

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

_____)	
)	
In re:)	Chapter 11
)	
STARION ENERGY, INC., <i>et al.</i> , ¹)	Case No. 18-12608 (MFW)
)	
)	Jointly Administered
)	
Debtors.)	
_____)	

**DISCLOSURE STATEMENT FOR DEBTORS' AMENDED PLAN OF
REORGANIZATION**

GELLERT SCALI BUSENKELL & BROWN, LLC

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Dated: April 3, 2020

¹ The Debtors and the last four digits of their respective tax identification numbers are: Starion Energy, Inc. (0943); Starion Energy NY, Inc. (4319); Starion Energy PA, Inc. (1201). The Debtors' corporate headquarters is located at, and the mailing address for each of the Debtors is: 751 Straits Turnpike, Suite 2000, Middlebury CT 06762, Attn: Alexandra Isaac, Esq.

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ARTICLE I.
SUMMARY OF THE PLAN

A. Introduction.

Starion Energy, Inc., Starion Energy NY, Inc. and Starion Energy PA, Inc. (together “Starion”), as debtors and debtors-in-possession (“Debtors”), pursuant to the provisions of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), submit the following Disclosure Statement (the “Disclosure Statement”) with respect to the Debtors’ Plan of Reorganization (the “Plan”). Unless otherwise noted, all capitalized terms used herein have the meanings ascribed to such terms in the Plan.

The Plan is a culmination of events, including efforts to streamline the Debtors’ businesses and address the Debtors’ outstanding and future obligations. The Plan effectuates the resolution of significant litigation, subordination of certain claims in order to ensure that most obligations are paid in full. Upon the Effective Date and substantial consummation of the Plan, the Debtors’ equity shall revest in the current ownership structure and the Debtors will continue business as usual. The Debtors believe this Plan represents the best possible return for Holders of Claims.

The following table summarizes the treatment accorded creditors and shareholders of the Debtors under the Plan:

Class	Description	Treatment	Entitled to Vote	Est. % Recovery
	Administrative Expense Claims	Unimpaired	No	100%
1	GF Star Claim	Impaired	Yes	100%
2	Other Secured Claims	Unimpaired	No	100%
3	Priority Claims	Unimpaired	No	100%
4	General Unsecured Non-Priority Claims	Impaired	Yes	75-100% ²

² The Debtors will pay 75% to Holders of Allowed General Unsecured Non-Priority Claims on the Effective Date and anticipate paying the remaining 25% on or before the following quarter.

5	Massachusetts Settlement Claims	Impaired	Yes	Paid pursuant to agreement ³
6	Unsecured Consumer Claims	Unimpaired	No	100%
7	Subordinating Creditors Unsecured Claims	Impaired	Yes	TBD
8	Equity Interests	Unimpaired	No	N/A

B. Voting Procedures And Instructions.

In accordance with section 1126(f) of the Bankruptcy Code, only Classes of Claims and Interests that are impaired under a plan may vote to accept or reject a plan. Unimpaired Classes are conclusively presumed to have accepted the Plan. A Class is Impaired if the legal, equitable or contractual rights attaching to Claims or Interests in that Class are modified other than by curing defaults and reinstating maturity of obligations or payment in full in Cash.

Ballots for acceptance or rejection of the Plan are being provided to the Holders of the Claims in Classes 1, 4, 5 and 7 only. Each Holder of a Claim in Class 1, 4, 5 or 7 should read this Disclosure Statement and the Plan. After carefully considering this Disclosure Statement and the Plan, please indicate your vote with respect to the Plan on the enclosed ballot and return such ballot before the Voting Deadline (as defined herein) to: **by United States Postal Service Mail, Overnight Mail or Courier: Donlin, Recano & Company, Inc., Re: Starion Energy Inc., et al., P.O. Box 199043, Blythebourne Station, Brooklyn, NY 11219.** If you are asserting more than one Claim, please copy your ballot and return one completed ballot for each Claim. If you are not entitled to vote on the Plan, you will not receive a ballot.

You should complete and sign the enclosed ballot and return such ballot in the envelope provided. Other forms of personal delivery of ballots including overnight delivery service, courier service, and delivery by hand are acceptable. **Facsimile transmissions are not acceptable. Electronic mail transmissions are not acceptable.** If your ballot is damaged or

³ The Holders of Massachusetts Settlement Claims shall be paid in accordance with the terms of the Massachusetts Settlement. A MOU memorializing the Massachusetts Settlement was approved by the Bankruptcy Court on December 17, 2019 between the Debtors and the Attorney General for the Commonwealth of Massachusetts.

lost, or if you do not receive a ballot to which you are entitled, you may request a replacement by contacting **Gellert Scali Busenkell & Brown LLC, 1201 N. Orange Street, 3rd Floor, Wilmington, DE 19081, Attn: Ronald S. Gellert, or by telephone 302-425-5800.**

Only actual votes will be counted. A failure to return a ballot will not be counted either as a vote for or against the Plan. Improperly completed or late ballots will not be counted. Any ballot that indicates both an acceptance and rejection of the Plan or which does not indicate acceptance or rejection of the Plan will not be counted. If a Creditor casts more than one ballot voting the same Claim before the Voting Deadline, the latest dated ballot received before the Voting Deadline will be deemed to reflect the voter's intent and thus to supersede any prior ballots. Creditors entitled to vote must vote all of their Claims within a particular Class under the Plan either to accept or reject the Plan and may not split their votes within a particular Class; thus, a ballot (or a group of ballots) within a particular Class received from a single Creditor that partially rejects and partially accepts the Plan will be deemed to have voted to accept the Plan.

C. Disclosure Statement Enclosures.

Accompanying this Disclosure Statement are copies of: (i) the Plan (**Exhibit A**); and (ii) Liquidation Analysis (**Exhibit B**). In addition, those parties eligible to vote will receive a ballot for voting on the Plan.

D. Confirmation of the Plan.

Your vote on the Plan is important. In order for the Plan to be accepted, of those parties entitled to vote, the affirmative vote of at least two-thirds (2/3) in dollar amount **and** more than one-half (1/2) in number of the relevant Class is required.

