN, LLC
56. NANCY SB CORP.
57. NEW TERMINAL CORP.
58. NORTH AVENUE EAST, LLC
59. NORTH RED TRUCK CORP.
60. NORTH TURBO CORP.
61. OLD BETH, LLC
62. OLD BETH II, LLC
63. ORANGE TRUCK CORP.
64. PENNSA CORP
65. PERRY ROAD LLC
66. PLEASANT HILL ROAD
67. RICHMOND TERMINAL, LLC
68. SCHUYLER ROAD LLC
69. SHEVELL INVESTMENT ASSOCIATES INC.
70. SHEVELL LONG BRANCH LLC
71. SPRING TERMINAL CORP.
72. THRU VIEW, LLC
73. TOLEDO TERMINAL, LLC
74. UNITED EXPRESS LINES, INC.
75. WORK STREET, LLC
76. ZACH CORP
77. APEX EXPRESS CORP.
78. PHOENIX MOTOR EXPRESS, INC.
79. ALBANY TERMINAL, LLC
80. NORTHEAST COMMERCE CENTER I, LLC
81. NORTHEAST COMMERCE CENTER II, LLC
82. BURVER, LLC

83. SHEVELL GROUP OF COMPANIES, LLC
84. MPS INVESTMENTS, LLC

EXHIBIT A

EXECUTION VERSION

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "**Agreement**") is made and entered into as of October 25, 2019, by and between New England Motor Freight, Inc., Eastern Freight Ways, Inc., NEMF World Transport, Inc., Apex Logistics, Inc., Jans Leasing Corp., Carrier Industries, Inc., Myar, LLC, MyJon, LLC, Hollywood Avenue Solar, LLC, United Express Solar, LLC, NEMF Logistics, LLC (collectively the "**Debtors**") on behalf of themselves, their estates, and any successors; the Official Committee of Unsecured Creditors (the "**Committee**") appointed in the Debtors' Chapter 11 bankruptcy cases pending in the U.S. Bankruptcy Court for the District of New Jersey (the "**Bankruptcy Court**") (In re: NEW ENGLAND MOTOR FREIGHT, INC, et al., Case No.: 19-12809 (JKS)) on behalf of itself and any successors; and the Debtors' equity holders, officers, directors, lessors, and affiliates (collectively, the "**Equity Holders and Affiliates**") as identified in **Schedule 1** hereto; and Whiteford, Taylor & Preston, LLP, as escrow agent (the "**Escrow Agent**").

WHEREAS, capitalized terms used but not defined herein shall have the meanings assigned to them in that certain Settlement Agreement and Mutual Release, dated as of October 25, 2019, by and among the Debtors, the Committee and the Equity Holders and Affiliates (the "**Settlement Agreement**");

WHEREAS, pursuant to Section 2 of the Settlement Agreement, The Equity Holders and Affiliates shall remit to the Debtors and the Debtors' estates cash and non-cash contributions and consideration comprised of cash in the total sum of $6,100,000.00 (the "**Cash Payment**"), relinquishment of Lease Rejection Claims, the assumption of debt, and the relinquishment of any and all other claims; and

WHEREAS, the Cash Payment shall be paid in the manner set forth in Section 2 of the Settlement Agreement.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Appointment of Escrow Agent; Deposit of Escrowed Funds. The parties hereto desire that Escrow Agent serve as escrow agent, and Escrow Agent is willing to do so, all upon the terms and conditions hereinafter set forth. Simultaneously with the execution hereof by all of the parties hereto, the Equity Holders and Affiliates have deposited with Escrow Agent the sum of Two Million Dollars ($2,000,000.00) (the "**Escrowed Funds**"), the receipt of which is hereby acknowledged by Escrow Agent. The Escrowed Funds shall be held and disbursed by Escrow Agent in accordance with and subject to the terms and conditions of this Agreement and the Settlement Agreement.

2. Retention of Escrowed Funds. The Escrow Agent shall not be obligated to keep the Escrowed Funds in an interest-bearing account, but shall retain same in a trust account maintained in a federally-insured bank until released pursuant to this Agreement.

EXECUTION VERSION

3. Disposition of Escrowed Funds; Termination of Escrow.

3.1. Escrow Agent shall hold and maintain the Escrowed Funds until Escrow Agent has received joint written instructions from the Debtors, the Committee, and the Equity Holders and Affiliates (the "**Joint Instructions**") to disburse in accordance with Section 2 of the Settlement Agreement. Upon receipt of Joint Instructions, Escrow Agent shall disburse such portions of the Escrowed Funds to such recipient(s) as may be specified in the Joint Instructions. Notwithstanding the foregoing, and pursuant to Section 2 of the Settlement Agreement, the Escrow Agent shall disburse the Escrowed Funds to the Debtors or Liquidating Trustee, as applicable, at such time that the Equity Holders and Affiliates remit the Final Payment to the Debtors or Liquidating Trustee, as applicable.

