

McCormick, Barstow, Sheppard,
Wayte & Carruth LLP
Hagop T. Bedoyan, #131285
hagop.bedoyan@mccormickbarstow.com
Garrett R. Leatham, #333362
garrett.leatham@mccormickbarstow.com
Garrett J. Wade, #340285
garrett.wade@mccormickbarstow.com
7647 North Fresno Street
Fresno, California 93720
Telephone: (559) 433-1300
Facsimile: (559) 433-2300

Counsel to the Debtor and Debtor in Possession

TUCKER ELLIS LLP

Jason M. Torf (*pro hac vice*)
jason.torf@tuckerellis.com
Thomas R. Fawkes (*pro hac vice*)
thomas.fawkes@tuckerellis.com
Zi C. Lin (CA Bar No. 236989)
zi.lin@tuckerellis.com
Motunrayo D. Akinmurele (CA Bar No. 299868)
motunrayo.akinmurele@tuckerellis.com
233 S. Wacker Dr., Suite 6950
Chicago, IL 60606
Telephone: (312) 624-6300
Facsimile: (312) 624-6309

Counsel to the Official Committee of Unsecured Creditors

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION

In re

RIZO-LÓPEZ FOODS, INC.,

Debtor-In-Possession

Case No. 25-25004-C

Chapter 11

DCN: MB-42

Date: November 18, 2026

Time: 11:00 a.m.

Place: Courtroom 35 (Dept. C), 6th Floor
United States Bankruptcy Court
501 "I" Street
Sacramento, CA 95814

Judge: Honorable Christopher M. Klein

**COMBINED DISCLOSURE STATEMENT AND
JOINT CHAPTER 11 PLAN OF LIQUIDATION**

Dated October 6, 2026

TABLE OF CONTENTS

	<u>Page</u>
DISCLAIMER	1
ARTICLE I INTRODUCTION	3
ARTICLE II DEFINITIONS AND CONSTRUCTION OF TERMS	4
2.1 Definitions	4
2.2 Amendments.....	4
2.3 Interpretation	4
ARTICLE III BACKGROUND.....	4
3.1 The Debtor’s Business	4
(a) General Overview and History	4
(b) Corporate Structure	5
(c) Related or Affiliated Non-Debtor Entities	6
(i) I & E McClure, LLC.	6
(ii) R.L. Gardena, LLC.....	6
(iii) Riverbank Land, LLC.	6
3.2 Events Leading to Commencement of the Chapter 11 Case	6
(a) Listeria Outbreak.....	6
3.3 Summary of Prepetition Indebtedness.....	10
(a) Commercial Customer Lawsuits and Recall Claims.....	10
(i) The Sargento Lawsuit.....	10
(ii) The Reser’s Lawsuit.....	10
(iii) The Castle Claim.....	10
(iv) The Latitude 36 Claim.....	11
(v) The Amy’s Kitchen Claim.	11
(vi) The Pacific Cheese (and Customer Sysco) Claim.....	11
(b) Vendor and Customer Claims	11
(c) Secured Claims.....	11

TABLE OF CONTENTS
(Continued)

		<u>Page</u>
1		
2		
3	(i) Wells Fargo Bank and Wells Fargo Equipment Finance	11
4	(ii) Rizo Parties	12
5	(iii) Blower-Dempsay Corporation, Inc.	12
6	(iv) Rexel USA.....	12
7	(d) Equipment Leases	12
8	3.4 The Chapter 11 Case	12
9	(a) Commencement of the Chapter 11 Case	12
10	(i) First Day Relief	13
11	(b) The Debtor's Professionals	13
12	(c) Formation of the Committee and Committee's Professionals.....	13
13	(d) Bar Date.....	14
14	(e) Schedules and Statements	15
15	(f) Postpetition Financing/Use of Cash Collateral	15
16	(g) Postpetition Sales of the Debtor's Assets.....	16
17	(i) RLF Sale.....	16
18	(ii) Riverbank Sale	17
19	(h) Available Assets.....	17
20	3.5 Additional Documents and Information.....	17
21	ARTICLE IV TREATMENT OF UNCLASSIFIED CLAIMS	17
22	4.1 Administrative Claims.....	17
23	4.2 Priority Tax Claims	18
24	4.3 Professional Claims.....	19
25	4.4 Statutory Fees	19
26	ARTICLE V TREATMENT AND CLASSIFICATION OF CLAIMS AND INTERESTS.....	20
27	5.1 Summary of Classes and Projected Recoveries	20
28	5.2 Class 1 – Secured Claims	21

TABLE OF CONTENTS
(Continued)

		<u>Page</u>
1		
2		
3	(a) Classification.....	21
4	(b) Impairment and Voting	21
5	(c) Treatment	21
6	5.3 Class 2–Priority Non-Tax Claims	22
7	(a) Classification.....	22
8	(b) Impairment and Voting	22
9	(c) Treatment	22
10	5.4 Class 3 – General Unsecured Claims	22
11	(a) Classification.....	22
12	(b) Impairment and Voting	22
13	(c) Treatment	23
14	5.5 Class 4 – Subordinated Administrative Claims of the Rizo Parties/Affiliates.....	23
15	(a) Classification.....	23
16	(b) Impairment and Voting	23
17	(c) Treatment	23
18	5.6 Class 5 – Interests.....	23
19	(a) Classification.....	23
20	(b) Impairment and Voting	23
21	(c) Treatment	23
22	5.7 Reservation of Rights Regarding Claims	24
23	5.8 Subordination	24
24	5.9 Mediation of Claims Potentially Subject to Insurance Coverage	24
25	ARTICLE VI EXECUTORY CONTRACTS AND UNEXPIRED LEASES.....	31
26	6.1 Rejection of Executory Contracts and Unexpired Leases	31
27	6.2 Deadline for Filing Proofs of Claim for Rejection Damages.....	32
28	6.3 Assumption of Certain Insurance Policies	32

TABLE OF CONTENTS
(Continued)

		<u>Page</u>
1		
2		
3	ARTICLE VII MEANS OF IMPLEMENTING THE PLAN.....	32
4	7.1 Vesting of Estate Property.....	32
5	7.2 Effective Date Distributions.....	33
6	7.3 Retained Causes of Action	33
7	7.4 Exemption from Certain Taxes	33
8	7.5 Release of Liens	34
9	7.6 Adequate Assurance Deposits.....	34
10	7.7 Cancellation of Claims, Interests and Obligations	34
11	7.8 Preservation of Insurance Coverage and Insurance Neutrality	35
12	7.9 No Discharge.....	35
13	7.10 Dissolution of the Committee	36
14	7.11 Dissolution of the Debtor	36
15	7.12 Corporate Approvals; Further Transactions	36
16	7.13 Direction to Parties.....	37
17	ARTICLE VIII CERTAIN PROVISIONS REGARDING THE LIQUIDATING TRUST	37
18	8.1 Liquidating Trust.....	37
19	(a) Establishment of the Liquidating Trust.....	37
20	(b) Oversight Committee	38
21	(c) Duration of the Liquidating Trust	38
22	(d) Books and Records.....	38
23	(e) Preservation of Privilege and Defenses.....	39
24	(f) Trust Expenses	39
25	(g) Liquidating Trust Interests and Distribution Rights.....	39
26	8.2 Liquidating Trustee	40
27	(a) Appointment.....	40
28	(b) Term	40

TABLE OF CONTENTS
(Continued)

		<u>Page</u>
1		
2		
3	(c) Removal	40
4	(d) Powers and Duties	41
5	(e) Limitation of Liability; Exculpation	41
6	ARTICLE IX CLAIMS RESOLUTIONS AND DISTRIBUTIONS	42
7	9.1 Claims Objections and Resolutions	42
8	9.2 General Distribution Provisions	43
9	9.3 Distribution Reserves	44
10	9.4 Distribution After Allowance	44
11	9.5 Timing of Distributions	44
12	9.6 Delivery of Distributions	45
13	9.7 Unclaimed Distributions	45
14	9.8 De Minimis Distributions	46
15	9.9 Limitation on Distributions	46
16	9.10 Distribution Offsets	46
17	9.11 Claims Subject to Insurance	47
18	9.12 No Postpetition Interest	47
19	9.13 Compliance with Tax Requirements; Withholding	47
20	9.14 Residual Assets	48
21	ARTICLE X EXCULPATION AND INJUNCTIONS	49
22	10.1 Exculpation	49
23	10.2 Injunction	49
24	ARTICLE XI CERTAIN RISK FACTORS TO BE CONSIDERED PRIOR TO VOTING	50
25	11.1 The Plan May Not Be Accepted	51
26	11.2 The Plan May Not Be Confirmed	51
27	11.3 Non-Consensual Confirmation	51
28	11.4 Alternative Plan or Conversion to Chapter 7 Case	52

1	<u>TABLE OF CONTENTS</u>		
2	(Continued)		<u>Page</u>
3	11.5	The Plan May Require Modification.....	52
4	11.6	The Plan May Not Be Consummated.....	53
5	11.7	Distributions Under the Plan May Be Inconsistent With Projections.....	53
6	11.8	Liquidating Trust Assets May Not Be Sufficient.....	54
7	11.9	Insurance Assets May be Limited and/or Unavailable.....	54
8	11.10	Risks Associated with Forward Looking Statements.....	54
9	11.11	The Plan May Result in Adverse Tax Consequences	54
10	ARTICLE XII CONFIRMATION AND VOTING PROCEDURES.....		58
11	12.1	Confirmation Procedures.....	58
12	12.2	Confirmation Requirements	59
13	12.3	Classification of Claims and Interests	59
14	12.4	Impaired or Unimpaired Status	60
15	12.5	Acceptance; Cramdown	61
16	(a)	Unfair Discrimination	61
17	(b)	Fair and Equitable	61
18	12.6	Feasibility	62
19	12.7	Best Interests	63
20	12.8	Solicitation Packages.....	64
21	12.9	Acceptance or Rejection of the Plan	64
22	12.10	Plan Amendment After Solicitation	65
23	ARTICLE XIII CONDITIONS TO THE EFFECTIVE DATE.....		65
24	13.1	Conditions Precedent to Confirmation.....	65
25	13.2	Conditions Precedent to the Effective Date	66
26	13.3	Establishing the Effective Date	66
27	13.4	Effect of Failure of Conditions.....	66
28	13.5	Waiver of Conditions to Confirmation and Effective Date.....	67

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
ARTICLE XIV RETENTION OF JURISDICTION	67
ARTICLE XV MISCELLANEOUS PROVISIONS	68
15.1 Injunctions or Stays	68
15.2 Amendments.....	69
15.3 Severability.....	69
15.4 Notices.....	69
15.5 Creditor Noticing.....	69
15.6 Governing Law.....	70
15.7 Controlling Interpretation.....	70
15.8 No Admissions	70
15.9 Binding Effect; Successors and Assigns	70
15.10 Immediate Effectiveness	70
15.11 Final Decree	71

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

THIS COMBINED DISCLOSURE STATEMENT AND PLAN¹ CONTAINS CERTAIN STATUTORY PROVISIONS AND DESCRIBES CERTAIN EVENTS IN THIS CHAPTER 11 CASE AND CERTAIN DOCUMENTS RELATED TO THIS COMBINED DISCLOSURE STATEMENT AND PLAN THAT MAY BE ATTACHED AND ARE INCORPORATED BY REFERENCE. ALTHOUGH THE DEBTOR BELIEVES THAT THIS INFORMATION IS FAIR AND ACCURATE, THIS INFORMATION IS QUALIFIED IN ITS ENTIRETY TO THE EXTENT THAT IT DOES NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH EVENTS.

THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS MADE ONLY AS OF THE DATE OF THIS COMBINED DISCLOSURE STATEMENT AND PLAN, UNLESS ANOTHER TIME IS SPECIFIED. THIS COMBINED DISCLOSURE STATEMENT AND PLAN WAS COMPILED FROM INFORMATION OBTAINED FROM NUMEROUS SOURCES BELIEVED IN GOOD FAITH TO BE ACCURATE OR THE BEST AVAILABLE INFORMATION. THERE CAN BE NO ASSURANCES THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THIS DATE.

NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR ASSUMPTIONS REGARDING THE DEBTOR'S BUSINESS. EXCEPT WHERE SPECIFICALLY NOTED, THE FINANCIAL INFORMATION CONTAINED IN THIS COMBINED DISCLOSURE STATEMENT AND PLAN AND IN THE RELATED EXHIBITS HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT AND HAS NOT BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN THE UNITED STATES OR ANY OTHER JURISDICTION.

THIS COMBINED DISCLOSURE STATEMENT AND PLAN HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1123 AND 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016 AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE

THIS COMBINED DISCLOSURE STATEMENT AND PLAN HAS BEEN PREPARED IN ACCORDANCE WITH SECTIONS 1123 AND 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016 AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY LAWS. THIS COMBINED DISCLOSURE STATEMENT AND PLAN HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION OR ANY SECURITIES EXCHANGE OR ASSOCIATION, NOR HAS THE SEC, ANY STATE SECURITIES COMMISSION OR ANY SECURITIES EXCHANGE OR ASSOCIATION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. NO OTHER GOVERNMENTAL OR OTHER REGULATORY AUTHORITY HAS PASSED ON, CONFIRMED OR DETERMINED THE ACCURACY OR ADEQUACY OF THE 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 DEBTOR OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THIS COMBINED DISCLOSURE STATEMENT AND PLAN ON THE DEBTOR OR HOLDERS OF

1. Any reference to this “**Plan**” or this “**Disclosure Statement**” means this Combined Disclosure Statement and Joint Chapter 11 Plan of Liquidation.

1 CLAIMS OR EQUITY INTERESTS. CERTAIN STATEMENTS CONTAINED HEREIN, BY
2 NATURE, ARE FORWARD-LOOKING AND CONTAIN ESTIMATES AND ASSUMPTIONS.
3 THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL REFLECT ACTUAL
4 OUTCOMES.

5 HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD NOT CONSTRUE THE
6 CONTENTS OF THIS COMBINED DISCLOSURE STATEMENT AND PLAN AS PROVIDING
7 ANY LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. THEREFORE, EACH SUCH
8 HOLDER SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX
9 ADVISORS AS TO ANY SUCH MATTERS CONCERNING THIS COMBINED DISCLOSURE
10 STATEMENT AND PLAN AND THE TRANSACTIONS CONTEMPLATED HEREBY.

11 THE DEBTOR AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
12 SUPPORT CONFIRMATION OF THE PLAN AND RECOMMEND ALL ELIGIBLE
13 CREDITORS VOTE TO ACCEPT THE PLAN.