If certain Classes vote against the Plan, the Bankruptcy Court may still confirm the Plan if the Court finds that the Plan does not unfairly discriminate against the impaired class or classes voting against the Plan and accords fair and equitable treatment to those impaired class or classes. The Debtors intend to request such a "cramdown" confirmation if any

class does not vote in favor of the Plan.

The Bankruptcy Court has scheduled a hearing on confirmation of the Plan for __:__
__m. (prevailing Eastern time) on _____, 2020 at the United States Bankruptcy
Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware 19801,
before the Honorable Mary F. Walrath, United States Bankruptcy Judge. **Any party in interest
may object to confirmation of the Plan.** The Bankruptcy Court has directed that
objections, if any, to confirmation of the Plan, be served upon: (i) counsel to the Debtors,
Gellert Scali Busenkell & Brown, 1201 N. Orange Street, 3rd Floor, Wilmington, Delaware
19801 (Attention: Ronald S. Gellert); and (ii) the United States Trustee for Region 3, 844
King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Jane Leamy), on or before **4:00
p.m. (prevailing Eastern Time) on [INSERT], 2020**, in the manner described in the order
scheduling hearing on confirmation accompanying the Disclosure Statement. **The Confirmation
Hearing may be adjourned from time to time without further notice other than by
announcement in open court.**

E. Recommendations With Respect To the Plan.

The Debtors recommend that you accept the Plan and the Release by voting your
ballot accordingly and timely returning your completed ballot in the pre-printed envelope
provided. As of the date hereof, no official committee of unsecured creditors has been
appointed.

F. Disclaimer.

The Bankruptcy Court's approval of this Disclosure Statement does not constitute either a
guaranty of the accuracy of the information contained herein or an endorsement of the Plan by
the Bankruptcy Court. This Disclosure Statement is the only document authorized by the
Bankruptcy Court to be used in connection with the solicitation of votes accepting the Plan. No
representations other than those explicitly set forth in this Disclosure Statement are authorized
concerning the Debtors, including the value of the assets or the Claims of the Creditors.

The information contained in this Disclosure Statement is for purposes of soliciting acceptances of the Plan and may not be relied upon for any other purposes.

This Disclosure Statement contains summaries of certain provisions of the Plan, certain statutory provisions, certain documents related to the Plan, certain events in the case and certain financial information. Although the Debtors believe that the Disclosure Statement and related document summaries are fair and accurate, they are qualified to the extent that they do not set forth the entire text of the Plan, such underlying documents or any statutory provisions. The terms of the Plan govern in the event of any inconsistency with this Disclosure Statement. All exhibits to the Disclosure Statement are incorporated into and are a part of this Disclosure Statement as if set forth in full herein. The statements contained in this Disclosure Statement are made as of the date hereof, unless otherwise specified, and the Debtors disclaim any obligation to update any such statements after the hearing on the approval of the Disclosure Statement. This Disclosure Statement has not yet been approved by the Bankruptcy Court and the Bankruptcy Court will consider the adequacy of the Disclosure Statement at the Confirmation Hearing.

Except as otherwise specifically noted, the financial information contained herein has not been audited by a certified public accountant and has not necessarily been prepared in accordance with generally accepted accounting principles.

All parties in interest are encouraged to read the entire Disclosure Statement carefully, including the Plan and other exhibits before deciding to vote either to accept or reject the Plan. Holders of Claims should, however, not construe the contents of this Disclosure Statement as providing any legal, business, financial, or tax advice and should consult with their own advisors.

G. Tax and Other Legal Consequences Disclaimer.

Parties should not construe this Disclosure Statement as providing any legal, business, financial or tax advice, and parties should consult with your own legal, business, financial and tax

advisors regarding the transactions contemplated by the Plan.

ARTICLE II.
HISTORY AND BUSINESS BACKGROUND OF THE DEBTORS

A. Business Description.

1. The Debtors are a leading supplier of electricity and natural gas offering competitive solutions to residential and business customers in restructured energy markets allowing customers to shop among competitive and alternative options for their energy supply service. Debtor Starion Energy, Inc. is a privately-held Delaware corporation incorporated in 2009. Debtors Starion Energy NY, Inc. and Starion Energy PA, Inc. are wholly owned subsidiaries of Starion Energy, Inc.

2. On October 15, 2018, the Commonwealth of Massachusetts (the “Commonwealth”) filed suit against Debtor Starion Energy, Inc. and others in the Superior Court of Massachusetts, Civil Action No. 18-3199H, alleging unfair or deceptive acts or practices in violation of G.L. c. 93A consumer protections act, breach of the covenant of good faith and fair dealing, and violation of the Massachusetts Telemarketing Solicitation Act. Contemporaneously with the filing of its complaint, the Commonwealth filed an Emergency Motion for Attachment on Trustee Process to attach assets of Debtor Starion Energy, Inc. held by Massachusetts Electric Company d/b/a National Grid (“National Grid”) and NSTAR Electric Company d/b/a Eversource Energy (“Eversource”), and an Emergency Motion for Preliminary Injunction (collectively, the “Motions”). By filing the complaint and the Motions, the Commonwealth sought to secure credits due to Debtor Starion Energy, Inc. that are generated with Eversource and National Grid in the ordinary course of Massachusetts’ purchase of receivables program. In total, the Commonwealth sought to secure \$30.6 million through its two Motions. On October 24, 2018, the Superior Court granted the Commonwealth’s Motions.

3. The grant of the attachment and injunction against payment of Starion Energy, Inc.'s funds in the possession of National Grid and Eversource put severe strain on the Debtors and their liquidity. Without sufficient funds, the Debtors were unable to purchase energy which in turn jeopardized their ability to supply energy to their customers. It was therefore critical that the Debtors stop the attachment of prejudgment receipts in order to keep their businesses running.

4. Accordingly, the board of directors of the Debtors authorized the filing of these Chapter 11 Cases in order to allow the Debtors to obtain additional funding, reduce their debt, as well as ensure that critical receivables were not frozen.