3.2. Absent receipt of Joint Instructions, or in the event any dispute or controversy arises between any of the parties hereto respecting the disposition of the Escrowed Funds, Escrow Agent shall have the right to interplead all such persons to the Bankruptcy Court, and to deposit with such court the Escrowed Funds and all interest earned thereon, if any; thereafter Escrow Agent shall be fully released and discharged from all further obligations hereunder with respect to the funds held under this Agreement. The Debtors, the Committee, and the Equity Holders and Affiliates, jointly and severally, agree to pay all expenses, fees and charges (including reasonable attorney's fees) incurred by Escrow Agent in any such interpleader action.

3.3. Escrow Agent shall not be required to make a disbursement of the Escrowed Funds, or any part thereof, except upon receipt by Escrow Agent of Joint Instructions at least three (3) days prior to such requested disbursement, and provided that such notice may not be sent to Escrow Agent more than ten (10) days prior to the requested disbursement date.

4. Limitations of Duties of Escrow Agent. The obligations of Escrow Agent under this Agreement are subject to the following terms and conditions:

4.1. Escrow Agent shall not be under any duty to give the Escrowed Funds held by it hereunder any greater degree of care than it gives its own similar property and shall not be required to invest the Escrowed Funds held hereunder except as directed in this Agreement.

4.2. This Agreement expressly sets forth all duties of Escrow Agent with respect to any and all matters pertinent hereto. No implied duties or obligations shall be read into this Agreement against Escrow Agent. Escrow Agent shall not be bound by the provisions of any agreement between the Debtors, the Committee, and the Equity Holders and Affiliates, except this Agreement and the joint instructions referenced herein.

4.3. Escrow Agent shall not be liable, except for its own gross negligence or willful misconduct and, except with respect to claims based upon such gross negligence or willful misconduct that are successfully asserted against Escrow Agent, and the Debtors, the Committee, and the Equity Holders and Affiliates shall jointly and severally indemnify and hold harmless Escrow Agent (and any successor Escrow Agent) from and against any and all losses, liabilities, claims, actions, damages and expenses, including reasonable attorneys' fees and disbursements, arising out of and in connection with this Agreement. Without limiting the foregoing, Escrow

Agent shall in no event be liable in connection with its investment or reinvestment of any funds held by it hereunder in good faith, in accordance with the terms hereof, including without limitation any liability for any delays (not resulting from its gross negligence or willful misconduct) in the investment or reinvestment of the Escrowed Funds, or any loss of interest incident to any such delays.

4.4. Escrow Agent shall be entitled to rely upon any order, judgment, certification, demand, notice, instrument or other writing delivered to it hereunder without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity or the service thereof. Escrow Agent may act in reliance upon any instrument or signature believed by it to be genuine and may assume that any person purporting to give receipt or advice or make any statement or execute any document in connection with the provisions hereof has been duly authorized to do so.

4.5. Escrow Agent does not have any interest in the Escrowed Funds deposited hereunder but is serving as escrow holder only and has only possession thereof. Any payments of income from the Escrowed Funds shall be subject to withholding regulations then in force with respect to United States taxes.

4.6. Escrow Agent makes no representation as to the validity, value, genuineness or the collectability of any security or other document or instrument held by or delivered to it.

4.7. Escrow Agent (and any successor Escrow Agent) may at any time resign as such by delivering the Escrowed Funds to any successor Escrow Agent jointly designated by the Debtors, the Committee, and the Equity Holders and Affiliates in writing, or, if the aforementioned parties cannot agree upon a successor within thirty (30) days of a written request to do so, to the United States District Court for Maryland (Northern Division), whereupon Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Agreement. The resignation of Escrow Agent will take effect on the appointment of a successor (including the aforementioned court).

4.8. In the event of the death, incapacity or other unavailability of Paul M. Nussbaum, Brent C. Strickland or Edward U. Lee III to act on behalf of Escrow Agent, any partner in the law firm of Whiteford, Taylor & Preston L.L.P. shall have the right, without further act or consent of any of the parties hereto, to execute the duties and obligations of Escrow Agent and shall be entitled to the same protections hereunder.