ARTICLE I

INTRODUCTION

Rizo-López Foods, Inc. (the “Debtor” or “RLF”) and the Official Committee of Unsecured Creditors (the “Committee”) hereby propose this *Combined Disclosure Statement and Joint Chapter 11 Plan of Liquidation* (the “Combined Disclosure Statement and Plan” or the “Plan”). The Plan is both a disclosure statement and a plan within the meaning of such terms under the Bankruptcy Code, Bankruptcy Rules, and Local Rules.²

The Debtor and the Committee are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code. As set forth below, the Plan provides for the liquidation of the Debtor’s remaining assets and Distribution of the proceeds to Creditors. The Plan also contains, among other things, a discussion of the Debtor’s history, business, properties, operations, the chapter 11 case, risk factors, summary and analysis of the Plan, and certain other related matters.

The Debtor and the Committee believe that the Plan complies with all applicable requirements and is the best available alternative for Creditors. **The Debtor and the Committee therefore recommend that all eligible Creditors vote to ACCEPT the Plan.**

ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTOR ARE STRONGLY ENCOURAGED TO READ THE PLAN IN ITS ENTIRETY, AND TO CONSULT WITH AN ATTORNEY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. SUBJECT TO CERTAIN RESTRICTIONS AND REQUIREMENTS SET FORTH IN SECTION 1127 OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 3019, AND IN THE PLAN, INCLUDING CONSENT OF THE COMMITTEE AS SET FORTH IN SECTION 15.2 OF THE PLAN, THE DEBTOR RESERVES THE RIGHT TO ALTER, AMEND, MODIFY, REVOKE OR WITHDRAW THE PLAN, OR ANY PART THEREOF, PRIOR TO ITS SUBSTANTIAL CONSUMMATION.

2. Unless otherwise indicated, undefined chapter and section references are to Title 11 of the United States Code (the “Bankruptcy Code”); references to the “Bankruptcy Rules” or “Rules” are to the Federal Rules of Bankruptcy Procedure; and references to the “Local Rules” or “LBR” are to the Local Rules of Practice for the United States Bankruptcy Court, Eastern District of California (Eff. Apr. 2026).

ARTICLE II

DEFINITIONS AND CONSTRUCTION OF TERMS

2.1 Definitions

All capitalized terms used but not defined elsewhere in the Plan have the meaning set forth in the Glossary of Defined Terms attached as Exhibit A hereto. Any capitalized term used and not defined by the Plan has the meaning ascribed to that term under the Bankruptcy Code and/or Bankruptcy Rules.

2.2 Amendments

For purposes of the Plan, any references to a document or exhibit means such document or exhibit as it has been or may be amended, supplemented, or otherwise modified.

2.3 Interpretation

Whenever from the context it appears appropriate, each term stated in either 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 neuter. Unless otherwise specified, all section, article, schedule or exhibit references in the Plan are to the respective section in, Article of, Schedule to, or Exhibit to the Plan. The words “herein,” “hereof,” “hereto,” “hereunder” and other words of similar import refer to the Plan as a whole and not to any particular section, subsection or clause contained in the Plan. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of the Plan. A term used herein that is not defined herein, but that is used in the Bankruptcy Code, shall have the meaning ascribed to that term in the Bankruptcy Code. The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of the Plan.

ARTICLE III

BACKGROUND

3.1 The Debtor’s Business

(a) General Overview and History

Debtor commenced this chapter 11 case by filing a Voluntary Petition under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq. (the “**Bankruptcy Code**”) on

September 15, 2025 (the “**Petition Date**”). Since the Petition Date, Debtor has been managing its business and affairs as a debtor in possession pursuant to 11 U.S.C. §§ 1107 and 1108. The Debtor is a family built and run company with a strong commitment to its consumers and employees. The Debtor was incorporated by Edwin Rizo in the State of California in 1990 for the purposes of selling and distributing high quality Mexican and Central American cheese products in the bay area and specifically the Mission District in San Francisco. In 1991, the Debtor started making its own Mexican-style cheeses and creams. Edwin's brother, Ivan Rizo, joined the company in 1995, and the brothers opened their first production plant in Riverbank, California. Edwin Rizo is the current CEO, Ivan Rizo is the Chairman of the Board and Tomas Rizo is the VP of Sales, Marketing, Administration and Human Resources.

After reaching capacity in Riverbank., the Debtor moved its business operations in 2012 to Modesto, California to be closer in proximity to its dairy suppliers and to have ample space to grow.

Over the last ten years, the Debtor expanded its distribution nationwide. The Debtor's products can be found at grocery stores and retail deli counters throughout the country. In total, the Debtor grew to more than 320 employees and produced approximately 40 million pounds of cheese and 10 million pounds of cream annually under the “Don Francisco,” “Tío Francisco,” and “Rizo Bros” brand names. The Debtor prides itself in linking back to its rich family heritage, using Old World recipes that have been passed down for generations and traditional techniques to produce artisan-crafted, award-winning cheeses.

The Debtor derives the majority of its annual income from the sale of cheese and cheese products. The Debtor's total sales for 2023 and 2024 were \$140,979,848 and \$15,673,828, respectively. The Debtor generated positive earnings before interest, taxes, depreciation, and amortization of \$2,131,694.00 in 2023.

(b) Corporate Structure

Edwin and Ivan Rizo, through family trusts equally hold all equity interests in the Debtor.

Name / Entity	Position / Nature of Interest	
Edwin Rizo	Board of Directors Member (Chair) / Chief Executive Officer	
Ivan Rizo	Board of Directors Member	
Tomas Rizo	Board of Directors Member / Chief Financial Officer / Secretary	
Ivania Rizo	Board of Directors Member	

1 (c) **Related or Affiliated Non-Debtor Entities**

2 (i) I & E McClure, LLC.

3 I & E McClure, LLC ("**I & E McClure**") is a California limited liability company, and the
4 owner of real property located at 201 S. McClure, Modesto, CA, APN 036-013-021 (the "**Modesto**
5 **Location**"). I & E McClure is owned equally by Edwin and Ivan Rizo either directly or indirectly
6 through their family members and family trusts. RLF is a tenant of I & E McClure at the Modesto
7 Location. The current lease will expire on September 30, 2027. For the year 2025, RLF paid I & E
8 McClure \$50,666 per month for rent.

9 (ii) R.L. Gardena, LLC.

10 R.L. Gardena, LLC ("**R.L. Gardena**") is a California limited liability company, and the
11 owner of real property located at 14720 S. San Pedro Street in Gardena, CA 90248 (the "**Gardena**
12 **Location**"). R.L. Gardena is owned by Edwin and Ivan Rizo. RLF is a tenant of R.L. Gardena at the
13 Gardena Location. RLF pays R.L. Gardena \$14,334 per month for rent.

14 (iii) Riverbank Land, LLC.

15 Riverbank Land, LLC ("**Riverbank Land**") is a California limited liability company, and
16 the owner of real property located at 6625 2nd Street/3130 Santa Fe Street, APN 132-011-065-000
17 and 3131 Stanislaus Street, APN 132-011-068-000 (the "**Riverbank Location**"), which at one point
18 contained the Debtor's original processing facility. However, the Riverbank Location has not
19 operated since 2022. Riverbank Land is a wholly-owned subsidiary of the Debtor and a disregarded
20 entity for tax purposes.

21 **3.2 Events Leading to Commencement of the Chapter 11 Case**

22 (a) **Listeria Outbreak**

23 Around late 2023, Hawaii state officials found *listeria monocytogenes* ("**Listeria**") in a
24 random sample of the Debtor's aged cotija Mexican grating cheese for sale, which triggered an
25 investigation and recall. The Listeria discovered in Hawaii was also found in the Debtor's plant and
26 has been genetically linked to a 10-year outbreak of Listeria, the cause of which had eluded public
27 health officials, and has been allegedly linked to 26 illnesses and two deaths. After being notified
28 by the Hawaii Department of Public Health of the Listeria outbreak, the Debtor conducted its own

1 investigation and found Listeria on one plastic tote that was put aside and kept for future inspections
2 and evidence. In early January of 2024, the Debtor voluntarily recalled its cotija cheese.

3 On February 2, 2024, the Debtor was advised by the Food and Drug Administration (“FDA”)
4 and the Centers for Disease Control and Prevention (CDC) that one of its products had been linked
5 to a strain of Listeria. The Debtor takes the importance of producing safe food extremely seriously.
6 For the protection of its consumers, the Debtor immediately suspended operations and voluntarily
7 recalled 1,200 pounds of Cotija Cheese sold under the brand names “Tío Francisco” and “Rizo Bros”
8 due to potential Listeria after RLF's internal investigation into the Hawaii state officials' findings
9 led to a discovery of Listeria on a large plastic “tote” used in the manufacture of Cotija Cheese. The
10 scope of the recall was intentionally broad to err on the side of caution. For example, although
11 Debtor had confidence in the safety of products produced in its culture room (sour cream, ricotta
12 cheese, etc.), the Debtor included these products in the recall rather than conducting a risk
13 assessment to prevent having multiple recalls and causing confusion in the marketplace during a
14 time when public health was the top priority.

15 After RLF's voluntary recall of the cotija, multiple governmental agencies visited the plant,
16 including the California Department of Food and Agriculture and the FDA. The FDA made
17 unannounced visits to the plant and swabbed numerous areas throughout the plant. Several areas
18 tested positive for Listeria, including the previously identified tote and the bottom of a large roll-up
19 door. The voluntary recall was carried out with the knowledge of the FDA, which also issued a press
20 release identifying the products. The recalled products included those that had been distributed by
21 Debtor and various distributors nationwide. The Debtor's products were also incorporated into the
22 products of other food producers, which were also subsequently recalled, and included cheeses,
23 yogurts, and sour creams sold under numerous company brand names.

24 On February 5, 2024, in alignment with FDA guidance, the Debtor issued a second
25 expanded, but voluntary, recall of all the use by dates of cheese, yogurt and sour cream products
26 (collectively, the “**Recalled Products**”). Following this expanded recall, a number of secondary
27 recalls were issued. The Debtor also set up a hotline to receive customer complaints.

28 On June 10, 2024, the Debtor was notified by the United States Department of Justice,

1 Consumer Protection Branch that on behalf of the FDA, it would be seeking a permanent injunction
2 against the Debtor, Tomas Rizo, and Edwin Rizo preventing them from directly or indirectly
3 receiving, preparing, processing, packing, holding, and/or distributing any articles of food at or from
4 the Debtor's facility, unless the Debtor and its principals established that they are in compliance with
5 the Federal Food, Drug and Cosmetic Act.

6 On October 7, 2024, the Debtor, Edwin, and Tomas Rizo entered into a Consent Decree of
7 Permanent Injunction (the "**Consent Decree**") with the FDA in the United States District Court,
8 Eastern District of California. The Consent Decree was entered on October 8, 2024 (Case No. 2:24-
9 cv-02624-DJC-JDP [Doc. 9]).

10 From October 2024 through March of 2025, the Debtor worked earnestly in complying with
11 the Consent Decree and the conditions it imposed on the Debtor for the resumption of plant
12 operations. Those conditions included the retention of outside independent expert to develop a
13 Pathogen Control Program. On April 9, 2025, the Debtor received correspondence from the FDA
14 informing the Debtor that all of the FDA's conditions (except for a final inspection) to restart plant
15 operations had been satisfied.

16 From April 14, 2025 through April 17, 2025, the FDA inspected the Debtor's building,
17 sanitation-related systems, equipment, utensils, articles of food, and relevant records contained
18 therein to evaluate the Debtor's compliance with the terms of the Consent Decree, the Federal Food,
19 Drug and Cosmetic Act, and the Current Good Manufacturing Practice, Hazard Analysis, and Risk-
20 Based Preventive Controls for Human Food rule set forth at 21 C.F.R. Part 117.

21 As the result of the FDA inspection, the Debtor received correspondence from the FDA
22 dated May 1, 2025, indicating that the Debtor complied with the Consent Decree except for a)
23 completing an employee training program; b) paying the FDA's inspection costs; and c) answering
24 questions regarding the cleaning and sanitation of equipment the Debtor intended to sell (there was
25 no such equipment).

26 The Debtor resolved all of the remaining concerns of the FDA and, on May 19, 2025,
27 received written approval to resume its plant operations, including but not limited to receiving,
28 preparing, processing, packing, holding, and/or distributing articles of food at or from the Debtor's

1 facility.

2 In an abundance of caution, the Debtor opted to fully decontaminate its production plant,
3 which was financed by the two primary shareholders of RLF. The Debtor suspended production in
4 its production plant until remediation could be completed and new safety protocols implemented.
5 Approximately 90% of the Debtor's employees were furloughed. The remaining staff was used for
6 remediation in preparation for the August 2025 reopening of the plant. Additional employees were
7 rehired recently to support the resumption of production. When the Debtor resumed operations, it
8 restarted on a phased basis by producing only culture products and fresco cheeses.

9 On August 5, 2025, the Debtor restarted its production facility on a limited basis, while
10 maintaining rigorous testing and monitoring protocols required under the terms of the Consent
11 Decree, which included the supervision of a third-party expert, in the Debtor's case, The Acheson
12 Group (TAG). The testing and monitoring program required frequent (currently daily)
13 environmental and finished product testing. The objective of this program is "to seek for the
14 pathogen and destroy it." During one of the daily environmental tests (one of 20+ tests), a sample
15 from Zone 3, not a food contact area, was found to be positive for Listeria. This is not unusual for a
16 dairy facility. The Debtor followed the protocols in place, identified the root cause, and took
17 corrective actions: The testing and monitoring system worked. On Friday, Saturday, and Sunday
18 (August 29–31, 2025), the Debtor received confirmation from the FDA's approved testing
19 laboratory, AEMTEK, that all the samples tested were negative. No further Listeria had been found
20 in the facility. As required by the Consent Decree, all findings of the monitoring programs were
21 reported to the FDA. The FDA did not take any additional action against the Debtor. As of the
22 Petition Date, the Debtor employed approximately 121 people in its business.

23 Due to the recall, Debtor wrote-off accounts receivables with customers in excess of \$6.7
24 million dollars and finished goods inventory in excess of \$4 million. The Debtor believes its
25 exposure to potential liability may exceed its applicable insurance coverage.

26 Due to the 16-month suspension of operations, the Debtor was unable to complete its
27 contracted milk purchases. In addition, the Debtor defaulted on the debt covenant requirements on
28 its loans through Wells Fargo Bank and Wells Fargo Equipment Finance. In combination, the above-

described events necessitated the filing of this Chapter 11 Case.