B. Business Operations.

6. As of November 14, 2018, the company had \$6,505,000.00 of outstanding loans owing to four individuals and LoanStars, LLC and approximately \$1,030,500.00 in trade payables.

7. Due to the liquidity crisis following the litigation filed in Massachusetts the Debtors were in jeopardy of not being able to meet all of their obligations when due. Accordingly, the Debtors took the unavoidable and necessary step of filing their chapter 11 petitions to stabilize the day-to-day operations and protect and preserve the value of the assets for the benefit of their creditors.

ARTICLE III.
SIGNIFICANT EVENTS DURING THE BANKRUPTCY

A. The Debtors as Debtors in Possession.

Since the Petition Date, the Debtors have continued in the possession of their property and in control of their operations pursuant to sections 1107 and 1108 of the Bankruptcy Code. The Debtors have filed the requisite schedules of assets and liabilities and statements required pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as well as

the monthly operating reports required pursuant to section 1106 of the Bankruptcy Code, Bankruptcy Rule 2015(a), and the guidelines of the United States Trustee (“UST”). In addition to their regular post-petition expense, the Debtors have remained current with of all U.S. Trustee Fees as those fees have come due in the ordinary course.

B. Employment of Professionals During the Case.

On or about November 9, 2018, the Debtors retained Gellert Scali Busenkell & Brown LLC pursuant to a retainer agreement to prepare the bankruptcy filings.

C. Claims Bar Dates.

The general claims deadline to file Proofs of Claims was February 28, 2019. For governmental units, the deadline to file was May 13, 2019. The bar date for consumer customers was also May 13, 3019.

D. Deadline To File Administrative and/or Rejection Damages Proofs Of Claims.

As set forth in the Plan, following the entry of an order confirming the Plan, creditors asserting Administrative Claims will have thirty (30) days by which they must file Proofs of Claim (the “Administrative Claim Bar Date”). Creditors asserting claims arising from the rejection of Executory Contracts/Unexpired Leases under the Plan must file Proofs of Claim within thirty (30) days following confirmation of the Plan (the “Rejection Damages Bar Date” together with the Administrative Claim Bar Date, the “Plan Claims Bar Dates”).

Notice of the Plan Claims Bar Dates will be served with the order confirming the Plan upon all known Creditors of the Debtors, applicable taxing and government authorities and all parties who entered appearances in the Chapter 11 Cases.

E. Surety Bond Program.

On October 10, 2019, the Debtors filed a motion seeking, among other things, the Bankruptcy Court’s authorization and approval of the Debtors’ maintenance and continuation of

their surety bond program, including but not limited to paying premiums and satisfying other financial obligations necessary to maintain and renew, post-petition, the Debtors' existing surety credit and to obtain additional post-petition surety credit. On October 29, 2019, the Court entered an order [D.I. 219] granting the motion in its entirety.

F. Settlement with the Commonwealth of Massachusetts.

On December 10, 2019, the Commonwealth, by and through its Attorney General Maura Healey, reached a memorandum of understanding ("MOU") with Debtors and certain related parties to, among other things, resolve the Commonwealth's claims set forth in the civil action *The Commonwealth of Massachusetts v. Starion Energy, Inc., et. al.*, CA No. 2018-3199-H, currently pending in Suffolk Superior Court in Massachusetts (the "Massachusetts Action"). Specifically, the MOU was intended "to provide the foundation and structure for a binding agreement related to the settlement" of the Massachusetts Action (the "Massachusetts Settlement"). Critically, the MOU provides and contemplates, among other things, that the parties will memorialize and finalize the Massachusetts Settlement through a proposed judgment by consent to be filed in the Superior Court of the Commonwealth of Massachusetts (the "Consent Judgment"). The MOU was approved by the Bankruptcy Court on December 17, 2019 [D.I. 248]. Pursuant to the MOU, Debtors agreed to, among other things, pay \$10 million in customer restitution and payments to the Commonwealth, with \$2 million thereof potentially forgivable. Debtors also agreed to certain relief concerning their future operations in Massachusetts. Debtors will continue to perform any and all obligations imposed by the MOU, including the preparation, execution, and submission of the Consent Judgment, as well as any obligation(s) imposed by the Consent Judgment.

ARTICLE IV.
FINANCIAL STATUS

A. The Debtors' Liabilities.

The below summarizes total asserted claims against the Debtors as of the date hereof.

Inclusion of claims in the total amount of asserted liabilities is not an admission as to the allowance or classification of any particular claim.

Secured Claims

The Debtors have approximately \$4,246,389.05 in secured debt obligations.

Priority Claims

The Debtors have approximately \$472,566.14 in outstanding priority obligations.

Unsecured Claims

The Debtors books and/or claims filed against the Debtors amount to approximately \$28,965,850.96 in outstanding unsecured loans, guarantees and obligations to trade vendors and/or other taxing authorities.

B. The Debtors' Assets.

As of December 31, 2019, the Debtors had the following:

1. Bank Accounts. The Debtors maintained \$11,532,701.92 in bank accounts.
2. Receivables. The Debtors had notes receivables due in the approximate amount of \$7,475,733.32.
3. Utility Deposits and Prepayments. The Debtors had about \$7,506,045.50 being held by third parties, including utility providers and landlords.
4. Investments. The Debtors had about \$710,962.52 in investments.
5. Other Assets. The Debtors had about \$92,672.96 other assets.

ARTICLE V.
DESCRIPTION OF THE PLAN

A. Introduction.

This section summarizes the salient provisions of the Plan. The Plan is annexed to this Disclosure Statement as Exhibit A. Parties are encouraged to review the Plan in its entirety for a full understanding of its provisions and impact on Creditors and Interest Holders. Under the Plan, all Claims and all Interests except Administrative Claims, U.S. Trustee Fees, and Professional Fee Claims are placed into the Classes set forth below. A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest falls within the description of such other Classes. A Claim or Interest is also placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and such Claim has not been paid, discharged, released or otherwise settled prior to the Effective Date.