4.9. It is understood and acknowledged by the Debtors, the Committee, and the Equity Holders and Affiliates that the Escrow Agent represents the Equity Holders and Affiliates in connection with the Settlement Agreement and related agreements. It is further understood and acknowledged hereto that the Escrow Agent shall be entitled to continue to represent the Equity Holders and Affiliates in any matter, including, without limitation, any matter, claim or dispute between the parties to this Agreement. To the extent that any conflict or potential conflict arises, each party hereto, individually and on behalf of such party's successors and assigns, has waived any objection thereto. Each party has consulted with counsel, and, after discussion and advice from such counsel and with full knowledge of all relevant facts, each party consents to the Escrow

Agent continuing to act as Escrow Agent hereunder. Whiteford, Taylor & Preston L.L.P.'s service as escrow agent hereunder shall not be deemed to prevent or preclude it from serving as any party's counsel in any dispute or negotiation among the parties.

4.10 The Escrow Agent shall, for all purposes of this Agreement, be treated as and considered legally as custodian. The Escrow Agent shall be entitled to rely, and shall be protected in acting or refraining from acting, upon any instruction, document or instrument furnished to it hereunder and believed by it to be genuine. Nothing herein contained shall be deemed to impose upon the Escrow Agent any duty to exercise discretion, it being the intention hereof that the Escrow Agent shall not be obligated to act except upon written instructions as set forth in Section 3.1 of this Agreement. The Escrow Agent shall not be liable for any action (or refraining from any action) taken by it in good faith and believed by it to be authorized or within the rights or powers conferred upon it in this Agreement or the Settlement Agreement. The Escrow Agent may consult with counsel of its choice and shall be fully protected and indemnified in acting or refraining to act in good faith in accordance with the opinion of such counsel.

5. Acceptance of Escrow; Compensation of Escrow Agent.

5.1. Escrow Agent hereby agrees to serve as Escrow Agent pursuant to this Agreement.

5.2. Escrow Agent has agreed to serve hereunder without compensation, provided that Escrow Agent shall be entitled to reimbursement for any legal fees and out-of-pocket expenses reasonably incurred by Escrow Agent and any other sum owing to Escrow Agent by the parties hereto arising out of this Agreement and/or related transactions. The parties hereto jointly and severally agree to pay such expenses arising from the performance by Escrow Agent hereunder.

6. Tax Matters. The parties hereto agree to treat the Escrowed Funds as owned by the Equity Holders and Affiliates and not received by the Debtors, in all cases to the extent not disbursed to the Debtors pursuant to the terms of this Agreement and to file all tax returns on a basis consistent with such treatment. All interest, dividends, distributions and other gains earned or realized on the Escrowed Funds (collectively, "Earnings") shall be accounted for by the Escrow Agent separately from the amount initially deposited in the Escrowed Funds and, notwithstanding any provisions of this Agreement, shall be treated as having been received by the Equity Holders and Affiliates for United States federal and state income tax purposes. The Escrow Agent shall deliver an annual information report on IRS Form 1099 to the Equity Holders and Affiliates, the IRS and applicable state taxing authorities on which it reports the Earnings of the Escrowed Funds during such year as the income of the Equity Holders and Affiliates and, whether or not said income has been distributed during such year, as and to the extent required by law. The Escrow Agent shall not report any such income as being taxable to any other party.

7. Notices. All notices, consents, requests, instructions, approvals and/or other communications provided for herein shall be in writing and shall be deemed validly given, made or served, if delivered personally against written receipt, or on the second (2nd) business day after

posting in the United States mail, by registered or certified mail, return receipt requested, and addressed to the respective parties as follows:

If intended for Escrow Agent:

Whiteford, Taylor & Preston, L.L.P.
7 St. Paul Street, Suite 1400
Baltimore, Maryland 21202
Attn: Brent C. Strickland

If intended for the Debtors:

Gibbons P.C.
One Gateway Center
Newark, New Jersey 07102
Attn: Karen A. Giannelli and Brett S. Theisen

If intended for the Committee:

Lowenstein Sandler LLP
One Lowenstein Drive
Roseland, New Jersey 07068
Attn: Joseph J. DiPasquale

If intended for the Equity Holders and Affiliates:

Whiteford, Taylor & Preston, L.L.P.
7 St. Paul Street, Suite 1400
Baltimore, Maryland 21202
Attn: Brent C. Strickland

8. Miscellaneous.

8.1. The parties hereto agree that this Agreement shall be legally binding upon them, and their respective personal representatives, successors and assigns. However, the obligations hereunder may not be assigned by any party without the written consent of all parties hereto.

8.2. This Agreement contains the entire understanding of the parties relating to the subject matter hereof and may not be amended or modified in any way except by an instrument in writing signed by all of the parties hereto.

8.3. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Maryland.

8.4. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together will constitute one in the same agreement.

8.5. The headings contained in this Agreement are for convenience only and shall not be used to construe or interpret the scope or intent of this Agreement or in any way affect the same.

8.6. This Agreement is not for the benefit of any person or entity not a specific named party to it, except as otherwise provided herein.