3.3 Summary of Prepetition Indebtedness

(a) Commercial Customer Lawsuits and Recall Claims

As of the Petition Date, the Debtor faced potential damages in excess of \$70,000,000 due to the Listeria outbreak from several of its largest customers: Sargento Foods Inc. and Sargento Cheese Inc., Reser's Fine Foods, Inc., Castle Importing, and Amy's Kitchen. Each of these customers alleged a variety of claims for damages against the Debtor related to the recall of the Recalled Products, including lost profits.

(i) The Sargento Lawsuit.

Sargento Foods, Inc. and Sargento Cheese Inc. (collectively, "**Sargento**") filed suit against the Debtor on March 8, 2024, in the United States District Court for the Eastern District of Wisconsin, alleging claims of breach of contract and breach of warranties (case no. 2:24-cv-60231). Sargento purchased goods from the Debtor, which later had to be recalled due to the Listeria outbreak. In the lawsuit, Sargento claimed documented damages of nearly \$2,000,000 but projected damages in excess of \$59,000,000.

(ii) The Reser's Lawsuit.

Reser's Fine Foods, Inc. ("**Reser's**") filed suit against the Debtor in the United States District Court for the District of Oregon for four claims under Oregon law: violation of the Oregon Unlawful Trade Practices Act, negligent misrepresentation, negligence and product liability (case no. 3:24-cv-01963). In the lawsuit, Reser's claimed approximately \$3,700,000 in damages broken down into two categories: (1) reimbursements for customer claims of \$2,255,109 and (2) removal and disposal costs of \$1,435,249.

(iii) The Castle Claim.

Castle Importing Inc. ("**Castle**") is a co-defendant with the Debtor in the Reser's lawsuit pending in the United States District Court for the District of Oregon. In the Reser's lawsuit, Castle cross-claimed against the Debtor, claiming it is owed nearly \$4,700,000 in damages, consisting of \$478,000 for expenses associated with recalling, disposing, and the freight/storage costs of the recalled products; \$3,500,000 in costs associated with its purchase of the recalled products;

1 \$674,336 in lost profits and customer claims of \$60,000.

2 (iv) The Latitude 36 Claim.

3 Latitude 36 Foods, LLC ("**Latitude 36**") did not file a lawsuit against the Debtor due to the
4 recall prior to the Petition Date. Latitude 36 purchased Recalled Products through Castle and
5 Sargento. On information and belief, Latitude 36 seeks \$646,466 in damages.

6 (v) The Amy's Kitchen Claim.

7 Amy's Kitchen, Inc. ("**Amy's Kitchen**") did not file a lawsuit against RLF due to the recall prior
8 to the Petition Date. Amy's Kitchen claims it is owed nearly \$3,000,000 in damages, consisting of
9 \$627,801 in lost inventory, \$13,586 in disposal costs, \$269,021 in recall expenses (including call
10 center, legal fees and customer fees), and \$2,054,016 in business expenses (including business
11 interruption costs, net purchasing variance, net substitution variance and claim preparation
12 expenses).

13 (vi) The Pacific Cheese (and Customer Sysco) Claim.

14 Pacific Cheese Co. ("**Pacific Cheese**") did not file a lawsuit against the Debtor due to the
15 recall prior to the Petition Date. On information and belief, Pacific Cheese may allege \$3,776,000
16 in damages, but has not filed a proof of claim.

17 (b) **Vendor and Customer Claims**

18 In addition to the recall claims referenced above, as of the Petition Date, the Debtor owed
19 its 261 vendors approximately \$6,104,215 and its 587 customers approximately \$989,527. This is
20 in addition to \$72,587,00 that may be asserted against RLF by 5,000 to 6,000 in consumer customers
21 who may have purchased RLF cheese and cream products.

22 (c) **Secured Claims**

23 (i) Wells Fargo Bank and Wells Fargo Equipment Finance

24 As of the Petition Date, the Debtor owed Wells Fargo Bank ("**WFB**") and Wells Fargo
25 Equipment Finance ("**WFEF**") approximately \$10,238,196 million as follows: Six Equipment
26 Loans with WFEF (\$5,020,559); A TI loan (\$2,325,253); and a Revolving Line of Credit
27 (\$2,892,383). The WFB debt is guaranteed by I & E McClure and the TI Loan is secured by a second
28 deed of trust against the I & E McClure real property located at 201 S. McClure, Modesto,

1 California.³

2 (ii) Rizo Parties

3 To fund the extensive remediation program and proceedings with the FDA following the
4 Listeria outbreak, Edwin and Ivan Rizo (collectively, the “**Rizo Parties**”) invested \$10,608,484,
5 which is secured by a second priority security interest in the Debtor’s personal property. This
6 security interest is perfected by a UCC-1 Financing Statement filed with the California Secretary of
7 State on June 11, 2024, as Doc. No. U240048157533.

8 (iii) Blower-Dempsay Corporation, Inc.

9 Blower-Dempsay Corporation, Inc. (“**Blower-Dempsay**”) has a claim secured by a
10 judgment Lien filed with the California Secretary of State on April 10, 2025, in the amount of
11 \$18,686.36.

12 (iv) Rexel USA

13 Rexel USA (“**Rexel**”) has a claim secured by a judgment Lien filed with the California
14 Secretary of State on July 14, 2025, in the amount of \$23,412.65.

15 (d) **Equipment Leases**

16 As of the Petition Date, the Debtor leased 10 box trucks from Transco Leasing Co., Inc. dba
17 TEC Equipment Leasing (“**TEC**”) it uses to distribute its products. The Debtor had five total leases
18 with TEC. None of the trucks had monthly lease amounts of \$3,050 and the other had a monthly
19 lease amount of \$3,500. Each lease charged \$0.127 per mile.

20 **3.4 The Chapter 11 Case**

21 (a) **Commencement of the Chapter 11 Case**

22 The Debtor commenced this chapter 11 case (“**Chapter 11 Case**”) by filing a Voluntary
23 Petition under Chapter 11 of the Bankruptcy Code on September 15, 2025 (the “**Petition Date**”).
24 Since the Petition Date, the Debtor has been managing its business and affairs as a debtor in
25 possession pursuant to 11 U.S.C. §§ 1107 and 1108.

26
27
28 3. In addition, WFB has a separate loan agreement with I & E McClure in the current amount of \$532,513 that is secured by the I & E McClure real property at the Modesto Location.

(i) First Day Relief

Within one day of the Petition Date, the Debtor sought various types of “first day” relief intended to facilitate the transition of the Debtor’s ordinary business operations into chapter 11. The Bankruptcy Court entered several “first day” orders, which authorized, among other things:

- Shortening the time for notice and hearing on the first day motions, allowing the filing and service of an omnibus notice for first day motions, and allowing the joining of multiple requests for relief in certain motions [Doc. 33];
- The appointment of Donlin, Recano & Company as claims and noticing agent [Doc. 57];
- Adequate assurances of future performance for utility companies and establishing procedures for requests for additional assurances [Docs. 63, 147];
- Limited notice of certain motions [Docs. 64, 143];
- The Debtor to continue administering and funding insurance programs [Docs. 65, 148];
- The Debtor to use cash collateral and granting adequate protection, described in greater detail below [Docs. 66, 634]; and
- The Debtor to obtain postpetition debtor-in-possession financing and related relief, described in greater detail below [Docs. 67, 635].

(b) **The Debtor’s Professionals**

On September 29, 2025, the Debtor filed (1) an application to employ McCormick Barstow LLP as bankruptcy counsel [Doc. 80], which was approved by the Court on October 9, 2025 [Doc. 138]; and (2) an application to retain Donlin, Recano & Company as administrative advisor [Doc. 85], which was approved by the Court on October 9, 2025 [Doc. 139]. On September 30, 2025, the Debtor filed an application to employ Stapleton Group (“**Stapleton**”) as financial advisor, which was approved by the Court on October 9, 2025 [Doc. 140]. On October 14, 2025, the Debtor filed an application to employ Juarez and Company, CPA’s as accountant [Doc. 156], which was approved by the Court that same day [Doc. 161]. On October 23, 2025, the Debtor filed an application to employ Hyman, Phelps & McNamara, P.C. as special counsel for FDA regulations and related issues [Doc. 183], which was approved by the Court that same day [Doc. 189].

(c) **Formation of the Committee and Committee’s Professionals**

On September 29, 2025, the Office of the United States Trustee for the Eastern District of California (“UST”) appointed five of the Debtor’s unsecured creditors to serve as members of the

1 Committee. The Committee is presently comprised of the following members: (i) Sargento Foods
2 Inc.; (ii) Jimenez Mexican Foods, Inc.; (iii) Arden Credits Group LLC, d/b/a R&D Incentives
3 Group; (iv) Norcal Construction Poultry Specialist; and (v) Rana Meal Solutions, LLC [Doc. 89].

4 By order dated October 24, 2025 [Doc. 198], the Court approved the Committee's
5 application to retain the law firm of Tucker Ellis LLP as its counsel as of October 1, 2025. In
6 addition, by order dated October 24, 2025 [Doc. 199], the Court approved the Committee's
7 application to retain GlassRatner Advisory & Capital Group, LLC as its financial advisor as of
8 October 6, 2025.

9 Beginning soon after its appointment, the Committee undertook an investigation of, among
10 other things, the Debtor's prepetition financial condition and the Debtor's prepetition secured
11 indebtedness, including from the Debtor's principals. At the request of the Committee, the Debtor
12 provided the Committee certain documents to aid in determining whether to challenge the Liens
13 securing the obligations of the Debtor under the prepetition secured indebtedness and whether there
14 were any Claims or Causes of Action against the Debtor's principal owners.

15 The Committee received and reviewed, among other things, material documents evidencing
16 the Debtor's prepetition secured indebtedness, the Debtor's historical financial statements and
17 financial projections; the Debtor's corporate governance structure and other general corporate
18 documentation; information about the Debtor's assets; and other documents. Based on its review,
19 the Committee determined not to commence a challenge against the Claims or Liens of the Holders
20 of prepetition secured indebtedness of the Debtor.

21 **(d) Bar Date**

22 On September 19, 2025, the Clerk of the Bankruptcy Court filed the *Notice of Chapter 11*
23 *Bankruptcy Case* [Doc. 43] (the "**Notice of Commencement**") establishing **January 21, 2026, at**
24 **11:59 p.m. (PT)** as the deadline for general Creditors to file any Proofs of Claim against the Debtor
25 (the "**General Bar Date**"), and **March 16, 2026, at 11:59 p.m. (PT)** as the deadline for
26 governmental units to file any Proofs of Claim against the Debtor (the "**Governmental Bar Date**"),
27 as well as certain procedures and requirements for Proofs of Claim. The Notice of Commencement
28 was served on all known creditors and parties in interest by the Debtor's claims and noticing agent

1 [Doc. 107].

2 (e) **Schedules and Statements**

3 On September 24, 2025, the Debtor filed a motion to extend the deadline for filing schedules
4 of assets and liabilities, co-debtors, and executory contracts and unexpired leases (collectively, the
5 and statement of financial affairs ("**Schedules and Statements**") [Doc. 72], which the Court granted
6 on October 1, 2025 [Doc. 109].

7 On October 14, 2025, the Debtor filed its Schedules and Statements [Doc. 155], which were
8 subsequently amended on January 23, 2026, and April 13, 2026 [Docs. 374, 587].

9 (f) **Postpetition Financing/Use of Cash Collateral**

10 Prior to the Petition Date, the Debtor required additional financing to facilitate the restart of
11 its business. Because of several factors, including the lack of an operating history since the recall,
12 ordinary institutional financing was not available. As a result, the Debtor's only option was to accept
13 more than \$10 million in financing from the Rizo Parties.

14 The Debtor commenced this Chapter 11 Case on the Petition Date with limited liquidity, and
15 urgently required use of cash collateral and additional new funding to meet payroll, administer the
16 Estate, fund either a reorganization or sale process, and generally to preserve and maximize the
17 value of its assets. The Debtor initially sought to preserve value by seeking and obtaining the use of
18 cash collateral on an interim basis by a motion ("**Cash Collateral Motion**") filed on September 16,
19 2025 [Doc. 25], which was approved [Doc. 66], and by seeking authority to obtain debtor-in-
20 possession financing by a motion ("**DIP Motion**") filed on September 16, 2025 [Doc. 29] which
21 was approved on an interim basis [Doc. 67], authorizing the Debtor to borrow up to \$3.76 million
22 from the Rizo Parties (the "**DIP Financing Agreement**"), the Debtor's principal owners, in order
23 to preserve its operation and to maximize value for creditors and parties-in-interest. Throughout this
24 Chapter 11 Case, the Debtor sought and obtained continuing interim authority to continue its use of
25 cash collateral [Docs. 144, 220, 242, 273, 314, 347, 388, 421, 473, 492, 608] and approve the same
26 arrangement under the DIP Financing Agreement [Docs. 164, 221, 281, 313, 362, 394, 433, 474,
27 510, 573], with appropriate protections granted to the Debtor's prepetition secured lender.

1 On April 30, 2026, the Court entered orders approving the Cash Collateral Motion and DIP
2 Motion on a final basis [Docs. 634, 635] (respectively, the “**Final Cash Collateral Order**” and
3 “**Final DIP Order**”).

4 (g) **Postpetition Sales of the Debtor’s Assets**

5 (i) RLF Sale

6 When it became apparent that a successful reorganization of the Debtor’s business was not
7 possible, the Debtor began efforts in earnest to market its assets for sale through private channels,
8 with the support of the Committee and other key parties. The Debtor and its advisors engaged in
9 earnest discussions with a number of interested parties, and, ultimately, the most value-maximizing
10 offer, in the Debtor’s business judgment, emerged from Francisco Foods, LLC (the “**RLF Buyer**”).
11 On March 11, 2026, the Debtor filed a motion to authorize the sale of substantially all of the Debtor’s
12 assets free and clear of liens and interests and approve the assumption and assignment of certain
13 Executory Contracts and Unexpired Leases [Doc. 493] (the “**RLF Sale Motion**”).