Unclassified Claims. Unclassified Claims are not impaired by the Plan. Each Holder of an Unclassified Claim is conclusively presumed to have accepted the Plan and, therefore, is not entitled to vote to accept or reject the Plan. The following are the unclassified Claims: Administrative Expense Claims, U.S. Trustee Fees, and Professional Fee Claims.

Unimpaired Classes. Class 2 (Other Secured Claims), Class 3 (Priority Claims), Class 6 (Unsecured Consumer Claims), and Class 8 (Equity Interests) are unimpaired under the Plan.

Impaired Classes of Claims and Interests. Class 1 (GF Star Claim), Class 4 (General Unsecured Claims), Class 5 (Massachusetts Settlement Claims), and Class 7 (Subordinating Creditors Unsecured Claims) are impaired under the Plan.

B. Treatment of Unclassified Claims.

The Plan provides for the following treatment of Unclassified Claims:

Administrative Expense Claims. The legal and equitable rights of the holders of Administrative Expense Claims are unaltered by the Plan. As soon as reasonably practicable after the later of (i) the Effective Date, or (ii) the date on which such Administrative Expense Claim becomes an Allowed Administrative Expense Claim or Priority Claim, the Debtors shall pay to each Holder of an Allowed Administrative Expense Claim from the Estate Assets, in full satisfaction, settlement and release of and in exchange for such Allowed Administrative Expense Claim (A) Cash equal to the amount of such Allowed Administrative Expense Claim, or (B) such other treatment as to which the Debtors and the Holder of such Allowed Administrative Expense Claim shall have agreed upon.

Bar Dates for Administrative Expense Claims. The Confirmation Order will establish an Administrative Expense Claims Bar Date for filing Administrative Expense Claims, which date will be thirty (30) days after the entry of the Confirmation Order, unless otherwise ordered by the Bankruptcy Court. Holders of Administrative Expense Claims that are subject to the Administrative Expense Claims Bar Date shall submit requests for payment on or before such Administrative Expense Claims Bar Date or forever be barred from submitting any request on account of such Administrative Expense Claim.

Applications for Professional Fees. All applications by Professionals for compensation and reimbursement of expenses in connection with the Case prior to the Effective Date are Administrative Expense Claims and shall be filed with the Bankruptcy Court within forty-five (45) days after the Effective Date. Any such application not filed within forty-five (45) days after the Effective Date shall be deemed waived and the Holder of such Claim shall be forever barred from receiving payment on account thereof.

U.S. Trustee Fees. All unpaid U.S. Trustee Fees incurred before these Chapter 11 Cases is closed by the Bankruptcy Court shall be timely paid by the Debtors no later than thirty (30) days after the Effective Date or when such U.S. Trustee Fees come due in the ordinary course.

C. Treatment of Classified Claims and Interests.

The Plan provides for the following treatment of Claims in the following Classes:

Class 1 (GF Star Claim). GF Star will be paid over the period of 2 years following the Effective Date of the Plan, according to the existing payment terms. Since both pre- and post-petition maturity dates are extended, GF Star is considered to be impaired and therefore is entitled to vote on the Plan.

Class 2 (Secured Claims). Class 2 consists of the Secured Claims against the Debtors. The Debtors shall pay any known Allowed Secured Claims, in full, and in accordance with existing loan documents. There are no outstanding past due amounts on such loans. As a result, Class 2 creditors are deemed to accept the Plan and are not entitled to vote.

Class 3 (Priority Claims). Class 3 consists of the Priority Claims against each Debtors. Unless otherwise agreed, the Debtors shall pay any Allowed Priority Claims, in full, without interest on the Effective Date. Accordingly, the Holders of Class 3 Claims are unimpaired and therefore not entitled to vote on the Plan.

Class 4 (General Unsecured Non-Priority Claims). Except as set forth in Classes 6 and 7 herein, Class 4 consists of all General Unsecured Non-Priority Claims asserted against each Debtor. The Holders of Claims in Class 4 will receive 75% of their Allowed Claim under the Plan on or before the Effective Date and will receive the remaining 25% on the Effective Date or within the first quarter following the Effective Date. Therefore Class 4 creditors are impaired and entitled to vote on the Plan.

Class 5 (Massachusetts Settlement Claims). Class 5 claims includes claims asserted by the Commonwealth of Massachusetts.⁴ Holders of Class 5 claims shall be paid in accordance with the terms of the Massachusetts Settlement, including the MOU and the Consent Judgment. Class 5 is considered impaired, therefore Holders of Class 5 claims are entitled to vote on the Plan.

Class 6 (General Unsecured Consumer Claims). Class 6 claims include any

Allowed Consumer Claims. Holders of Allowed General Unsecured Consumer Claims shall be paid in full on the Effective Date. Class 6 is considered unimpaired and is therefore deemed to accept the Plan.

Class 7 (Subordinating Creditors Unsecured Claims). Class 7 consists of the claims asserted by the Subordinating Creditors in connection with pre-petition unsecured loans provided to the Debtors. The Subordinating Creditors' claims shall be subordinated pursuant to 11 U.S.C. § 510 and shall only receive a distribution when and if Class 4 claims are paid in full. Class 7 is considered impaired and is entitled to vote to accept or reject the Plan.

Class 8 (Equity Interests). Class 8 consists of all Equity Interests in each Debtor. Holders of Class 8 Interests will receive no distribution on account of such Interests in the Debtors; however, upon satisfying all Plan obligations due in the Plan, all Interests in the Debtors shall revert in the current ownership.⁵ The Holders of Interests in Class 8 are not entitled to vote to accept or reject the Plan.

Classes Entitled to Vote. Each Holder of an Allowed Claim in Classes 1, 4, 5 & 7 is entitled to vote separately to accept or reject the Plan. Only those votes cast by Holders of Allowed Claims shall be counted in determining whether acceptances have been received in sufficient number and amount to obtain confirmation. Classes 2, 3 & 6 are unimpaired and are conclusively deemed to have accepted the Plan and are not entitled to vote. Class 8 is conclusively deemed to have rejected the Plan and is not entitled to vote.