8.7. As to any legal questions arising in connection with the performance of Escrow Agent's duties hereunder, Escrow Agent may obtain opinions from outside counsel or from Whiteford, Taylor & Preston L.L.P., and Escrow Agent may rely absolutely upon such opinions and shall be free of liability for acting in reliance thereon. The cost of any such opinion may be paid from the Escrowed Funds and shall be a cost subject to reimbursement jointly and severally by the parties hereto pursuant to the provisions of this Agreement.

(Signatures on the following page)

EXECUTION VERSION

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

NEW ENGLAND MOTOR FREIGHT, INC.
EASTERN FREIGHT WAYS, INC.
NEMF WORLD TRANSPORT, INC.
APEX LOGISTICS, INC.
JANS LEASING CORP.
CARRIER INDUSTRIES, INC.
MYAR, LLC
MYJON, LLC
HOLLYWOOD AVENUE SOLAR, LLC
UNITED EXPRESS SOLAR, LLC
NEMF LOGISTICS, LLC

_____

By:_____(SEAL)
Vincent J. Colistra, Chief Restructuring Officer

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

_____

By:_____(SEAL)
Name: Dawn Bowers, Landstar Transportation Logistics, Inc., Chair of the Committee

EQUITY HOLDERS AND AFFILIATES[1]

_____

By:_____(SEAL)
Myron P. Shevell, Authorized Representative

ESCROW AGENT:
WHITEFORD, TAYLOR & PRESTON LLP

_____

By:_____(SEAL)
Brent C. Strickland, Partner

[1] See Schedule 1

EXECUTION VERSION

Schedule 1
Equity Holders and Affiliates

1. MYRON P. SHEVELL
2. NANCY SHEVELL-MCCARTNEY
3. SUSAN SHEVELL
4. ZACHARY COHEN
5. ARLEN BLAKEMAN
6. MERISSA SIMON
7. MATTHEW LOMUTI
8. CRAIG EISENBERG
9. THOMAS CONNERY
10. AS TO THE INDIVIDUALS LISTED IN 1 THROUGH 9 ABOVE, ANY ENTITY WHICH ANY OF THEM OWN OR CONTROL (DIRECTLY OR INDIRECTLY)
11. VINCENT J. COLISTRA
12. SHEVELL FAMILY 2016 DYNASTY TRUST
13. NANCY SHEVELL-MCCARTNEY 2016 TRUST
14. SUSAN COHEN 2016 TRUST
15. JON SHEVELL 2002 TRUST
16. NANCY BLAKEMAN 2002 TRUST
17. SUSAN COHEN 2002 TRUST
18. JON SHEVELL 2000 TRUST
19. NANCY BLAKEMAN 2000 TRUST
20. SUSAN COHEN 2000 TRUST
21. MERISSA COHEN 2000 TRUST
22. ZACHARY COHEN 2000 TRUST
23. ARLEN BLAKEMAN 2000 TRUST
24. MERISSA COHEN 1996 TRUST
25. ZACHARY COHEN 1996 TRUST
26. ARLEN BLAKEMAN 1996 TRUST
27. MYRON P. SHEVELL LIVING TRUST
28. MYRON P. SHEVELL 1990 TRUST
29. 12731 RT 30 CORP.
30. 1362 CLOVER LEAF RD, LLC
31. 15 MIDDLETOWN AVE CORP.
32. 345 WALCOTT ST LLC
33. 3600 GEORGETOWN CORP.
34. 55 DELTA DRIVE LLC
35. 6867 SCHUYLER ROAD LLC
36. 9 DUNHAM ROAD
37. ARLEN FARM CORP.
38. ARMERACH LP
39. BLANCHARD ST

40. BABCO, LLC
41. BURMONT, LLC
42. CAMP HILL TERMINAL, LLC
43. COLUMBUS TERMINAL, LLC (WELLS)
44. CONCORD TERMINAL LLC
45. ELK EAST, LLC
46. FAIR TERMINAL CORP
47. HOLLYWOOD CORP.
48. JON S CORP.
49. JPS HAWKS. INC.
50. LATHCO LLC
51. LEHCO, L.P.
52. MERCOHEN CORP.
53. MERI PROPERTIES
54. MILTON PROPERTIES, LP
55. MYDAN, LLC
56. NANCY SB CORP.
57. NEW TERMINAL CORP.
58. NORTH AVENUE EAST, LLC
59. NORTH RED TRUCK CORP.
60. NORTH TURBO CORP.
61. OLD BETH, LLC
62. OLD BETH II, LLC
63. ORANGE TRUCK CORP.
64. PENNSA CORP
65. PERRY ROAD LLC
66. PLEASANT HILL ROAD
67. RICHMOND TERMINAL, LLC
68. SCHUYLER ROAD LLC
69. SHEVELL INVESTMENT ASSOCIATES INC.
70. SHEVELL LONG BRANCH LLC
71. SPRING TERMINAL CORP.
72. THRU VIEW, LLC
73. TOLEDO TERMINAL, LLC
74. UNITED EXPRESS LINES, INC.
75. WORK STREET, LLC
76. ZACH CORP
77. APEX EXPRESS CORP.
78. PHOENIX MOTOR EXPRESS, INC.
79. ALBANY TERMINAL, LLC
80. NORTHEAST COMMERCE CENTER I, LLC
81. NORTHEAST COMMERCE CENTER II, LLC
82. BURVER, LLC