14 By the RLF Sale Motion, the Debtor sought approval of a private sale to the RLF Buyer. As
15 part of the Sale Motion, the Debtor sought approval of the sale of substantially all of its assets for
16 the aggregate consideration of \$35,000,327.51, consisting of: (a) cash (\$14,186,240.00); (b) the
17 assumption of liabilities owed to the Rizo Parties on account of the DIP Financing facility agreement
18 (\$2,900,000.00); (c) the assumption of the Wells Fargo TI Loan Agreements and all debts owed to
19 Wells Fargo pursuant thereto (\$2,361,374.00); (d) the waiver of the Rizo Parties and their affiliates’
20 rights to payment for prepetition loan and lease obligations (\$15,552,713.51); and (e) the
21 subordination of postpetition lease obligations owed by the Debtor to the Rizo Parties and their
22 affiliates (which were the Debtor’s lessors as to certain locations) to the aggregate payment of
23 \$1,000,000.00 to the Holders of General Unsecured Claims.

24 The RLF Sale Motion was approved by order of the Bankruptcy Court dated April 2, 2026
25 [Doc. 572]. RLF Buyer purchased the Debtor’s assets on the terms described above, plus the
26 assumption of certain specific contracts, at a closing that occurred on April 17, 2026 [Doc. 606] (the
27 “**RLF Sale**”). In total, the Debtor’s Estate received net proceeds from the RLF Sale in the amount
28 of \$5,857,561.50.

(ii) Riverbank Sale

On September 9, 2026, the Debtor filed its Motion to Approve Sale of the Estate's Interest in Riverbank Land, LLC Subject to Higher and Better Bids, seeking approval of the Debtor's 100% LLC interest in Riverbank Land to R.L. Riverbank, LLC ("**Riverbank Buyer**"), an entity wholly owned by the Rizo Parties, for \$50,000.00 [Doc. 744 (the "**Riverbank Sale Motion**")]. A hearing on the sale motion took place on September 23, 2026 [Doc. 745]. Based upon the objection of the Committee, the hearing on the River Bank Sale Motion was continued to October 21, 2026.

(h) Available Assets

Following the closing of the RLF Sale and Riverbank Sale, the Debtor's assets consist primarily of the Retained Causes of Action, retained cash in the amount of \$1,156,703.00 and a claim for ERTC in the gross approximate amount of \$1,900,000.00. The Debtor is no longer generating operating income and does not project further collections on accounts receivable. The Plan relies on the Debtor's remaining cash on hand and recoveries from Retained Causes of Action. The Debtor believes that these assets are sufficient to fund the Plan process, achieve confirmation, and position the Liquidating Trust to pursue the Retained Causes of Action. **The amount and timing of Distributions under the Plan for General Unsecured Claims, if any, will depend on the outcome of litigation of the Retained Causes of Action and the recovery of ERTC, if any.**

3.5 Additional Documents and Information

Copies of all documents filed in the Chapter 11 Case can be viewed and downloaded free of charge at <https://bankruptcy.angeiongroup.com/Clients/rlf/Index>.

ARTICLE IV

TREATMENT OF UNCLASSIFIED CLAIMS

The Bankruptcy Code provides that a chapter 11 plan must classify the claims and interests of any debtor's creditors and equity interest holders, with exceptions for certain claims receiving specific treatment. In accordance with section 1123(a)(1) of the Bankruptcy Code, the following Claims are not classified under the Plan:

4.1 Administrative Claims

(a) Subject to Section 4.1(b) of the Plan, each Holder of an Allowed Administrative

1 Claim shall receive, in full and final satisfaction, settlement and release of such Claim, payment in
2 full and in Cash of the unsatisfied amount of such Claim on the later of (i) the Effective Date; (ii)
3 the due date of such Claim in accordance with its terms; or (iii) 7 days after such Claim becomes an
4 Allowed Administrative Claim; *provided, however*, that any Holder of an Allowed Administrative
5 Claim may agree to different treatment of such Claim. By agreement, the Allowed Administrative
6 Claims of the Rizo Parties and their affiliates, estimated to be \$491,552.00, are subordinated to an
7 aggregate payment of \$1,000,000.00 to the holders of the Class 3 General Unsecured Claims.

8 (b) Any payments of Allowed Administrative Claims shall be made by the Debtor or
9 Liquidating Trust, as applicable.

10 (c) Except for Professional Claims or Statutory Fees, which have already been Allowed,
11 all Holders of Administrative Claims shall file a request for payment of such Claims no later than
12 the Administrative Claims Bar Date. Each such request must set forth the amount of, and basis for,
13 such Claim together with supporting documentation. For the avoidance of doubt, nothing in the Plan
14 amends or extends any applicable deadline for the filing of Claims established by the Notice of
15 Commencement, including without limitation the deadline for the filing of claims arising under
16 section 503(b)(9) of the Bankruptcy Code. Objections to Administrative Claims must be filed and
17 served by the Administrative Claim Objection Deadline.

18 (d) Holders of Administrative Claims that do not file a request for payment of such
19 Claim on or before the applicable deadline shall not be treated as Holders with respect to such Claim
20 for any purpose of the Plan and shall be forever barred from asserting such Claim against the Debtor,
21 the Estate or the Liquidating Trust, or their respective property.

22 (e) Unpaid Allowed Administrative Claims are projected to be \$0.00.

23 **4.2 Priority Tax Claims**

24 (a) Pursuant to section 1129(a)(9)(C) of the Bankruptcy Code, unless otherwise agreed
25 by the Holder of a Priority Tax Claim and the Debtor or the Liquidating Trust, as applicable, each
26 Holder of an Allowed Priority Tax Claim will receive, in full and final satisfaction, settlement and
27 release of such Claim, payment in full and in Cash of the unsatisfied amount of such Claim on the
28 later of (i) the Effective Date; (ii) the due date of such Claim in accordance with its terms; or

(iii) 7 days after such Claim becomes Allowed.

(b) Notwithstanding anything to the contrary herein, any Claim on account of any penalty arising with respect to or in connection with an Allowed Priority Tax Claim that does not compensate the Holder for actual pecuniary loss shall be treated under the Plan as a General Unsecured Claim, and the Holder (other than as the Holder of a General Unsecured Claim) may not assess or attempt to collect such penalty from the Debtor, the Estate, the Liquidating Trust, or their respective property.

(c) Unpaid, Allowed Priority Tax Claims are projected to be \$348,418.00.

4.3 Professional Claims

Notwithstanding anything to the contrary in this Plan:

(a) All final applications for payment of Professional Claims for services performed and expenses incurred prior to the Effective Date shall be filed no later than the Administrative Claims Bar Date and shall comply with the applicable provisions of the Bankruptcy Code, Bankruptcy Rules, Local Rules, and applicable orders of the Bankruptcy Court.

(b) Any objections to such Professional Claims shall be filed no later than 14 days after the Administrative Claims Bar Date. Subject to the availability of the Bankruptcy Court, a hearing on the final fee applications to determine the allowance of the Professional Claims shall be held within 30 days after the Administrative Claims Bar Date, and the Debtor or Liquidating Trustee shall file a notice of such hearing.

(c) Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331 of the Bankruptcy Code shall terminate, and the Liquidating Trust may employ and compensate any Professional for services rendered or expenses incurred after the Effective Date in the ordinary course without any further notice or order of the Bankruptcy Court but subject to the Liquidating Trust Agreement.

(d) Unpaid, Allowed Professional Claims are projected to be \$518,366.00.

4.4 Statutory Fees

(a) All Statutory Fees that become due and payable prior to the Effective Date shall be paid by the Debtor on the Effective Date. After the Effective Date, the Debtor and the Liquidating

1 Trust shall be jointly and severally liable to pay any and all Statutory Fees when due and payable.

2 (b) Prior to the Effective Date, the Debtor shall file all monthly operating reports when
3 they become due, using UST Form 11-MOR. After the Effective Date, the Liquidating Trustee shall
4 file quarterly reports using UST Form 11-PCR when they become due until the Chapter 11 Case has
5 been closed, dismissed or converted.

6 (c) Notwithstanding anything to the contrary herein, the UST shall not be required to
7 file any request for payment of Administrative Claims and shall not be treated as providing any
8 release under the Plan.

9 ARTICLE V

10 TREATMENT AND CLASSIFICATION OF CLAIMS AND INTERESTS

11 Pursuant to sections 1122 and 1123 of the Bankruptcy Code, Claims and Interests are
12 classified for the purposes of voting on and treatment under the Plan as set forth herein. A Claim or
13 Interest shall be deemed classified in a particular Class only to the extent that the Claim or Interest
14 qualifies within the description of that Class and shall be deemed classified in a different Class to
15 the extent that any remainder of such Claim or Interest qualifies within the description of such other
16 Class. As discussed below, the Bankruptcy Code requires that at least one Impaired Class vote to
17 accept the Plan for it to be confirmed. The Debtor and Committee will seek confirmation of the Plan
18 on a "cramdown" basis pursuant to section 1129(b) of the Bankruptcy Code with respect to any
19 Class that does not accept the Plan.

20 5.1 Summary of Classes and Projected Recoveries

21 The summary in the table below is provided for illustrative purposes only and is subject to
22 material change based on certain contingencies, including the claims reconciliation process and
23 litigation outcomes. The projected recoveries are based on information available to the Debtor and
24 Committee as of the date hereof and reflect good faith estimates or assumptions by the Debtor and
25 the Committee as of the date hereof only. In addition to the cautionary notes contained elsewhere in
26 the Plan, the Debtor and Committee emphasize that they make no representation as to the accuracy
27 of these recovery estimates or assumptions. The Debtor and Committee expressly disclaim any
28 obligation to update any estimates or assumptions after the date hereof on any basis (including new

or different information received or errors discovered). Actual recoveries may vary widely from the projections in the table below.

Class	Status	Estimated Amount of Allowed Claims ⁴	Projected Recovery
Class 1 - Secured Claims	Unimpaired (Deemed to Accept)	\$0.00	100%
Class 2 - Priority Non-Tax Claims	Unimpaired (Deemed to Accept)	\$192,771.00	100%
Class 3 - General Unsecured Claims	Impaired (Entitled to Vote)	\$91,393,743.00	0.0% – Unknown
Class 4 – Subordinated administrative claims of the Rizo Parties and their affiliates	Impaired (Entitled to Vote)	\$491,552.00	0.0% – Unknown
Class 5 - Interests	Impaired (Deemed to Reject)	N/A	0.0% – Unknown

5.2 Class 1 – Secured Claims

(a) Classification

Class 1 consists of all Secured Claims that have not been satisfied or waived. All Class 1 Secured Claims have been satisfied.

(b) Impairment and Voting

Class 1 is Unimpaired and is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Claims in Class 1 are not entitled to vote to accept or reject the Plan.

(c) Treatment

Except to the extent that a Holder of an Allowed Secured Claim agrees to less favorable treatment, on the later of the Effective Date or the date such Claim becomes Allowed (or the due

4. Such estimates do not include claims that the Debtor believes were filed in improper classes.

1 date of such Claim in accordance with its terms), in full and final satisfaction, settlement and release
2 of such Claim the Holder shall receive, at the option of the Debtor or the Liquidating Trustee as
3 applicable: (i) payment in full and in Cash of the unpaid portion of such Claim, including any interest
4 thereon required to be paid under section 506(b) of the Bankruptcy Code, up to the value of the
5 collateral securing such Claim; (ii) the collateral securing such Claim to the extent of the Holder's
6 security interest therein and the Debtor's or Estate's interests therein; or (iii) such other treatment
7 sufficient to render such Claim as Unimpaired. For the avoidance of doubt, to the extent that the
8 value of any Secured Claim exceeds the value of the underlying collateral, the excess amount shall
9 be treated as a General Unsecured Claim.

10 **5.3 Class 2—Priority Non-Tax Claims**

11 **(a) Classification**

12 Class 2 consists of all Priority Non-Tax Claims.

13 **(b) Impairment and Voting**

14 Class 2 is Unimpaired and is conclusively presumed to have accepted the Plan pursuant to
15 section 1126(f) of the Bankruptcy Code. Therefore, Holders of Claims in Class 2 are not entitled to
16 vote to accept or reject the Plan.

17 **(c) Treatment**

18 Except to the extent that a Holder of an Allowed Priority Non-Tax Claim agrees to less
19 favorable treatment, on the later of the Effective Date or the date such Claim becomes Allowed (or
20 the due date of such Claim in accordance with its terms), in full and final satisfaction, settlement
21 and release of such Claim, the Holder shall receive, payment in full and in Cash of the unsatisfied
22 amount of such Claim.

23 **5.4 Class 3 – General Unsecured Claims**

24 **(a) Classification**

25 Class 3 consists of all General Unsecured Claims.

26 **(b) Impairment and Voting**

27 Class 3 is Impaired and entitled to vote to accept or reject the Plan.
28

1 **(c) Treatment**

2 Each Holder of an Allowed General Unsecured Claim shall receive, in full and final
3 satisfaction, settlement and release of such Claim, a pro rata share of the Liquidating Trust Assets,
4 with all Distributions thereon to be made in accordance with the provisions of the Plan and the
5 Liquidating Trust Agreement, and subject to the limitations on Distributions that may be applicable
6 to holders of Recall Claims as set forth in § 5.9.

7 **5.5 Class 4 – Subordinated Administrative Claims of the Rizo Parties/Affiliates**

8 **(a) Classification**

9 Class 4 consists of the subordinated administrative claims of the Rizo Parties and their
10 affiliates in the amount of \$491,552.00, with such claims subordinated to an aggregate payment of
11 \$1,000,000.00 to the holders of the Class 3 General Unsecured Claims..

12 **(b) Impairment and Voting**

13 Class 4 is Impaired and entitled to vote to accept or reject the Plan.

14 **(c) Treatment**

15 Each Holder of an Class 4 Allowed Subordinated Administrative Claim shall receive in full
16 and final satisfaction, settlement and release of such Claim, a pro rata share of the Liquidating Trust
17 Assets, after an aggregate payment of \$1,000,000.00 to the holders of the Class 3 General Unsecured
18 Claims with all Distributions thereon to be made in accordance with the provisions of the Plan and
19 the Liquidating Trust Agreement and subject to the limitations on Distributions that may be
20 applicable to holders of Recall Claims as set forth in § 5.9 of the Plan.

21 **5.6 Class 5 – Interests**

22 **(a) Classification**

23 Class 5 consists of all Interests in the Debtor.

24 **(b) Impairment and Voting**

25 Class 4 is Impaired and is conclusively deemed to have rejected the Plan. Accordingly,
26 Holders of Claims in Class 5 are not entitled to vote to accept or reject the Plan.

27 **(c) Treatment**

28 All Interests shall be canceled and extinguished on the Effective Date. No Distribution shall

1 be made on account of any Interests.