Acceptance by Impaired Classes of Claims. An Impaired Class of Claims shall have accepted the Plan if (a) the Holders (other than any Holder designated under section 1126(e)) of the Bankruptcy Code of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (b) the Holders (other than any Holder designated under 1126(e) of the Bankruptcy Code) of more than one-half in number of the

⁴ For clarity, the \$6 million payment made by Debtors to the Commonwealth of Massachusetts pursuant to the Massachusetts Settlement on or before December 31, 2019 is not included as a part of Class 5 and has already been paid.

⁵ GF Star shall retain all equity options it had or may have had as of the Petition Date.

Allowed Claims actually voting in such Class have voted to accept the Plan.

Cramdown. If each Impaired Class of Claims does not accept the Plan, the Debtors request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right to modify the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification or for any other reason in their discretion.

D. Implementation of the Plan.

The following provisions govern implementation of the Plan after the Confirmation Date.

Continuing Duties of the Reorganized Debtors. The Reorganized Debtors shall take all action necessary and appropriate to effectuate the terms of the Plan.

Continued Corporate Existence. Except as otherwise provided in the Plan, the Debtors shall continue to exist after the Effective Date as the same corporate entities as prior to the Petition Date, with all the powers of a corporation, pursuant to the applicable law in the jurisdiction in which such Debtors are incorporated or formed and pursuant to the certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, without prejudice to any right to terminate such existence (whether by merger or otherwise) or to modify such documents under applicable law on or after the Effective Date.

Effectuating Documents; Further Transactions. Each of the Debtors and Reorganized Debtors, and their officers and designees, are authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan, or to otherwise comply with applicable law.

Revesting of Instruments and Stock. On the Effective Date all Interests in the Debtors, including any and all stock options (including, but not limited to, all stock options granted to the

Debtors' employees) shall not be cancelled, but rather they will revest with the current holders of such interests in the form and manner of their existence prior to the Petition Date.

Post-Effective Date Board of Advisors and Management. From and after the Effective Date, the Reorganized Debtors' boards of directors shall remain in their current positions.

E. Provisions Governing Distributions Generally.

Reorganized Debtors As Disbursing Agent. The Reorganized Debtors shall be the disbursing agent and shall make all distributions under the Plan.

Manner of Payment. Any payment of Cash under the Plan may be made either by check drawn or by wire transfer from a domestic bank, at the option of the Reorganized Debtors.

Transmittal Of Distributions To Parties Entitled Thereto. All distributions by check shall be deemed made at the time such check is deposited in the United States mail, postage prepaid. Any distributions by wire transfer shall be deemed made as of the date of the wire transfer is made. Except as otherwise agreed with the Holder of an Allowed Claim in respect thereof or provided in the Plan, any distribution required under the Plan on account of an Allowed Claim, shall be mailed to (i) the latest mailing address filed for the Holder of an Allowed Claim entitled to a distribution, (ii) the latest mailing address filed for a Holder of a filed power of attorney designated by the Holder of such Claim to receive distributions, (iii) the latest mailing address filed for the Holder's transferee as identified in a filed notice served on the Debtors pursuant to Bankruptcy Rule 3001(e), or (iv) if no such mailing address has been filed, the mailing address reflected on the Schedules or in the Debtors' books and records. The Holder of a Claim shall be required to promptly notify the Debtors and the Court of any change in their mailing address.

Distribution of Unclaimed Property. Except as otherwise provided in the Plan, any distribution under the Plan which is unclaimed after three (3) months following any distribution date shall be forfeited, and such distribution, together with any interest earned thereon, and shall return to and revest in the Reorganized Debtors.

Saturday, Sunday or Legal Holiday. If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the following Business Day, but shall be deemed to have been completed as of the required date.

Setoffs and Recoupment. Subject to the terms of the Plan and pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, the Debtors or Reorganized Debtors, may but shall not be required to, setoff against or recoup from any Claim on which payments are to be made pursuant to the Plan, any Claims of any nature whatsoever the may have against the Holder of such Claim; provided, however, that neither the failure to do so nor the allowance of any Claim shall constitute a waiver or release by the Debtors or Reorganized Debtors, as appropriate, of any such claims the Debtors or Reorganized Debtors may have against such Claim, whether before or after the entry of the Confirmation Order.

Withholding or Other Taxes. The Reorganized Debtors shall be entitled, but are not directed, to deduct any federal, state or local withholding or other taxes from any distributions under this Plan. As a condition to making any distribution under this Plan, all Holders of Allowed Claims shall provide the Reorganized Debtors with such Holder's taxpayer identification number and such other information or certification as the Reorganized Debtors may deem reasonably necessary to comply with applicable tax reporting and/or withholding laws or regulations. If a Creditor fails to provide the Reorganized Debtors with their taxpayer identification number after a request, the Creditor shall be deemed to have forfeited their right to a distribution under this Plan without further Order of the Bankruptcy Court.

Fractional Cents. Notwithstanding any other provisions of the Plan to the contrary, no payment of fractional cents will be made under the Plan. Cash will be issued to Holders entitled to receive a distribution of Cash in whole cents (rounded to the nearest whole cent when and as necessary).

Administrative Claim Bar Date. Except as otherwise set forth herein, creditors asserting administrative claims against the Debtors' estates shall have until thirty (30) days

following the entry of an order confirming the Plan to file its claim with the Court. Claims filed thereafter will be deemed late and therefore will not be allowed.

Allowance of Claims. Except as expressly provided in the Plan, no Claims shall be deemed allowed by virtue of the Plan or the Confirmation Order unless and until such Claim is deemed allowed under the Bankruptcy Code, or the Bankruptcy Court enters a Final Order in the Bankruptcy Case allowing such Claim. Notwithstanding the foregoing, any Claim included in the Debtors' Schedules that is not listed as contingent, unliquidated, and/or disputed shall be an Allowed Claim. Any Proof of Claim Filed in an unliquidated amount shall be deemed allowed in the amount listed in the Debtors' Schedules as liquidated, not contingent and not disputed. The allowance and disallowance of Claims shall be in all respects subject to the provisions of section 502 of the Bankruptcy Code.