83. SHEVELL GROUP OF COMPANIES, LLC
84. MPS INVESTMENTS, LLC

EXHIBIT B

EXECUTION VERSION

ASSIGNMENT OF INSURANCE PROMISSORY NOTES

THIS ASSIGNMENT OF INSURANCE PROMISSORY NOTES (this "**Assignment**"), is made effective as of the 25th day of October, 2019, by and between New England Motor Freight, Inc., a New Jersey corporation (the "**Assignor**"), and _____, a _____ limited liability company (the "**Assignee**")

WHEREAS, Assignor is executing and delivering this Assignment pursuant to that certain Settlement Agreement and Mutual Release (the "**Agreement**") made and entered into the ___ day of October, 2019, by and between: the Debtors; The Official Committee of Unsecured Creditors appointed in the Debtors' Chapter 11 bankruptcy cases (the "**Committee**") on behalf of itself and any successors; and the Debtors' equity holders, officers, directors, lessors, and affiliates (collectively, the "**Equity Holders and Affiliates**");

WHEREAS, capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Agreement;

WHEREAS, this Assignment is being executed and delivered pursuant to and is subject to the Agreement. In the event of any conflict between this Assignment and the Agreement, the Agreement shall control; and

WHEREAS, Assignee is the designee of the Equity Holders and Affiliates.

NOW, THEREFORE, FOR VALUE RECEIVED, Assignor hereby sells, assigns and transfers, without recourse, to the Assignee, all of the Assignor's right, title and interest in, to and under those certain promissory notes, agreements and documents (the "**Insurance Promissory Notes**"), including those identified on **Exhibit A** attached hereto and made a part hereof, relating to premium financing of four split dollar life insurance policies (the "**Policies**") issued by John Hancock Life Insurance Company, policy numbers 94548393, 94717642, 94700739, and 94719010.

TO HAVE AND TO HOLD the same unto the Assignee and to the successors and assigns of the Assignee forever.

AND FURTHER, Assignor, for itself and its successors and assigns, shall at the request of Assignee, execute and deliver such additional documents, instruments, and conveyances; and take such other actions and do such other things, as may be appropriate to carry out the provisions of this Assignment and/or give effect to the transactions contemplated hereby.

[Signatures on the following page]

EXECUTION VERSION

IN WITNESS WHEREOF, the undersigned have caused this Assignment to be executed and delivered as of the date first above written.

ASSIGNOR:

WITNESS OR ATTEST:

NEW ENGLAND MOTOR FREIGHT, INC., a New Jersey corporation

_____

By: _____(SEAL)
Vincent J. Colistra, Chief Restructuring Officer

EXECUTION VERSION

Exhibit "A"

To Assignment of Split Dollar Loan Documents

1. Promissory Note dated as of January 1, 2009 from the Nancy Blakeman 2000 Trust and the Susan Cohen 2000 Trust to Assignor;

2. Promissory Note dated as of January 1, 2009 from the Susan Cohen 2000 Trust to Assignor;

3. Promissory Note dated as of January 1, 2009 from the Jon Shevell 2000 Trust to Assignor;

4. Promissory Note dated as of January 1, 2009 from the Myron Shevell 1990 Trust to Assignor;

5. September 4, 2009 grid note;

6. September 4, 2009 grid note;

7. September 4, 2009 grid note;

8. September 4, 2009 grid note;

9. Assignments of Life Insurance Policy as Collateral/Release of Collateral Assignment as to each of the Policies; and

10. [others]

EXHIBIT C

EXECUTION VERSION

BILL OF SALE
AND
GENERAL ASSIGNMENT AND ASSUMPTION

THIS BILL OF SALE AND GENERAL ASSIGNMENT (this "**Bill of Sale**") is made effective as of the 25th day of October 2019, from New England Motor Freight, Inc., Eastern Freight Ways, Inc., NEMF World Transport, Inc., Apex Logistics, Inc., Jans Leasing Corp., Carrier Industries, Inc., Myar, LLC, MyJon, LLC, Hollywood Avenue Solar, LLC, United Express Solar, LLC, NEMF Logistics, LLC (collectively the "**Debtors**") on behalf of themselves, their estates, and any successors unto _____, a _____ limited liability company (the "**Assignee**").