2 **5.7 Reservation of Rights Regarding Claims**

3 Except as otherwise provided in the Plan or in other orders of the Bankruptcy Court, nothing
4 shall affect the rights or defenses of the Debtor or the Liquidating Trustee, as applicable, whether
5 legal or equitable, with respect to any Claim, including all rights with respect to legal and equitable
6 defenses to alleged rights of setoff or recoupment.

7 **5.8 Subordination**

8 Notwithstanding anything to the contrary herein, in accordance with section 510 of the
9 Bankruptcy Code, the Debtor or the Liquidating Trustee shall have the right to re-classify any
10 Allowed Claim in accordance with any contractual, legal, or equitable subordination relating thereto.
11 Claims that are subject to subordination shall not receive a Distribution under the Plan until any and
12 all Allowed Claims senior to the subordinated Claim are paid in full.

13 **5.9 Mediation of Claims Potentially Subject to Insurance Coverage**

14 By operation of this Plan, the Liquidating Trustee shall be deemed the successor to the
15 Debtor's rights and obligations as policy holder (the "**Applicable Policyholder Rights**") under each
16 of the Applicable Insurance Policies (as defined below), notwithstanding any term or provision of
17 any of the Applicable Insurance Policies or provision of non-bankruptcy law purporting to restrict
18 the transfer to or vesting of such rights in the Liquidating Trustee (the "**Insurance Assignment**").
19 The Liquidating Trustee, and all persons or entities asserting claims against the Debtor for damages
20 arising from the Debtor's manufacture, sale, or distribution of the Recalled Product, or their recall,
21 (the "**Recall Claimants**") will be required to participate in a mandatory mediation that will take
22 place as soon as reasonably possible after the Effective Date. The Liquidating Trustee, as successor
23 to the Debtor with respect to the Applicable Policyholder Rights, shall initiate the mediation
24 process, and the mediation shall proceed, according to the procedures described below.

25 The following procedures (the "**Mediation Procedures**") shall apply to the mediation:

26 (a) The following participants shall be required to participate in the mediation:

27 (i) The Liquidating Trustee, as successor to the Debtor's Applicable
28 Policyholder Rights.

- (ii) All of the Debtor's insurers with whom the Debtor maintained insurance policies under which coverage to pay Recall Claimants could be available (the "**Applicable Insurers**") and who agree to participate in the mediation, including but not limited to, the following insurers related to the following policies (the "**Applicable Insurance Policies**"):

CARRIER	2023-24	2024-25
Arch	Policy # ZAGLB1100403 Primary coverage	Policy # ZAGLB1100404 Primary coverage
Indian Harbor	N/A	Policy # SXS0064967 Excess over Arch;
Great American Insurance Group	Policy # TUU 0738671 10 Excess over Arch	Policy # TUU 0738671 11 Excess over Arch and Indian Harbor
Everest	Policy # XCIEX00444-231 Excess over Great American and Arch	Policy # XC5EX01961-241 Excess over Great American, Indian Harbor, and Arch
Endurance	Policy # ELD30002726502 Excess over Everest, Great American, and Arch	Policy # ELD30002726503 Excess over Everest, Great American, Indian Harbor and Arch

- (iii) All Recall Claimants that have asserted or may assert direct (i.e., non-subrogation) claims against the Debtor related to the manufacture, sale, distribution, or recall of the Recalled Product.
- (iv) Parties with alleged subrogation rights related to a Recall Claimant's claim(s) against the Debtor (each, a "**Subrogee**") are permitted, but not required, to participate in the mediation.
- (v) All insureds under the Applicable Insurance Policies, whether named insureds or additional insureds, who may seek insurance coverage with respect to any Recall Claims.

(vi) All parties to contracts or agreements providing for indemnification by the Debtor that have asserted or may assert claims against the Debtor for damages related to the Debtor's manufacture, sale, distribution or recall of the Recalled Product.

(b) Failure to participate by any Recall Claimant or Subrogee shall result in an irrevocable waiver and forfeiture of such Recall Claimant's or Subrogee's⁵ (i) right, if any, to receive any distribution(s) from the Liquidating Trust on account of its claim(s) against Debtor's estate, and (ii) right, if any, to seek or obtain any direct recovery under any of the Applicable Insurance Policies or the proceeds of any of the Applicable Insurance Policies. Any Recall Claimant or Subrogee who settles in mediation shall have their claim(s) against the estate reduced by the amount of any recovery actually received by such Recall Claimant or Subrogee from the Applicable Insurance Policies or Applicable Insurance Policy proceeds.

(c) Within 10 days after the Effective Date, the Liquidating Trustee shall issue a notice to all known Recall Claimants and Subrogees that identifies such Recall Claimants and Subrogees as potentially eligible to participate in mediation, inviting such Recall Claimants and Subrogees to participate in mediation, and requesting that such Recall Claimants and Subrogees submit to the Liquidating Trustee a notice of intent to participate in mediation (each, a "**Notice of Intent to Participate**") within ten (10) days after the date of the Liquidating Trustee's notice. Such Notice of Intent to Participate must include the name of the Recall Claimant or Subrogee (and, in the case of a Subrogee, the applicable Recall Claimant subrogor), the amount of such Recall Claimant's claim(s) or Subrogee's claim(s), and the basis for the claim(s).

(d) The following Recall Claimants and their respective Subrogees are automatically deemed qualified to participate in mediation and are not required to submit a Notice of Intent to Participate:

(i) Sargento Foods Inc. and Sargento Cheese Inc.

⁵ Nothing herein is intended to modify contractual rights or obligations between any Recall Claimant and its respective Subrogee(s).

- 1 (ii) Scottsdale Insurance Company, Pacific Insurance Company, Houston
2 Casualty Company and Berkley Assurance Company, as alleged Subrogees
3 of Sargento Foods Inc. and Sargento Cheese Inc.
4 (iii) The Charter Oak Fire Insurance Company, as alleged Subrogee of Sargento
5 Foods Inc. and Sargento Cheese Inc.
6 (iv) Reser's Fine Foods, Inc.
7 (v) Castle Importing, Inc.
8 (vi) Latitude 36 Foods LLC
9 (vii) Berkley Assurance, as alleged Subrogee of Latitude 36 Foods LLC
10 (viii) Amy's Kitchen LLC
11 (ix) Great American E&S Insurance Company, as alleged Subrogee of Amy's
12 Kitchen LLC
13 (x) North American Capacity Insurance Company, as alleged Subrogee of Amy's
14 Kitchen, LLC
15 (collectively, the "**Prequalified Participants**," and each a "**Prequalified Participant**").

16 (e) Within ten (10) days after the Liquidating Trustee's receipt of a Notice of Intent to
17 Participate, the Liquidating Trustee shall determine and notify the applicable Recall Claimant (other
18 than Prequalified Participants) whether it is qualified to participate in mediation (a "**Qualification**
19 **Notice**"). Qualification shall be determined upon the following factors: (i) the intended participant
20 (A) is a Recall Claimant that holds a direct claim against the Debtor arising from the recall of the
21 Recalled Product or (B) is a Subrogee of a Recall Claimant; (ii) the applicable claim arose from
22 Recalled Product manufactured between January 1, 2023 and February 5, 2024; and (iii) the Recall
23 Claimant or Subrogee filed a timely proof of claim in the case or is the Subrogee of a Recall
24 Claimant that timely filed a proof of claim in the case (a "**Qualified Participant**").

25 (f) Any Recall Claimant or Subrogee that the Liquidating Trustee determines is not a
26 Qualified Participant may, within five (5) days after the date of the relevant Liquidating Trustee's
27 Qualification Notice, file a motion with the Bankruptcy Court seeking a determination that such
28 Recall Claimant or Subrogee is a Qualified Participant. Any determination by the Bankruptcy Court

1 as to whether a party is a Qualified Participant in the mediation shall be binding on the parties to the
2 mediation, notwithstanding any prior determination by the Liquidating Trustee.

3 (g) The mediator shall be the Hon. Sidney I. Schenkier
4 (<https://www.jamsadr.com/neutrals/schenkier>) who shall be engaged by the Liquidating Trustee with
5 the mediator's fees and costs to be shared equally by all parties participating in the mediation during
6 the initial 3-month mediation period. After the initial 3-month mediation period, only those parties
7 that elect to continue the mediation process shall be responsible for sharing costs for any period of
8 mediation that extends beyond the initial 3 months.

9 (h) Mediation statements and the timing of submission thereof shall be as directed by
10 the mediator.

11 (i) Mediation shall take place on dates to be determined by the mediator in consultation
12 with the Liquidating Trustee, all Applicable Insurers, Recall Claimants, and Subrogees but in no
13 event shall mediation commence later than January 1, 2027. Once commenced, the mediation may
14 continue on subsequent dates, from time to time, as determined by the mediator in consultation with
15 the Liquidating Trustee, Applicable Insurers, Recall Claimants, and Subrogees. However, the
16 mediation shall not be continued beyond April 1, 2027 absent agreement by the Liquidating Trustee
17 and any participants that wish to continue the mediation process. For the avoidance of doubt, all
18 participants shall be required to participate in the mediation process for an initial minimum 3-month
19 period unless settlement is achieved prior to the expiration of the 3-month period.

20 (j) No later than forty-five (45) days before mediation, all Recall Claimants are required
21 to provide all supporting documentation of their damages arising from the Debtor's manufacture,
22 sale, or distribution of the Recalled Product, or their recall, including without limitation any
23 documentation relating to damages on account of which such Recall Claimants have already
24 received payment from a Subrogee. Applicable Insurers shall each be required to submit a
25 responsive statement describing their alleged defenses to alleged coverage obligations as instructed
26 by the mediator.

27 (k) The mediation shall be confidential in accordance with California Evidence Code §
28 1119.

(l) In order to ensure a fair process, any settlement(s) reached by one or more parties at mediation shall be submitted by the Liquidating Trustee to the Bankruptcy Court for approval on 21 days' notice and opportunity for objection. The Liquidating Trustee shall seek approval for any settlement or settlements reached by one or more party within 5 days after such settlement or settlements having been reached in mediation. Any settlement or settlements reached in mediation (and any releases provided in connection with any such settlement(s)) shall not become final until they have been approved by the Bankruptcy Court.

(m) If the mediator determines that none of the mediation participants are capable of arriving at a settlement via the mediation, including any continuation thereof, then the mediation shall be deemed a "**Failed Mediation**" upon the mediator filing a notice with the Bankruptcy Court stating that no settlement has been reached after all reasonable, good faith efforts to achieve a consensual resolution have been exhausted.

(n) In the event of a Failed Mediation, all Qualified Participants and Prequalified Participants are granted immediate relief from the automatic stay and relief from any Plan or other injunction to proceed with their prepetition litigation against the Debtor, or to commence litigation against the Debtor, solely for the purpose of seeking and obtaining a judgment against the Debtor to the extent necessary to permit any such Qualified Participant or Prequalified Participants to seek and obtain recovery (through litigation or otherwise) of insurance policy proceeds, if any, to the extent of coverage, if any, from the Applicable Insurance Policies in accordance with the provisions of Applicable Insurance Policies and applicable law. In all other respects, the Qualified Participants and Prequalified Participants reserve all of their respective rights and claims, and the Applicable Insurers retain their rights, Claims, and defenses including defenses as to liability and the applicability of insurance coverage.

(o) In the event any Qualified Participant or Prequalified Participant does not reach a settlement in mediation at the conclusion of the initial 3-month mediation period or any voluntary continuation thereof, such non-settling Qualified Participant or Prequalified Participant is granted immediate relief from the automatic stay and relief from any Plan or other injunction to proceed with their prepetition litigation against the Debtor, or to commence litigation against the Debtor,

1 solely for the purpose of obtaining a judgment against the Debtor to the extent necessary to permit
2 any such Qualified Participant or Prequalified Participant to seek and obtain recovery (through
3 litigation or otherwise) of insurance policy proceeds, if any, to the extent of coverage, if any, from
4 the Applicable Insurance Policies in accordance with the provisions of Applicable Insurance
5 Policies and applicable law. In all other respects, the Qualified Participants and Prequalified
6 Participants reserve all of their respective rights and claims, and the Applicable Insurers retain their
7 rights, Claims, and defenses including defenses as to liability and the applicability of insurance
8 coverage.

9 (p) In the event that any Qualified Participant or Prequalified Participant reaches
10 settlement with fewer than all Applicable Insurers at the conclusion of the initial 3-month mediation
11 period or any voluntary continuation thereof, and such settlement does not fully resolve the Recall
12 Claim, such Qualified Participant or Prequalified Participant shall be granted immediate relief from
13 the automatic stay and relief from any Plan or other injunction to proceed with their prepetition
14 litigation against the Debtor, or to commence litigation against the Debtor, solely for the purpose of
15 obtaining a judgment against the Debtor on the remaining amount of their Recall Claim to the extent
16 necessary to permit any such Qualified Participant or Prequalified Participant to seek and obtain
17 recovery (through litigation or otherwise) of insurance policy proceeds, if any, to the extent of
18 coverage, if any, from the Applicable Insurance Policies issued by any Applicable Insurer with
19 whom the Qualified Participant or Prequalified Participant did not reach settlement in accordance
20 with the provisions of such Applicable Insurance Policies and applicable law. In all other respects,
21 the Qualified Participants and Prequalified Participants reserve all of their respective rights and
22 claims, and the Applicable Insurers retain their rights, Claims, and defenses including defenses as
23 to liability and the applicability of insurance coverage.

24 (q) Nothing in this Plan, including without limitation the Mediation Procedures, shall be
25 deemed to constitute an adjudication or admission regarding the amount, subordination, priority,
26 validity, or enforceability of or coverage for any claim held by any Recall Claimant or Subrogee,
27 either as between and among Recall Claimants and Subrogees between and amongst themselves or
28 as against the Debtor and/or under the Applicable Insurance Policies.

(r) For the avoidance of doubt, neither any settlement(s) achieved in mediation nor anything contained in this Section 5.9 the Plan, or the Confirmation Order shall constitute a determination or adjudication of the amount or validity of any proof of claim filed against the Estate in the Bankruptcy Case. The rights of any party in interest (as that term is used in Section 502(a) of the Bankruptcy Code) to object to any proof of claim filed in the Bankruptcy Case are preserved, and any such objection must be filed on or before the Claims Objection Deadline. For the further avoidance of doubt, any determination or adjudication by the Bankruptcy Court of the amount or validity of any proof of claim filed against the Estate in the Bankruptcy Case shall constitute a determination or adjudication of such claim only as against the Estate, and shall not in any way constitute a determination or adjudication of the amount of, validity of, or liability for such claim as against any other entity that may be liable for the debt (including, but not limited to the Applicable Insurers) or for any other purpose.