Disallowance of Claims. To the extent provided in Section 502(d), all Claims held by Persons against whom the Debtors or Reorganized Debtors, as appropriate, have filed or commenced (a currently pending), or may in the future file or commence a Claim or Cause of Action under sections 522(f), 522(h), 542, 543, 544, 547, 548, 549, 550, 551, 553 or 724(a) of the Bankruptcy Code shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims may not vote to accept or reject the Plan until such time as such filed or commenced Claims or Causes of Action against the Person have either been: (i) settled and all sums due the Debtors by that Person turned over to the Debtors; or (ii) an order permitting a vote to accept or reject the Plan is entered by the Bankruptcy Court. The Holders of any and all Claims Filed with the Bankruptcy Court after the deadline for the filing of or request for payment on such Claim shall be deemed disallowed without further action by the Debtors and without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not vote to accept or reject the Plan or be entitled to any distribution, unless otherwise allowed by Final Order of the Bankruptcy Court.

Prosecution of Objections to Claims. The Debtors shall have standing and the right to commence and pursue objections to Claims, and the Reorganized Debtors shall have

such standing after the Effective Date. All objections to Claims shall be filed with the Bankruptcy Court by the Claim Objection Deadline and served upon the Holders of each of the Claims to which objections are made. The Debtors shall have the right, after notice and a hearing, to seek an extension of the Claim Objection Deadline and such an extension shall not be deemed a material modification of the Plan.

Objections to Claims. An objection to the allowance of a Claim shall be in writing and shall be filed with the Bankruptcy Court by the Debtors or Reorganized Debtors. Except as set forth herein, nothing herein, in the Confirmation Order or in any Order in aid of Confirmation, shall constitute, or be deemed to constitute, a waiver or release of any Claim, Cause of Action, Avoidance Action, right of setoff or recoupment or other legal or equitable defense which the Debtors had immediately prior to the commencement of the Bankruptcy Case against or with respect to any Claim. Except as set forth herein, upon Confirmation, the Debtors and Reorganized Debtors shall have, retain, reserve and be entitled to assert all such Claims, Causes of Action, rights of setoff and recoupment and other legal or equitable defenses which the Debtors had immediately prior to the commencement of the Bankruptcy Cases against or with respect to any Claim.

Late Claims. Any Claim filed after the Bar Date shall be unenforceable unless the Claimant has been granted an extension of time to file a Claim by the Bankruptcy Court and such entity shall not be treated as a creditor or Claimant for the purposes of voting or distributions with respect to the Plan. Unless otherwise expressly ordered by the Bankruptcy Court, any such late-filed Claim shall not be entered on the official claims register, shall be deemed disallowed and expunged and the Claimant shall receive no distribution under the Plan.

Controversy Concerning Impairment. If a controversy arises as to whether any Claims or any Class of Claims or Interests are Impaired under the Plan, the Bankruptcy Court, after notice and a hearing, shall determine such controversy on or before the Confirmation Date.

F. Treatment of Executory Contracts And Unexpired Leases.

Executory Contracts and Unexpired Leases Deemed Rejected. All of the

Debtors' executory contracts and unexpired leases shall be deemed assumed on the Effective Date of the Plan except to the extent (a) the Debtors previously rejected the executory contract or unexpired lease or (b) prior to the Effective Date, the Debtors filed a motion to reject an executory contract or unexpired lease on which the Bankruptcy Court has not ruled.

G. Conditions Precedent to Confirmation of the Plan and Effective Date.

Conditions Precedent to Confirmation of the Plan. The following are conditions precedent to confirmation that must be satisfied, or waived in accordance with section 9.1 of the Plan:

- (i) The final version of the Plan and all of the schedules, documents and exhibits thereto shall have been filed in form and substance acceptable to the Debtors in their sole discretion;
- (ii) The Confirmation Order shall approve in all respects the provisions, terms and conditions of the Plan and shall be in a form and substance acceptable to the Debtors in their sole discretion; and
- (iii) The Debtors shall be in compliance with the Budget.

Conditions Precedent to Effective Date. The following are conditions precedent to the Effective Date that must be satisfied or waived in accordance with section 9.2 of the Plan:

- (i) The Confirmation Date shall have occurred;
- (ii) The Confirmation Order shall have become a Final Order in form and substance acceptable to the Debtors in their sole discretion;
- (iii) The Debtors shall be in compliance with the Budget; and
- (iv) The Administrative Claim Bar Date and the Rejection Damages Bar Date shall have passed.

Waiver of Conditions Precedent. The Debtors may waive any of the conditions precedent to confirmation or the Effective Date at any time, without notice and without further action, order, or approval of the Bankruptcy Court except those conditions listed in section 9.2(a) and (b) of the Plan.

Effect of Non-Occurrence Of Conditions To The Effective Date. Each of the

conditions to the Effective Date must be satisfied or waived by the Debtors and the Effective Date must occur within ninety (90) days of Confirmation, or by such later date established by Final Order. If the Effective Date has not occurred within ninety (90) days of Confirmation, then upon motion by a party in interest (including the Debtors) made before the Effective Date and a hearing, the Confirmation Order may be vacated by the Bankruptcy Court; provided, however, that notwithstanding the filing of such motion to vacate, the Confirmation Order may not be vacated if the Effective Date occurs before the Bankruptcy Court enters a Final Order granting such motion. If the Confirmation Order is vacated, then except as provided in any Final Order vacating the Confirmation Order, the Plan will be null and void in all respects, and nothing contained in the Plan or Disclosure Statement shall: (1) constitute a waiver or release of any Claims, Interests, or Causes of Action; (2) prejudice in any manner the rights of the Debtors or any other Person; or (3) constitute an admission, acknowledgment, offer, or undertaking of any sort by the Debtors or any other Person.

H. Effects of Confirmation.

The Plan provides that Confirmation will have the following effects on the Estate and Creditors.