WHEREAS, Assignor is executing and delivering this Bill of Sale pursuant to that certain Settlement Agreement and Mutual Release (the "**Agreement**") made and entered into the 25th day of October, 2019, by and between: the Debtors; The Official Committee of Unsecured Creditors appointed in the Debtors' Chapter 11 bankruptcy cases (the "**Committee**") on behalf of itself and any successors; and the Debtors' equity holders, officers, directors, lessors, and affiliates (collectively, the "**Equity Holders and Affiliates**");

WHEREAS, Assignee is the designee of the Equity Holders and Affiliates to (i) take and receive all right, title and interest, together with all claims, of the Debtors in and otherwise relating to the solar power generation systems located at (a) 1618 Union Avenue, Pennsauken, New Jersey 08110, and (b) 3101 Hollywood Avenue, S. Plainfield, New Jersey 07080 (the "**Solar Assets**"), and (ii) assume the debt obligations of the Debtors to Public Service Electric and Gas Company relating to the Solar Assets and financing thereon (the "**PSEGC Debt**"); and

WHEREAS, capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Agreement.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtors hereby sell, transfer, convey, assign and deliver to Assignee and its successors and assigns, all of the Debtors' right, title and interest in and otherwise relating to the Solar Assets.

This Bill of Sale is being executed and delivered pursuant to and is subject to the Agreement, including, without limitation, Section 4 thereof. In the event of any conflict between this Bill of Sale and the Agreement, the Agreement shall control.

Assignee hereby assumes the PSEGC Debt in the maximum amount of $1,140,814.00, as well as any true-up due to PSEGC relating to the solar power generation systems, such true-up not to exceed $5,000.00.

The Debtors, and their successors and assigns, shall execute and deliver such further instruments of sale, conveyance, transfer and assignment and take such other actions reasonably requested by Assignee in order to more effectively (i) bargain, sell, transfer, convey, grant, assign, deliver to and vest in Assignee all rights, title and interests in and to the Solar Assets, as

specified herein, and (ii) assume the PSEGC Debt, including, without limitation, all burdens, obligations and liabilities to be derived thereunder.

IN WITNESS WHEREOF, the undersigned have caused this Bill of Sale to be executed and delivered as of the date first above written.

NEW ENGLAND MOTOR FREIGHT, INC.
EASTERN FREIGHT WAYS, INC.
NEMF WORLD TRANSPORT, INC.
APEX LOGISTICS, INC.
JANS LEASING CORP.
CARRIER INDUSTRIES, INC.
MYAR, LLC
MYJON, LLC
HOLLYWOOD AVENUE SOLAR, LLC
UNITED EXPRESS SOLAR, LLC
NEMF LOGISTICS, LLC

_____

By:_____(SEAL)
Vincent J. Colistra, Chief Restructuring Officer

[_____]

_____

By:_____(SEAL)
Name:_____
Title:_____

EXHIBIT E

LIQUIDATING TRUSTEE'S CURRICULUM VITAE

Kevin P. Clancy, CPA, J.D., CIRA, CFF

Partner – Global Lead - Restructuring & Dispute Resolution Services

4 Becker Farm Road
Roseland, New Jersey 07068
732-635-3108
Kevin.Clancy@CohnReznick.com
www.cohnreznick.com

Kevin P. Clancy, CPA, J.D., CIRA, CFF is a Partner with CohnReznick Advisory Group, where he provides financial advisory and litigation support services specializing in the areas of bankruptcy, debt restructuring and investigative and forensic accounting. In this role, he engages in the financial and economic analysis of insolvent and troubled companies, provides advice in turnaround and crisis situations, counsels purchasers in the acquisition of assets within the bankruptcy arena, and provides expert advice to parties in both civil and criminal litigation matters.

Mr. Clancy has been involved in dozens of complex forensic accounting and financial investigatory matters. He has represented various official committees in bankruptcy proceedings including unsecured creditors, reclamation creditors, and asbestos property damage creditors. He has been qualified and testified as an expert in numerous bankruptcy courts throughout the United States as well as state courts.

Mr. Clancy has represented court appointed trustees, receivers, and examiners and has been involved in a large number of high-profile cases, including Madoff, TOUSA, Yellowstone, Ginn/St. Lucie, Chemtura, UMDNJ, Fleming Foods, Federal Mogul, Pittsburgh Corning, Wall Street Deli, ICH (Arby's), Enron, and WorldCom. He has written articles on bankruptcy related topics, financial fraud issues and spoken before various professional organizations.