(s) Nothing in this Plan, including without limitation the Mediation Procedures, shall alter, impair, adjudicate, release, or otherwise affect any contractual, common law, equitable, statutory, or other rights, claims, defenses, obligations, or remedies that may exist as between or among any Subrogee and its applicable subrogor, including without limitation any rights of subrogation, reimbursement, indemnity, cooperation, allocation, priority, or enforcement. All such rights, claims, defenses, obligations, and remedies are expressly reserved and shall be determined, if necessary, by agreement of the affected parties or by a court or tribunal of competent jurisdiction.

(t) Nothing in this Plan, including without limitation these Mediation Procedures, shall alter, impair, adjudicate, release, or otherwise affect any contractual, common law, equitable, statutory, or other rights, claims, defenses, obligations, or remedies of any of the Applicable Insurers. All such rights, claims, defenses, obligations, and remedies are expressly reserved.

ARTICLE VI

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.1 Rejection of Executory Contracts and Unexpired Leases

On the Effective Date, all Executory Contracts and Unexpired Leases of the Debtor will be deemed rejected, except for any Executory Contract or Unexpired Lease that was previously

1 assumed, assumed and assigned, or rejected, by the Debtor, or is the subject of a pending motion to
2 assume or assume and assign. The Confirmation Order shall constitute an order approving such
3 rejection as of the Effective Date.

4 **6.2 Deadline for Filing Proofs of Claim for Rejection Damages**

5 If the rejection of any Executory Contract or Unexpired Lease under the Plan gives rise to a
6 Claim, the Holder of such Claim shall file a Proof of Claim with the Claims Agent no later than 30
7 days after the Effective Date. Any Holder that does not timely file such Proof of Claim shall not be
8 treated as a Holder with respect to such Claim for any purpose of the Plan and shall be forever barred
9 from asserting such Claim against the Debtor, the Estate or the Liquidating Trust.

10 Any such Allowed Claim for rejection damages shall be treated as an Allowed General
11 Unsecured Claim. For the avoidance of doubt, any Claims arising from the rejection of an Executory
12 Contract or Unexpired Lease pursuant to a separate motion are subject to the deadlines established
13 by separate order granting such motion or notice, or the Notice of Commencement, as applicable.

14 **6.3 Assumption of Certain Insurance Policies**

15 Notwithstanding anything to the contrary herein, pursuant to sections 365(a) and 1123(b)(2)
16 of the Bankruptcy Code, all Insurance Policies and Applicable Insurance Policies, to the extent
17 constituting an Executory Contract, except for any insurance policy that was previously rejected or
18 is the subject of a pending motion to reject, shall be deemed assumed by the Debtor and assigned to
19 the Liquidating Trust. For the avoidance of doubt, nothing herein shall be construed as the Debtor
20 assuming any obligation with respect to any self-insured retention for which the applicable insurer
21 has the ability to assert a prepetition Claim against the applicable Debtor in accordance with the
22 Notice of Commencement or other order of the Bankruptcy Court.

23 **ARTICLE VII**

24 **MEANS OF IMPLEMENTING THE PLAN**

25 In addition to the provisions set forth elsewhere in the Plan, the following shall constitute
26 the means for execution and implementation of the Plan.

27 **7.1 Vesting of Estate Property**

28 On the Effective Date, except as may otherwise be expressly provided in the Confirmation

1 Order, the Liquidating Trust Assets shall automatically vest in the Liquidating Trust free and clear
2 of all Claims, Liens, and Interests.

3 **7.2 Effective Date Distributions**

4 On the Effective Date or promptly thereafter, to the extent that there are sufficient funds to
5 pay the same, the Debtor or the Liquidating Trust shall make all Distributions for Administrative
6 Claims, Priority Tax Claims, Priority Non-Tax Claims, and Other Secured Claims that are Allowed
7 on or prior to the Effective Date.

8 **7.3 Retained Causes of Action**

9 (a) In accordance with section 1123(b) of the Bankruptcy Code, all Retained Causes of
10 Action are expressly reserved, preserved and shall vest in and be enforceable by the Liquidating
11 Trust, by and through the Liquidating Trustee, as of the Effective Date, free and clear of all Claims,
12 Liens, encumbrances and other interests and shall be Liquidating Trust Assets. The Liquidating
13 Trust shall have sole and exclusive discretion and standing to commence, prosecute, pursue,
14 abandon, compromise, release, withdraw, litigate to judgment, enforce or settle any Retained Causes
15 of Action, either on behalf or in the name of the Liquidating Trust or the Debtor, without further
16 order.

17 (b) No person may rely on the absence of a specific reference in the Plan or the Plan
18 Supplement to any Claim or Cause of Action against such person as any indication that such Claim
19 or Cause of Action has been or will be released and will not be pursued by the Liquidating Trust.
20 Except as expressly released by the Confirmation Order and the Plan or as previously purchased
21 pursuant to a Sale Order, all Claims and Causes of Action of the Debtor or the Estate are Retained
22 Causes of Action.

23 (c) No preclusion doctrine, including the doctrines of res judicata, collateral estoppel,
24 issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply
25 to any Retained Causes of Action upon, after, or as a consequence of confirmation or consummation
26 of the Plan.

27 **7.4 Exemption from Certain Taxes**

28 Pursuant to section 1146(a) of the Bankruptcy Code, any transfers from any of the Debtor to

1 the Liquidating Trust or by the Debtor to any other entity pursuant to the Plan shall not be subject
2 to any stamp tax or similar tax, and the Confirmation Order shall direct the appropriate state or local
3 governmental officials or agents to forgo the collection of any such tax or governmental assessment
4 and to accept for filing and recordation any applicable instruments or documents without the
5 payment of any such tax or governmental assessment.

6 **7.5 Release of Liens**

7 Except as otherwise provided in the Plan or the Confirmation Order, on the Effective Date,
8 all Liens, Claims, and other interests in or against any assets or property of the Debtor or the Estate
9 shall be released, canceled, extinguished, and terminated, in each case without further notice to or
10 order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the
11 vote, consent authorization, or approval of any person or entity. The filing of the Confirmation Order
12 with any federal, state, or local agency or department shall constitute good and sufficient evidence
13 of, but shall not be required to effect, the termination of such Liens, Claims, and other interests to
14 the extent provided in the immediately preceding sentence. The Liquidating Trustee shall have the
15 authority, in its sole discretion, but is not required, to file Lien releases in connection with the
16 foregoing.

17 **7.6 Adequate Assurance Deposits**

18 All adequate assurance deposits provided by the Debtor whether held by the Debtor or by
19 the applicable utility company, are property of the Estate and shall be returned to, or recovered by,
20 the Debtor or the Liquidating Trust as applicable.

21 **7.7 Cancellation of Claims, Interests and Obligations**

22 On the Effective Date, notwithstanding anything to the contrary in the Plan, all Interests in
23 the Debtor, and every document, agreement, or instrument evidencing any Interest in or Claim in
24 the Debtor shall be deemed cancelled without further act or action under any applicable agreement,
25 law, regulation, order, or rule and the obligations of the Debtor under any such document, agreement
26 or instrument evidencing any such Interest or Claim, including without limitation any obligation to
27 indemnify any non-Debtor entity, shall be deemed extinguished; *provided, however*, that the
28 provisions of any such document, agreement or instrument shall continue in effect solely to the

1 extent necessary to allow any Creditor to receive Distributions or exercise rights under the Plan or
2 to allow the Liquidating Trustee to prosecute any Causes of Action.

3 **7.8 Preservation of Insurance Coverage and Insurance Neutrality**

4 Notwithstanding anything to the contrary herein, nothing in the Plan other than the
5 provisions of Section 5.9(b) shall diminish or impair the enforceability of any Insurance Policy or
6 Applicable Insurance Policy by any insured or shall be deemed to release the Debtor's insurers from,
7 or limit the obligations of any of the Debtor's insurers concerning any claims that might be asserted
8 by insureds, additional insureds, counter-parties to contracts or agreements providing for the
9 indemnification by and of the Debtor, or the Liquidating Trust to the extent of available coverage.
10 Without limiting the foregoing, nothing in the Plan shall limit any insured from obtaining coverage
11 under any Insurance Policy or Applicable Insurance Policy or related agreements or preclude any
12 insurer, including Applicable Insurers, from raising any defense otherwise available under
13 applicable non-bankruptcy law, *provided, however*, that other orders of the Bankruptcy Court,
14 whether entered before or after the Effective Date, may limit insureds from obtaining the proceeds
15 of such coverage for reasons other than the confirmation or consummation of the Plan.

16 The Applicable Insurers reserve (and expressly do not waive) all policy defenses and Claims,
17 including all rights and defenses concerning cooperation, offsets, recoupments, deductions,
18 deductibles, self-insured retentions, and all rights and defenses provided in their policies; provided
19 however, that no Applicable Insurer may assert the Insurance Assignment as a defense nor challenge
20 the validity of the Insurance Assignment.

21 **7.9 No Discharge**

22 Pursuant to section 1141(d)(3) of the Bankruptcy Code, confirmation of the Plan or the
23 occurrence of the Effective Date will not discharge Claims against the Debtor. Without limiting the
24 foregoing, no Holder of any Claim or Interest may, on account of such Claim or Interest, seek or
25 receive any payment or other Distribution from, or seek recourse against, the Estate, the Liquidating
26 Trust, the Liquidating Trustee and/or their respective successors, assigns and/or property, except as
27 expressly provided in the Plan.

1 **7.10 Dissolution of the Committee**

2 Upon the Effective Date, the Committee shall dissolve automatically, and its Professionals
3 and members thereof shall be released and discharged from all rights and duties from or related to
4 the Chapter 11 Case, except with respect to (i) obligations arising under confidentiality agreements,
5 which shall remain in full force and effect, (ii) applications for allowance and payment of
6 Professional Claims, and (iii) any motions or other actions seeking enforcement or implementation
7 of the provisions of the Plan or the Confirmation Order.

8 **7.11 Dissolution of the Debtor**

9 Upon the Effective Date, the Liquidating Trustee shall have the power and authority to take
10 all actions necessary to dissolve and wind down the Debtor and to withdraw the Debtor from all
11 applicable states and jurisdictions, including the filing of certificates of dissolution or equivalent
12 documents, as well as all necessary corporate and company documents, with the secretary of state
13 of each Debtor's state of incorporation or formation or in any appropriate jurisdiction.

14 **7.12 Corporate Approvals; Further Transactions**

15 (a) The entry of the Confirmation Order shall constitute authorization for the Debtor or
16 the Liquidating Trustee, as applicable, to take or cause to be taken all actions necessary or
17 appropriate to implement all provisions of, and to consummate, the Plan prior to, on, and after the
18 Effective Date and all such actions taken or caused to be taken shall be deemed to have been
19 authorized and approved by the Bankruptcy Court without further approval, act, or action.

20 (b) The Debtor or the Liquidating Trustee, as applicable, are authorized to execute,
21 deliver, file or record such contracts, instruments, releases, and other agreements or documents and
22 to take such actions as may be necessary or appropriate to effectuate and further evidence the Plan
23 and its terms.

24 (c) On the Effective Date, the articles of incorporation and corporate bylaws of the
25 Debtor shall be deemed amended to the extent necessary to carry out the provisions of the Plan.

26 (d) Effective as of the Effective Date, all officers and directors of the Debtor shall be
27 deemed to have resigned, solely in their capacities as such, and all such appointments rescinded for
28 all purposes, without any necessity of taking any further action in connection therewith.

(e) From and after the Effective Date, the Liquidating Trustee shall be the sole representative of the Estate and successor to the Debtor and to the Committee for all purposes. The Liquidating Trustee shall have all rights and powers of a trustee under the Bankruptcy Code.

(f) Notwithstanding anything to the contrary herein, solely for purposes of applications for allowance and payment of Professional Claims incurred prior to the Effective Date, Edwin Rizo, the President of the Debtor, shall serve as the exclusive representative of the Debtor and the Estate.

7.13 Direction to Parties

From and after the Effective Date, the Liquidating Trustee may apply to the Bankruptcy Court for an Order directing any necessary party to execute or deliver or to join in the execution of delivery of any instruments required to effect a transfer of property contemplated by or the Plan, and to perform any other act that is necessary for the consummation of the Plan, pursuant to section 1142(b) of the Bankruptcy Code.

ARTICLE VIII

CERTAIN PROVISIONS REGARDING THE LIQUIDATING TRUST

8.1 Liquidating Trust

(a) Establishment of the Liquidating Trust

(i) The Liquidating Trust shall be established and effective as of the Effective Date, to liquidate and distribute the Liquidating Trust Assets for the benefit of all Holders of Allowed Claims and to wind-down these Chapter 11 Case.

(ii) The Debtor and Liquidating Trustee shall execute the Liquidating Trust Agreement on or prior to the Effective Date, and shall take all other necessary steps to establish the Liquidating Trust. The Liquidating Trust Agreement shall be included and filed with the Plan Supplement.

(iii) The purpose of the Liquidating Trust is to liquidate and distribute all of the Liquidating Trust Assets for the benefit of the Holders of Claims entitled to Distributions in accordance with the terms of the Plan, with no objective to continue or engage in the conduct of a trade or business.

(iv) The Liquidating Trust shall operate in accordance with the Plan and the

1 Liquidating Trust Agreement, which may provide powers, duties and authorities in addition to those
2 explicitly stated herein, but only to the extent that such powers, duties, and authorities do not affect
3 the status of the Liquidating Trust as a “liquidating trust” for United States federal income tax
4 purposes.

5 **(b) Oversight Committee**

6 The Liquidating Trust Agreement shall provide for an oversight committee (the “**Oversight**
7 **Committee**”), which shall be comprised of three (3) members selected by the Committee as of the
8 Effective Date. The Oversight Committee shall oversee and approve the decisions of the Liquidating
9 Trustee regarding certain material matters of the Liquidating Trust as set forth in the Liquidating
10 Trust Agreement. In the event of a tie vote by the Oversight Committee, the Liquidating Trustee
11 shall be entitled to cast the tie-breaking vote.

12 **(c) Duration of the Liquidating Trust**

13 The Liquidating Trust shall have an initial term of five years; *provided, however*, that, if
14 warranted by the facts and circumstances, then the Liquidating Trustee shall be authorized to extend
15 the Liquidating Trust based on the procedures set forth in the Liquidating Trust Agreement. The
16 Liquidating Trust may be terminated earlier than its scheduled termination if the Liquidating Trustee
17 has administered all the Liquidating Trust Assets and performed all other duties required by the Plan
18 and the Liquidating Trust Agreement. As soon as practicable after the final Distribution, the
19 Liquidating Trustee shall seek entry of a Final Order closing the Chapter 11 Case pursuant to section
20 350(a) of the Bankruptcy Code.