Authority to Effectuate Plan. Upon the Effective Date, those matters provided to be done under the Plan shall be deemed to be authorized and approved without the requirement of further approval from the Bankruptcy Court or the Debtors. The Debtors shall be authorized, without further application to or order of the Bankruptcy Court, to take whatever action necessary to achieve consummation and carry out the Plan and to effectuate the issuance of new shared and other transactions provided for thereunder.

Transfer Taxes Not Applicable. Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan shall not be subject to any document recording

tax, stamp tax, conveyance fee, intangible or similar tax, mortgage tax, transfer tax, recording tax, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any documents related to the Sale of the Assets without the payment of such tax, recordation fee, or governmental assessment.

Discharge of Debtors. Upon the completion of all payments provided for under this Plan, the Debtors shall be discharged pursuant to Code §1141(d) of all debts provided for in the Plan, whether evidenced by a Proof of Claim filed or scheduled by the Debtors in these Cases. The Debtors or Reorganized Debtors reserve the right to request, upon such notice as may be necessary under the circumstances, and after a hearing, that the Court grant the Debtors an earlier discharge for cause.

Binding Effect. Except as otherwise expressly provided in the Plan, on and after the Effective Date, the Plan shall bind all Holders of Claims and Interests, whether or not such Holders voted to accept or reject the Plan.

Releases. ON THE EFFECTIVE DATE, SUBJECT TO THE LAST CLAUSE OF THIS PARAGRAPH, THE RELEASEES SHALL BE DEEMED TO HAVE RELEASED AND DISCHARGED, AND SHALL HAVE RELEASED AND DISCHARGED, EACH OTHER OF AND FROM ANY CLAIM OR CAUSE OF ACTION, WHETHER KNOWN OR UNKNOWN, ASSERTED OR NOT ASSERTED, SCHEDULED OR NOT SCHEDULED, WHETHER ARISING UNDER THE BANKRUPTCY CODE OR OTHER APPLICABLE LAW, AND WHETHER ARISING FROM OR RELATED TO ACTS OR OMISSIONS OCCURRING ON OR BEFORE THE EFFECTIVE DATE, AND EACH RELEASEE COVENANTS NOT TO SUE ANY OTHER RELEASEE WITH RESPECT TO THE CLAIMS RELEASED HEREIN; PROVIDED, HOWEVER, NO RELEASEE SHALL

BE RELEASED AND DISCHARGED FROM OBLIGATIONS UNDER THE PLAN; PROVIDED, FURTHER, HOWEVER, THAT NOTHING CONTAINED HEREIN SHALL BE DEEMED A RELEASE OF ANY VIOLATIONS OF STATE AND/OR FEDERAL CRIMINAL STATUTES AND NOTHING HEREIN SHALL RELEASE CLAIMS FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE DEBTORS, THEIR OFFICERS AND DIRECTORS, THEIR SHAREHOLDERS, AND THEIR ATTORNEYS.

I. Retention of Jurisdiction.

Under Bankruptcy Code sections 105(a) and 1142, and notwithstanding entry of the Confirmation Order and occurrence of the Effective Date, except for the interpretation, enforcement, and execution of the terms of the Massachusetts Settlement, as memorialized and finalized in the Consent Judgment, which shall lie and be vested in exclusively the Suffolk Superior Court in Massachusetts, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, and related to, the Case, the Plan and the Disclosure Statement to the fullest extent permitted by law, including, among other things, jurisdiction to:

(a) allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim, including the resolution of any application or request for payment of any Administrative Expense Claim, and the resolution of any objections to the allowance of priority of Claims;

(b) allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim, including the resolution of any application or request for payment of any Administrative Expense Claim, and the resolution of any objections to the allowance or priority of Claims;

(c) hear and determine all Professionals' applications for compensation and reimbursement of expenses incurred in the Bankruptcy Case;

(d) determine any and all adversary proceedings, motions, applications, and contested or litigated matters and consider and act upon the compromise and settlement of any Claim against the Estates;

(e) enter such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection therewith;

(f) hear and determine disputes arising in connection with the interpretation, implementation, consummation, or enforcement of the Plan, including disputes arising under agreements, documents or instruments executed in connection therewith;

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

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

(i) hear and determine any matters arising in connection with or relating to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement, the Confirmation Order;

(j) enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Bankruptcy Case;

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

(l) hear and determine all matters related to the property of the Estates or the Debtors from and after the Effective Date;

(m) hear and determine such other matters as may be provided in the Confirmation Order and as may be authorized under the provisions of the Bankruptcy Code; and

(n) enter a final decree closing the Bankruptcy Case.

J. Miscellaneous Provisions of the Plan.

Reports. Until a Final Decree is entered, the Debtors shall submit all post-confirmation quarterly reports to the United States Trustee as required by the United States Trustee guidelines (with a copy served on the Office of the United States Trustee) setting forth all receipts and disbursements of the Debtors. The first report shall be filed within thirty (30) days after the end of the quarter in which the Effective Date occurs. The Reorganized Debtors shall be responsible to request that a Final Decree be entered in this Bankruptcy Case. Notwithstanding anything to the contrary in this Plan, the Debtors or Reorganized Debtors shall also be responsible for the timely payment of any and all quarterly fees due to the United States Trustee until the Bankruptcy Case is closed, dismissed, or converted.

Severability of Plan Provisions. If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, on its own motion or at the request of the Debtors or Reorganized Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired

or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may be altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

Allocation of Plan Distributions between Principal and Interest. To the extent that any Allowed Claim entitled to a distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, unless otherwise agreed by the Debtors and the respective Claimant, such distribution shall, for federal income tax purposes, be allocated to the principal amount of the Claim first, and then, to the extent the consideration exceeds the principal amount of the Claim, to accrued but unpaid interest.

No Interest. Except as expressly stated in this Plan, or allowed by Final Order of the Bankruptcy Court, no interest, penalty or late charge is to be allowed on any Claim subsequent to the Petition Date.

Confirmation Over Objection. If any Impaired Class of Creditors shall fail to accept the Plan, the Debtors reserve the right to request that the Bankruptcy Court confirm the Plan in accordance with the applicable provisions of section 1129(b) of the Bankruptcy Code.