With an expertise in healthcare insolvency matters, Mr. Clancy has been involved in some of the most complex bankruptcies and restructuring cases in the industry, dealing with such issues as health insurance fraud investigations, sale-leaseback transactions and bankruptcy remote vehicles. He also has significant experience in the Healthcare, Financial Services, Telecommunications, Distribution, and Real Estate Development industries. Additionally, he has more than 20 years of accounting and financial experience in both national and regional public accounting firms, as well as the private sector.

Mr. Clancy is a member of the American Institute of Certified Public Accountants, the New Jersey Society of Certified Public Accountants, the American Bankruptcy Institute (Healthcare Committee), the Association of Insolvency and Restructuring Advisors (current President & Board member), the American Bar Association, and the Maryland Bar Association.

Functional Expertise

- Restructuring and Insolvency
- Forensic Accounting and Dispute Resolution Services

Accreditations

- Certified Public Accountant, New Jersey, 2006
- Certified Public Accountant, Maryland, 1993
- Maryland State Bar Association, 1995
- Certified Insolvency and Restructuring Advisor, 2001
- Certified in Financial Forensics, 2008

Education

- Juris Doctor, Catholic University of America, Washington, D.C., 1994
- Bachelor of Science, Accounting, Catholic University of America, Washington, D.C., 1990

COHN REZNICK

Kevin P. Clancy, CPA, J.D., CIRA, CFF
List of Testimony, Affidavits and Expert Reports

In re: Comprehensive Neurosurgical P.C. vs. The Valley Hospital et al. – Superior Court of New Jersey Chancery Division, Bergen County, Case No.: BER-C-19-16; prepared report on economic damages, May 2018.

In re: Fargo Trucking Company, Inc. – United States Bankruptcy Court, Central District of California, Los Angeles Division, Case No. 2:17-bk-23714-NB; testified through Affidavit (fraudulent conveyance and preference issues), February, 2018.

In re: RPM Harbor Services, Inc. – United States Bankruptcy Court, Central District of California, Los Angeles Division, Case No. 2:17-bk-14484-WB; testified through Affidavit (forensic accounting issues), January, 2018.

In re: William E. Stefan vs. Dominick Associates, LLC and The Leonard Rosen Family, LLC, T.I.C. vs. Key Handling Systems, Inc. and Intermodal Properties, LLC – Senior Court of New Jersey, Bergen County, Case No. BER-L-2959-13; prepared expert report, September 2014 (forensic accounting), gave trial testimony, April 2015.

In re: The Rhodes Companies LLC, aka "Rhodes Homes", et al. vs. James M. Rhodes, Sedora Holdings, LLC, Sagebrush Enterprises, Inc., et al. – United States Bankruptcy Court, District of Nevada, Bankruptcy Case No.: 09-14814 (LBR); prepared expert report for mediation brief, October 2013 (forensic accounting and solvency analysis).

In re: Musicland Holding Corp., et al. Plaintiff vs. Best Buy Co., Inc., et al. Defendants – United States Bankruptcy Court, Southern District of New York, Case No. 06-10064 (SMB); prepared expert reports on solvency and preference issues, gave deposition testimony, March – May 2011, December 2012, gave trial testimony, April 2013.

In re: Circuit City Stores, Inc., et al., Debtor vs. Toshiba America Information Systems, Inc. and Toshiba America Computer Products, LLC – United States Bankruptcy Court, Eastern District of Virginia, Case No. 08-35653 (KRH); prepared expert report, June 2012, (preference analysis).

In re: National Century Financial Enterprises, Inc., et al., Debtor: Amedisys, Inc., et al., Plaintiff vs. J.O. Morgan Chase Manhattan Bank, as Trustees; National Century Financial Enterprises, Inc., et al., Defendants – United States Bankruptcy Court, Southern District of Ohio, Eastern Division: Case No. 02-02576; prepared expert report, December 2011, deposition testimony, April 2012 (forensic accounting).

In re: Chemtura Corporation, et al – United States Bankruptcy Court, Southern District of New York: Case No. 09-11233 (REG); prepared expert report, gave trial testimony, November 2010 (claim for damages).

In re: Wells Fargo Bank, N.A., Plaintiff vs. Michael Konover, et al., Defendants – United States District Court, District of Connecticut: Civil Action No. 3:05CV1924 (CFD) (WIG); expert report issued October 2009, gave deposition testimony December 2009 (solvency issues and forensic accounting).

In re: TOUSA, Inc., et al. Debtors: Official Committee of Unsecured Creditors of TOUSA, Inc., et al., Plaintiff vs. Citicorp North America, Inc. et al., Defendants, Citicorp North America, Inc., Third-Party Plaintiff, vs. TOUSA, Inc., et al., Third-Party Defendants – United States Bankruptcy Court, Southern District of Florida, (Fort Lauderdale Division), Case No. 08-10928-JKO; prepared expert report, gave deposition and trial testimony May, June and July 2009 (solvency issues and forensic review of the Debtors' books and records).