21 **(d) Books and Records**

22 The Liquidating Trust shall be provided with originals or copies (including electronic copies)
23 of or access to all documents and business records of the Debtor necessary for the disposition of
24 Liquidating Trust Assets (including the exercise of the Liquidating Trust’s rights with respect to all
25 Retained Causes of Action), the winding down of the Debtor, and the review, reconciliation, and
26 objection to Claims, which books, records and information shall include data and information
27 ordinary and customarily available pursuant to section 542 of the Bankruptcy Code or pursuant to
28 any contract or right held by the Debtor. ,

1 **(e) Preservation of Privilege and Defenses**

2 The transfer to and vesting in the Liquidating Trust of the books and records of the Debtor,
3 or any other Liquidating Trust Assets, on the Effective Date shall not effect a waiver of any defense,
4 privilege, or protection of the Debtor, and upon such transfer, subject to applicable bankruptcy and
5 non-bankruptcy law, the Liquidating Trust, acting by and through the Liquidating Trustee, shall
6 hold all rights with respect to any such privileges on behalf or in lieu of the Debtor, including the
7 right to waive privileges in its sole and absolute discretion.

8 **(f) Trust Expenses**

9 (i) From and after the Effective Date, the Liquidating Trust shall, in the ordinary
10 course of business and without the necessity of any approval by the Bankruptcy Court, pay the
11 Liquidating Trust Expenses. The Liquidating Trust Expenses shall be payable solely from
12 Liquidating Trust Assets in accordance with the Plan and the Liquidating Trust Agreement. The
13 Liquidating Trustee may, but shall not be obligated to, physically segregate and maintain separate
14 accounts or sub-accounts for Liquidating Trust Expenses. Reserves may be merely bookkeeping
15 entries or accounting methodologies, which may be revised from time to time, to enable the
16 Liquidating Trustee to determine reserves and amounts to be paid to Holders of Allowed Claims.
17 For the avoidance of doubt, the Liquidating Trust shall pay or reserve for all Liquidating Trust
18 Expenses before a Distribution may be made from Liquidating Trust Assets.

19 (ii) The Liquidating Trust may retain and reasonably compensate any
20 Professionals or Non-Professionals (each as defined in the Liquidating Trust Agreement) to assist
21 in the Liquidating Trustee's duties on such terms as the Liquidating Trustee deems appropriate
22 without Bankruptcy Court approval, subject only to the provisions of the Trust Agreement. The
23 Liquidating Trust may retain any Professional, including any professional who represented parties
24 in interest, including the Debtor or the Committee, in the Chapter 11 Cases. All fees and expenses
25 incurred in connection with the foregoing shall be Liquidating Trust Expenses payable from the
26 Liquidating Trust Assets, subject to the terms of the Liquidating Trust Agreement.

27 **(g) Liquidating Trust Interests and Distribution Rights**

28 Any interest of any Creditors in the Liquidating Trust, and any right to receive a Distribution

1 from the Liquidating Trust, shall not be evidenced by any certificate, security, receipt, or in any
2 other form or manner whatsoever, except as maintained on the books and records of the Liquidating
3 Trust by the Liquidating Trustee. Further, any such interests, and any right to receive a Distribution
4 from the Liquidating Trust, shall be nontransferable and non-assignable except by will, intestate,
5 succession, or operation of law. Any interest of a Creditor in the Liquidating Trust, and any right to
6 receive a Distribution from the Liquidating Trust, shall not constitute "securities" and shall not be
7 registered pursuant to the Securities Act or the Investment Company Act of 1940, as amended. If it
8 is determined that such trust interests or rights constitute "securities," the exemption provisions of
9 section 1145(a)(1) of the Bankruptcy Code shall be deemed satisfied and such securities exempt
10 from registration.

11 **8.2 Liquidating Trustee**

12 **(a) Appointment**

13 The initial Liquidating Trustee shall be selected by the Committee. The Liquidating Trustee
14 shall not be required to give any bond or surety or other security for the performance of its duties
15 unless otherwise ordered by the Bankruptcy Court. The Liquidating Trustee will be identified, and
16 terms of employment will be disclosed, in the Plan Supplement.

17 **(b) Term**

18 The Liquidating Trustee's term, including without limitation the term of any successor
19 Liquidating Trustee, shall expire upon termination of the Liquidating Trust pursuant to the Plan or
20 the Liquidating Trust Agreement.

21 **(c) Removal**

22 The removal of the Liquidating Trustee for "cause" shall be governed by the Liquidating
23 Trust Agreement and shall be pursuant to a motion filed with the Bankruptcy Court and served upon
24 (a) the Liquidating Trust and its counsel, (b) the UST (if not the movant) and (c) all other entities
25 that have formally requested notice pursuant to Bankruptcy Rule 2002. In connection with any such
26 motion to remove the Liquidating Trustee, "cause" will include: (a) the Liquidating Trustee's willful
27 failure to perform his, her or its material duties hereunder (including the undue prolongation of the
28 duration of the Liquidating Trust and of Distributions of the Liquidating Trust Assets to

Beneficiaries) which is not remedied within 30 days of written notice; (b) the Liquidating Trustee's death; (c) the Liquidating Trustee's mental or physical incapacity that materially and adversely affects the Liquidating Trustee's ability to perform his, her or its duties under the Plan; (d) the Liquidating Trustee's commission of an act of fraud, theft or embezzlement, or a breach of fiduciary duty other than negligence, in connection with the Liquidating Trustee's duties under the Plan; (e) the Liquidating Trustee's conviction for the commission of a felony with all appeals having been exhausted or appeal periods lapsed; *provided, however*, that no "cause" shall exist involving clause (a) above until the Liquidating Trustee first has failed to cure such failure within 30 days after having been given written notice of such failure. For purposes of the foregoing, no act or failure to act on the part of the Liquidating Trustee shall be considered "willful" unless it is done, or permitted to be done, by the Liquidating Trustee without reasonable belief that the Liquidating Trustee's action or omission was in the best interests of the Liquidating Trust Beneficiaries.

(d) Powers and Duties

The Liquidating Trustee will administer the Liquidating Trust and the Liquidating Trust Assets, and make Distributions to the Liquidating Trust Beneficiaries, in accordance with the Plan and the Liquidating Trust Agreement. In addition, the Liquidating Trustee shall, in accordance with the terms of the Plan, exercise all power and authority on behalf of the Debtor and the Estate and shall take all actions necessary to wind down the affairs of the Debtor consistent with the Plan and applicable non-bankruptcy law. The Liquidating Trustee shall be the exclusive representative of the Debtor's Estate and shall have the rights and powers set forth in the Liquidating Trust Agreement including, but not limited to, the rights and powers of a trustee under the Bankruptcy Code.

(e) Limitation of Liability; Exculpation

To the greatest extent permitted by law, the Liquidating Trust will provide for the exculpation and indemnity of the Liquidating Trustee as more fully set forth in the Liquidating Trust Agreement. Without limiting the foregoing, neither the Liquidating Trust nor the Liquidating Trustee, nor their respective firms, companies, affiliates, partners, officers, directors, members, employees, designees, professionals, advisors, attorneys, representatives, disbursing agents or agents, and any of such entity's successors and assigns, shall incur any liability by reason of any

1 error of law or fact or of any matter or thing done or suffered or omitted to be done under or in
2 connection with the Plan or Liquidating Trust Agreement, other than for specific actions or
3 omissions found by a Final Order of a court of competent jurisdiction to constitute the willful
4 misconduct, gross negligence or actual fraud of such entity (or solely in the case of the Liquidating
5 Trustee, breach of fiduciary duty other than negligence) and to be the direct and primary cause of
6 loss, liability, damage, or expense suffered.

7 ARTICLE IX

8 CLAIMS RESOLUTIONS AND DISTRIBUTIONS

9 9.1 Claims Objections and Resolutions

10 (a) Except to the extent that any Claim is Allowed under the Plan, Confirmation Order
11 or any Final Order, the Liquidating Trustee will have the authority to do any of the following with
12 respect to any Claims or Interests on and after the Effective Date: (1) file, withdraw or litigate to
13 judgment any objections to Claims; (2) settle or compromise any Disputed Claim, or otherwise
14 determine any Claim to be Allowed, without any further notice to or action, order or approval by
15 the Bankruptcy Court; or (3) administer and adjust the Claims register to reflect any such settlements
16 or compromises without any further notice to or action, order or approval by the Bankruptcy Court.
17 Any objection to Claims must be initiated prior to the Claims Objection Deadline. The Liquidating
18 Trust shall succeed to any pending objections to Claims or adversary proceedings filed by the Debtor
19 prior to the Effective Date and shall have and retain any and all rights and defenses the Debtor had
20 immediately prior to the Effective Date with respect to any Disputed Claim.

21 (b) **Any Claim that is not a Scheduled Claim and for which a Proof of Claim has**
22 **not been timely filed by the General Bar Date (or if applicable, the Governmental Bar Date),**
23 **or such other deadline applicable to such Claim as established by other Final Order, and for**
24 **which such late filing has not been authorized by Final Order, shall be deemed Disallowed for**
25 **all purposes under the Plan. The Liquidating Trustee shall file and serve a notice identifying**
26 **any such Claims on or before the expiration of the Claims Objection Deadline, as such**
27 **deadline may be extended from time to time by the Bankruptcy Court on motion of the**
28 **Liquidating Trust.**

(c) All objections to Claims that are classified under the Plan must be filed and served on or before the expiration of the Claims Objection Deadline, as such deadline may be extended from time to time by the Bankruptcy Court on motion of the Liquidating Trust.

(d) The Liquidating Trustee may request estimation or liquidation of any Disputed Claim, including during the litigation of any objection to such Claim or during the appeal relating to such objection. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes of the Plan (including for purposes of Distributions), and the Liquidating Trustee may elect to pursue any supplemental proceedings to object to any ultimate Distribution on such Claim.

(e) 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 the Petition Date through the Effective Date.

9.2 General Distribution Provisions

(a) The Liquidating Trust shall be solely responsible for making Distributions under the Plan after the Effective Date. Each Creditor receiving any Distribution from the Liquidating Trust shall be deemed to have ratified and become bound by the terms and conditions of the Liquidating Trust Agreement.

(b) Notwithstanding any other provision of the Plan to the contrary, no Distribution shall be made on account of any Claim or portion thereof that (i) has been previously satisfied after the Petition Date; (ii) is not a Scheduled Claim and for which the Proof of Claim includes Claims that are Disputed; or (iii) has been waived or released pursuant to an agreement or stipulation with the Holder of such Claim.

(c) In no event shall the aggregate value of all Distributions to or other property received or retained by any Creditor on account of any Allowed Claim exceed 100% of the underlying Allowed Claim.

(d) Unless otherwise expressly provided for herein or agreed in writing with the recipient, all Distributions on Allowed Claims shall be made in Cash by check drawn on a domestic bank or by electronic wire or ACH transfer from a domestic bank. The Distribution shall be sent, if

1 not by wire or ACH, by first-class mail (or by other equivalent or superior means as determined by
2 the Liquidating Trustee).

3 **9.3 Distribution Reserves**

4 (a) On the Effective Date and prior to making any Distributions, the Liquidating Trustee
5 shall establish a reserve for Disputed Administrative Claims, Disputed Priority Tax Claims,
6 Disputed Priority Non-Tax Claims and Disputed Other Secured Claims (the “**Priority Reserve**”) of
7 Cash from the Liquidating Trust Assets as deemed reasonable by the Liquidating Trustee in its
8 discretion, to hold in reserve for the full satisfaction of such Claims in accordance with the
9 provisions of the Plan and the Liquidating Trust Agreement.

10 (b) Prior to making any Distributions to Holders of any General Unsecured Claims, the
11 Liquidating Trustee shall establish or maintain a reserve for Disputed General Unsecured Claims,
12 comprised of Cash from the Liquidating Trust Assets as deemed reasonable by the Liquidating
13 Trustee in its discretion, to hold in reserve for Distributions to such Holders of General Unsecured
14 Claims once such Disputed Claims become Allowed General Unsecured Claims (the “**GUC**
15 **Reserve**”).

16 (c) The Priority Reserve and GUC Reserve may be maintained as bookkeeping entries
17 without the need for segregated physical accounts or otherwise.

18 **9.4 Distribution After Allowance**

19 To the extent that a Disputed Claim ultimately becomes an Allowed Claim, Distributions (if
20 any) shall only be made on account of such Allowed Claim in accordance with the provisions of the
21 Plan. On or as soon as reasonably practicable after the next Distribution Date after such Claim
22 becomes Allowed, the Liquidating Trust shall provide to the Holder the Distribution (if any) to
23 which such Holder is entitled under the Plan on account of such Claim as of the Effective Date,
24 without any interest on account of such Claim.

25 **9.5 Timing of Distributions**

26 (a) Distributions on Administrative Claims, Priority Tax Claims, Priority Non-Tax
27 Claims, and Other Secured Claims shall be made on or as soon as reasonably practicable after the
28 Effective Date and as permitted under the Plan.

(b) Except as may be otherwise expressly required by the Plan, Distributions on General Unsecured Claims shall be made by the Liquidating Trust in such amounts and at such periodic intervals as the Liquidating Trustee determines in its discretion to be prudent.

9.6 Delivery of Distributions

(a) Distributions on each Allowed Claim shall be made to Holders of record as of the Effective Date as set forth on the latest date of the following: (a) the address of payment set forth on the applicable Proof of Claim filed by such Holder; (b) the address reflected in the Schedules (or general creditor matrix) if no Proof of Claim has been filed; and (c) the address set forth in any written notices of address changes delivered to the Liquidating Trustee after the Effective Date.

(b) If any Distribution is returned to the Liquidating Trustee as undeliverable, the Liquidating Trustee may, but is under no obligation to, research any new address of a Holder and forward any Distribution to such new address. Notwithstanding anything to the contrary herein, the Liquidating Trustee may, at its discretion, withhold any further Distributions on any Allowed Claims of such Holder unless and until the Liquidating Trustee has been notified in writing of such Holder's then-current payment address. Nothing herein shall require the Liquidating Trustee to take any specific action to obtain the correct addressing information for any Holder.

(c) Undeliverable Distributions shall remain in the possession of the Liquidating Trust until the earlier of (i) such Distribution becoming deliverable or (ii) such Distribution becoming an Unclaimed Distribution.