Notices. All notices, requests or demands for payments provided for in the Plan shall be in writing and shall be deemed to have been given when personally delivered by hand or deposited in any general or branch post office of the United States Postal Service. Notices, requests and demands for payments shall be addressed and sent postage pre-paid or delivered in the case of notices, requests or demands for payments to the following:

<i>To the Debtors and/or Reorganized Debtors:</i>	Gellert Scali Busenkell & Brown 1201 North Orange Street, 3rd Floor Wilmington, Delaware 19801 Attention: Ronald Gellert
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To the United States Trustee:

United States Trustee
J. Caleb Boggs Federal Building
844 King Street, Suite 2207
Lockbox 35
Wilmington, Delaware 19801
Attention: Jane Leamy, Esq.

Plan Controls Disclosure Statement. Notwithstanding anything to the contrary contained herein or in the Plan, in the event and to the extent that any provision of the Plan is inconsistent with any provision of the Disclosure Statement, the provisions of the Plan shall control and take precedence.

Filing of Additional Documents. Prior to the Effective Date, the Debtors may file with the Bankruptcy Court such agreements or other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan that are not inconsistent with the terms of the Plan. On or after the Effective Date, the Debtors may file with the Bankruptcy Court such agreements or other documents as may be necessary or appropriate to effectuate the terms and conditions of this Plan.

Reservation of Rights. If the Plan is not confirmed by the Bankruptcy Court or any other Court of competent jurisdiction for any reason, the rights of the Debtors and all parties in interest in the Bankruptcy Case shall and will be reserved in full. Statements and provisions made in the Plan or in the Disclosure Statement are made only for the purpose(s) of the Plan. If the Plan is withdrawn, the Confirmation Order is not entered, or if the Effective Date does not occur, no Person shall be bound by or deemed prejudiced by any such statement or provision.

Rules of Interpretation; Computation of Time. For purposes of the Plan, (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document as being in a particular form or containing particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions, (b) any

reference in the Plan to an existing document or exhibit filed or to be filed means such document or exhibit as it may have been or may be amended, modified, or supplemented, (c) unless otherwise specified, all references in the Plan to Sections, Articles, and Exhibits, if any, are references to Sections, Articles, and Exhibits of or to the Plan, (d) the words “therein” and “thereto” refer to the Plan in its entirety rather than to a particular portion of the Plan, (e) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan, and (f) the rules of construction set forth in section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply. In computing any period of time prescribed or allowed by the Plan, unless otherwise specifically designated therein, the provisions of Bankruptcy Rule 9006(a) shall apply.

Direction to a Party. From and after the Effective Date, the Debtors may apply to the Bankruptcy Court for the entry of an order directing any Person to execute or deliver or to join in the execution or delivery of any instrument or document reasonably necessary or reasonably appropriate to effect a transfer of properties dealt with by this Plan, and to perform any other act (including the satisfaction of any lien or security interest) that is reasonably necessary or reasonably appropriate for the consummation of the Plan.

Successors and Assigns. Unless otherwise provided in the Plan, the rights, duties and obligations of any Person named or referred to in this Plan, including all Creditors, shall be binding on, and shall inure to the benefit of, the successors and assigns of such Person.

Compliance with Tax Requirements. In connection with the Plan, the Debtors shall comply with all withholding and reporting requirements imposed by Federal, State, local or foreign taxing authorities. Under section 1146(a) of the Bankruptcy Code and applicable Delaware law, the issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer under the Plan shall not be taxed under any law imposing a stamp tax or similar tax.

Post-Effective Date Professional Fees. The reasonable fees and actual and necessary expenses incurred after the Effective Date by professionals for the Debtors shall be paid by the Debtors or Reorganized Debtors upon the submission of an invoice to the Debtors or Reorganized Debtors without the need for further notice to any Person or approval by the Bankruptcy Court.

Governing Law. Unless a rule of law or procedure is supplied by federal law, including the Bankruptcy Code and Bankruptcy Rules, (a) the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, and (b) governance matters shall be governed by the laws of the State of Delaware, without giving effect to the principles of conflict of law thereof.

ARTICLE VI.

MODIFICATION OF THE PLAN

The Debtors may alter, amend, or modify the Plan or any exhibits thereto under Bankruptcy Code section 1127(a) at any time prior to the Confirmation Date. After the Confirmation Date and prior to substantial consummation of the Plan, the Debtors may, under Bankruptcy Code section 1127(b), institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, and such matters as may be necessary to carry out the purposes and effects of the Plan so long as such proceedings do not materially or adversely affect the treatment of holders of Claims or Interests under the Plan; provided, however, prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or Order of the Bankruptcy Court.

ARTICLE VII.

CONCLUSION

Based on the information in this Disclosure Statement, the Debtors believe that

confirmation of the Plan is in the best interests of the Debtors, their Estates and holders of Claims against and Interests in the Debtors. Accordingly, the Debtors ask that Creditors entitled to vote cast their ballots in favor of the Plan and return the enclosed ballot as described above.

RECOMMENDATION

THE DEBTORS RECOMMEND THAT YOU VOTE TO “ACCEPT” THE PLAN. THE DEBTORS BELIEVE THAT CONFIRMATION OF THE PLAN IS PREFERABLE TO ANY OF THE ALTERNATIVES DESCRIBED ABOVE AND THAT THE PLAN IS DESIGNED TO PROVIDE GREATER RECOVERIES THAN THOSE AVAILABLE IN ANY FORM OF LIQUIDATION. THE DEBTORS BELIEVE THAT ANY OTHER ALTERNATIVE WOULD CAUSE SIGNIFICANT DELAY AND UNCERTAINTY, AS WELL AS ADDITIONAL ADMINISTRATIVE COSTS.

Dated: April 3, 2020

/s/ _____
Ruzhdi Dauti
President

**GELLERT SCALI BUSENKELL & BROWN,
LLC**

/s/ Ronald S. Gellert
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