In re: Community Hospital Group, Inc. t/a JFK Medical Center v. Jay More, MD, et al., Superior Court of New Jersey, Law Division – Middlesex County, Docket No. MID-C-241-02; testimony given 2008 (forensic accounting and damages).

In re: R&R Capital, LLC, and FTP Capital, Plaintiffs against Linda Merritt, Defendants, Supreme Court of the State of New York, New York County Civil Term: Part 53; testimony given 2006-2007 (forensic accounting/fraud).

In re: Montgomery Ward LLC et al. v. Thomson Multimedia Inc. f/k/a Thomson Consumer Electronics, Inc., United States Bankruptcy Court, District of Delaware, Case No. 00-4667 (RTL); deposition given 2005 (preference analysis).

In re: Pittsburgh Corning Corporation, United States Bankruptcy Court, Western District of Pennsylvania, Case No. 00-22876 JKF, provided expert report and testimony 2004 (asbestos personal injury claims analysis).

In re: Henry Mayo Newhall Memorial Hospital, United States Bankruptcy Court, Central District of California, San Fernando Valley Division, Case No. SV 01-20903 AG, testified through Affidavit (plan of reorganization feasibility issues).

In re: Wall Street Deli, Inc., United States Bankruptcy Court, Northern District of Alabama, Southern Division, Case No. 01-06987-TOM-11, testimony given 2002.

In re: CPC Health Corporation, United States Bankruptcy Court, District of Maryland, Southern Division, Case No. 00-20843-PM; testimony given 2000 - 2001.

In re: Charter Behavioral Health Services, LLC, United States Bankruptcy Court, District of Delaware, Case No. 00-00898 (RRM); deposition given 2001.

In re: Greater Southeast Community Hospital Foundation, Inc., et al., United States Bankruptcy Court for the District of Columbia, Case No. 99-01159; testimony given 2000 – 2001.

In re: Flushing Hospital and Medical Center d/b/a The New York Flushing Hospital Medical Center, United States Bankruptcy Court, Eastern District of New York, Case No. 19817475-260; testified through Affidavit 2000 (claims analysis).

Presentations and Articles

A Burning Ring of Fire: Wage and Hour and Other Employment Issues Facing Troubled Companies: panel moderator, Association of Insolvency & Restructuring Advisors 34th Annual Bankruptcy & Restructuring Conference, June, 2018.

Decisions, Decisions: Investment Strategy: the impact of recent decisions on investment strategy; use of restructuring support agreements and federal and state law remedies; the litigation risk of recoveries absent a bankruptcy filing; the acceleration of debt maturities and redemption/"make whole" premiums; and the scope of § 546(e) "safe harbor" provisions: ABI 13th Annual Mid-Atlantic Bankruptcy Workshop, August 2017.

Bankruptcy Alchemy: Can You Really Bankruptcy-Proof a Borrower?: Troutman Sanders LLP New York Lending Conference, November 9, 2016.

Superman vs. Mighty Mouse: Whose Superpowers Prevail when a Federal Monitor, Trustee and/or Receiver Collide in a Colossal Case of Health Care Fraud? ABI 25th Annual Winter Leadership Conference, December 2013.

There's a New Sheriff in Town: Receivers, Trustees, Monitors and Examiners-The Ins and Outs of Appointments, Powers and Appropriateness: The Association of Certified Fraud Examiners, New York Chapter: Compliance, Risk, Regulation & Investigation Conference - October 24 & 25, 2013.

Financial Advisors Roundtable: The Value of Valuations and Payment of Success Fees (Best and Worst Practices): ABI 9th Annual Mid-Atlantic Bankruptcy Workshop, August 2013.

Complacency Not an Option, how having a business continuity plan in place could spell the difference between a temporary interruption and permanent closure: Financial Executive Magazine, April 2013.

Current and likely future trajectory of the economy and real estate markets and the impact this will have on the demand for real estate workouts and restructurings: panel moderator, AIRA 28th Annual Bankruptcy & Restructuring Conference, June, 2012.

What To Do When Your Company Suspects Fraud, A Legal and Forensic Perspective; J.H. Cohn LLP, Financial Managers Learning Forum, May/June, 2012.

How Should We Operate in the FCPA & Related Regulatory Culture: Financial Decision Makers and Human Resources Joint Roundtable, Commerce and Industry Association of new Jersey, May, 2012.

Financial Advisory Issues in Chapter 11: A Case Study: panel moderator, ABI 6th Annual Mid-Atlantic Bankruptcy Workshop, August, 2010.

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