9.7 Unclaimed Distributions

(a) Any Distribution that has been returned to the Liquidating Trust as undeliverable and remains undeliverable for the following 90 days (an "**Unclaimed Distribution**") shall thereafter be property of the Liquidating Trust available for all permissible purposes under the Plan and the Liquidating Trust Agreement, including Distribution on account of other Allowed Claims.

(b) Any Holder for which the Unclaimed Distribution was first made is deemed to have irrevocably waived and be forever barred from asserting any Claim for such Distribution against the Liquidating Trust, notwithstanding any federal, state or provincial escheat, unclaimed, or abandoned property laws to the contrary.

(c) For the avoidance of doubt, in the event of multiple Distributions on Allowed Claims, a Holder shall remain entitled to subsequent Distributions even if an earlier Distribution has become an Unclaimed Distribution.

9.8 De Minimis Distributions

If any Distribution under the Plan to the Holder of an Allowed Claim would be less than \$50.00, the Liquidating Trust may hold such Distribution until the time of a subsequent or final Distribution. If the final Distribution under the Plan to any Holder on account of all of its Allowed Claims would be less than \$50.00, the Liquidating Trust may cancel such Distribution. Any cancelled Distributions pursuant to this Article 10.8 shall revert to the Liquidating Trust for all purposes, including Distributions to other Holders of Allowed Claims.

9.9 Limitation on Distributions

Except as otherwise agreed by the Liquidating Trustee, notwithstanding anything herein to the contrary in the Plan:

(a) No Distribution shall be made with respect to any Disputed Claim until such Claim becomes an Allowed Claim (as applicable).

(b) No Distribution shall be made to any entity that holds both an Allowed Claim and a Disputed Claim until such Disputed Claim becomes an Allowed Claim.

(c) All Claims of any entity alleged by the Liquidating Trustee to be a transferee of a transfer that may be avoided and recovered by an Avoidance Action brought by the Liquidating Trust are Disputed Claims.

9.10 Distribution Offsets

The Debtor or the Liquidating Trustee, as applicable, may offset against any Claim, including an Administrative Claim, and the Distributions to be made thereon under the Plan any and all of the Claims or Causes of Action of any nature that the Debtor or the Liquidating Trustee hold against the Holder of such Claim. Nothing contained in the Plan shall constitute a waiver or release by the Debtor or the Liquidating Trust of any rights in respect of legal and equitable objections, defenses, setoffs, or recoupment.

1 **9.11 Claims Subject to Insurance**

2 Except as may otherwise be agreed by the Liquidating Trustee, no Distributions under the
3 Plan shall be made on account of an Allowed Claim that is payable pursuant to the Debtor's
4 Applicable Insurance Policies until the completion of conclusion of the initial 3-month mediation
5 period described in Section 5.9 of the Plan. To the extent that one or more of the Applicable Insurers
6 agrees to satisfy in full or in part of a Claim, the satisfied portion of such Claim may be expunged
7 without an objection having to be filed and without any further notice to or action, order, or approval
8 of the Bankruptcy Court.

9 **9.12 No Postpetition Interest**

10 Unless otherwise expressly provided for herein, or by Final Order of the Bankruptcy Court,
11 postpetition interest shall not accrue or be paid on any Claims, and no Holder of a Claim shall be
12 entitled to interest accruing on or after the Petition Date on any Claim or right. Additionally, and
13 without limiting the foregoing, interest shall not accrue, or be paid on, any Disputed Claim with
14 respect to the period from the Effective Date to the date a final Distribution is made on account of
15 such Disputed Claim, if and when such Disputed Claim becomes an Allowed Claim.

16 **9.13 Compliance with Tax Requirements; Withholding**

17 (a) Notwithstanding anything to the contrary in the Plan, the Liquidating Trust shall be
18 entitled to deduct any federal, state or local withholding taxes from any Distributions made with
19 respect to Allowed Claims, as appropriate. The Liquidating Trust shall be authorized to take all
20 actions necessary to comply with applicable withholding and reporting requirements, including
21 applying a portion of any Distribution of Cash to be made under the Plan to pay applicable
22 withholding taxes. Any amounts so withheld will be deemed to have been distributed and received
23 by the applicable recipient for all purposes of the Plan.

24 (b) Notwithstanding anything to the contrary in the Plan, each Holder of an Allowed
25 Claim that has received a Distribution under the Plan shall have sole and exclusive responsibility
26 for the satisfaction or payment of any tax obligation imposed by any governmental unit, including
27 income, withholding and other tax obligation, on account of such Distribution.

28 (c) For tax purposes, Distributions received in respect of Allowed Claims will be

1 allocated first to the principal amount of such Claims until such principal amount is paid in full and
2 then to any interest accrued on such Claim prior to the Petition Date.

3 (d) The Liquidating Trust shall require each Holder of a Claim to provide (a) its
4 Employer or Taxpayer Identification Number as assigned by the Internal Revenue Service on a Form
5 W-9; and (b) a certification that the Holder is not a person or entity with whom it is illegal for a U.S.
6 person to do business under Office of Foreign Assets Control sanctions regulations and/or the list
7 of Specially Designated Nationals and Blocked Persons (collectively, the “**Pre-Distribution**
8 **Certifications**”). Pre-Distribution Certification forms will be mailed to the Distribution Address for
9 each Holder prior to Distributions being made, and Holders shall have forty-five (45) days from the
10 date of mailing to return the executed Pre-Distribution Certifications. Any Holder that fails to return
11 the executed Pre-Distribution Certifications within such forty-five (45) day period shall be deemed
12 to have forfeited its right to receive Distributions and shall be forever barred and enjoined from
13 asserting any right to Distributions made prior to the Liquidating Trustee receiving its executed Pre-
14 Distribution Certifications (such a Holder would only be entitled to a pro rata share of remaining
15 future Distributions, if any); provided, however, that the Liquidating Trustee may extend the
16 deadline to return executed Pre-Distribution Certifications in his sole discretion. Any Distributions
17 that are forfeited pursuant to this provision will be returned to the Liquidating Trustee and become
18 property of the Liquidating Trust.

19 (e) The Liquidating Trust reserves the right to allocate and distribute all Distributions
20 made under the Plan in compliance with all applicable wage garnishments, alimony, child support
21 and other spousal awards, Liens and similar encumbrances.

22 **9.14 Residual Assets**

23 After final Distributions have been made in accordance with the terms of the Plan, the
24 unrestricted Cash and Unclaimed Distributions remaining with the Liquidating Trust shall be
25 remitted to a 501(c)(3) charity of the Liquidating Trustee’s choice.
26
27
28

ARTICLE X**EXCULPATION AND INJUNCTIONS**

**IMPORTANT INFORMATION REGARDING CERTAIN INJUNCTION,
EXCULPATION, AND RELEASE PROVISIONS IN THE COMBINED DISCLOSURE
STATEMENT AND PLAN. YOU SHOULD REVIEW THESE PROVISIONS
CAREFULLY.**

10.1 Exculpation

The Exculpated Parties will neither have nor incur any liability to any entity for any Claims or Causes of Action for any act or omission occurring on or after the Petition Date and prior to or on the Effective Date in connection with, concerning or relating to the Chapter 11 Case or the Plan, including any act or omission relating to (i) the commencement or administration of the Chapter 11 Case, (ii) the negotiation or approval of any agreements or pleadings that were either filed with the Bankruptcy Court or otherwise relating to the Chapter 11 Case, (iii) the formulating, negotiating, preparing, disseminating, implementing, administering, or effecting of the DIP Financing Agreement, the RLF Asset Sale or the Plan, or (iv) soliciting or seeking confirmation of the Plan; *provided, however*, that the foregoing provisions will have no effect on the liability of any entity that results from any such act or omission that is determined by a Final Order of the Bankruptcy Court or other court of competent jurisdiction to constitute gross negligence, bad faith or willful misconduct; *provided, further*, that the Exculpated Parties will each be entitled to rely upon the advice of counsel concerning their duties pursuant to, or in connection with, the above referenced documents, actions or inactions. Nothing herein shall exculpate or release the Liquidating Trustee or any Professionals of the Liquidating Trust with respect to any act or omission occurring after the Effective Date that would result in liability under the terms of the Liquidating Trust Agreement.

10.2 Injunction

(a) From and after the Effective Date, all persons and entities who have held, hold, or may hold Claims or Interests that are satisfied, settled, resolved, released, extinguished, cancelled or terminated under the Plan or the Confirmation Order are permanently enjoined

1 from taking any of the following actions against the Debtor, the Debtor's Estate, the
2 Liquidating Trust, the Liquidating Trustee, or any of their respective property or assets, solely
3 with respect to any such Claims or Interests: (i) commencing or continuing, in any manner or
4 in any place, any action or proceeding of any kind (including without limitation any
5 proceeding in a judicial, arbitral, administrative or other forum); (ii) enforcing, levying,
6 attaching, collecting, or recovering by any manner or means any judgment, award, decree or
7 order; (iii) creating, perfecting, or enforcing in any manner any Lien or encumbrance of any
8 kind; and (iv) asserting any right of setoff, or any right of subrogation of any kind against any
9 debt, liability, or obligation due to the Debtor, unless such right was formally asserted in a
10 pleading filed with the Bankruptcy Court prior to entry of the Confirmation Order or in a
11 timely filed Proof of Claim; *provided, however*, that such persons and entities shall not be
12 precluded from exercising their rights under and consistent with the terms of the Plan and/or
13 the Confirmation Order, including but not limited to rights of Recall Claimants pursuant to
14 Section 5.9.

15 (b) Upon the entry of the Confirmation Order, all Holders of Claims and Interests,
16 shall be enjoined from taking any actions to interfere with the implementation or substantial
17 consummation of the Plan by the Debtor or the Liquidating Trustee.

18 (c) By accepting Distributions pursuant to the Plan, each Holder of an Allowed
19 Claim will be deemed to have specifically consented to the injunctions set forth in this Section.

20 ARTICLE XI

21 CERTAIN RISK FACTORS TO BE CONSIDERED PRIOR TO VOTING

22 THE PLAN AND ITS IMPLEMENTATION ARE SUBJECT TO CERTAIN RISKS,
23 INCLUDING THE RISK FACTORS SET FORTH HEREIN. HOLDERS OF CLAIMS WHO ARE
24 ENTITLED TO VOTE ON THE PLAN SHOULD READ AND CAREFULLY CONSIDER
25 THESE RISK FACTORS, AS WELL AS THE OTHER INFORMATION SET FORTH IN THE
26 PLAN AND THE DOCUMENTS DELIVERED TOGETHER HERewith OR REFERRED TO
27 OR INCORPORATED BY REFERENCE HEREIN, BEFORE DECIDING WHETHER TO VOTE
28 TO ACCEPT OR REJECT THE PLAN. FURTHER, THESE RISK FACTORS SHOULD NOT BE

1 REGARDED AS THE ONLY RISKS ASSOCIATED WITH THE PLAN AND ITS
2 IMPLEMENTATION.

3 **11.1 The Plan May Not Be Accepted**

4 This Plan is subject to a vote of Holders of Impaired Claims in voting classes and to
5 confirmation by the Bankruptcy Court. Article XIII of this Plan summarizes the numerous
6 requirements for confirmation of the Plan, including that the Plan be accepted by at least one
7 Impaired Class of Claims or Interests. Until all votes are collected, there can be no assurances that
8 the requisite acceptances to confirm the Plan will be received. Thus, although the Debtor and
9 Committee believe this Plan is confirmable under the standards set forth in section 1129 of the
10 Bankruptcy Case, there can be no assurances that the Plan will be accepted by the requisite Classes
11 entitled to vote on the Plan.

12 **11.2 The Plan May Not Be Confirmed**

13 Even if the Plan receives the requisite acceptances, there is no assurance that the Bankruptcy
14 Court, which may exercise substantial discretion as a court of equity, will confirm the Plan or find
15 that the Disclosure Statement contains adequate information and otherwise complies with the
16 Bankruptcy Code. Even if the Bankruptcy Court determined that the Plan, Disclosure Statement,
17 and balloting procedures and results were appropriate, the Bankruptcy Court could still decline to
18 confirm the Plan if it finds that any of the statutory requirements for confirmation had not been met,
19 including but not limited to the requirements for “cramdown” under section 1129(b) of the
20 Bankruptcy Code. Such events could materially delay any Distributions and/or increase the
21 attendant administrative costs such that recoveries on Allowed Claims may be reduced. Moreover,
22 there can be no assurance that modifications to the Plan will not be required for confirmation or that
23 such modifications would not necessitate the re-solicitation of votes. If the Plan is not confirmed, it
24 is unclear what Distributions would ultimately be received by Creditors with respect to their Claims
25 in a subsequent plan or process.

26 **11.3 Non-Consensual Confirmation**

27 If any Impaired Class of Claims or Interests does not accept or is deemed not to accept the
28 Plan, the Bankruptcy Court may nevertheless confirm the Plan under section 1129(b) of the

1 Bankruptcy Code if at least one Impaired Class has voted to accept the Plan (without including the
2 vote of any “insider” in such Class), and as to each Impaired Class that has not accepted the Plan,
3 the Bankruptcy Court determines that the Plan “does not discriminate unfairly” and is “fair and
4 equitable” with respect to such Impaired Class. If any Class votes to reject the Plan, the Debtor
5 believes the Plan satisfies these requirements.

6 **11.4 Alternative Plan or Conversion to Chapter 7 Case**

7 If this Plan cannot be confirmed, the Debtors would then need to either formulate and solicit
8 acceptances to an alternative plan of liquidation, or otherwise be forced into liquidation under
9 chapter 7 of the Bankruptcy Code. There can be no assurance that any such alternative plan or
10 process would yield results similar to or as favorable to Holders of Allowed Claims as those
11 proposed in the Plan.

12 **11.5 The Plan May Require Modification**

13 To the extent that the Bankruptcy Court finds that a different classification of Claims and
14 Interests is required for the Plan to be confirmed, the Debtor may seek to (a) modify the Plan to
15 provide for whatever classification might be required for confirmation and (b) use the acceptances
16 received from any Holder of Claims pursuant to this solicitation for the purpose of obtaining the
17 approval of the Class or Classes of which such Holder ultimately is deemed to be a member. Any
18 such reclassification of Claims, although subject to the notice and hearing requirements of the
19 Bankruptcy Code, could adversely affect the Class in which such Holder was initially a member, or
20 any other Class under the Plan, by changing the composition of such Class and the vote required for
21 approval of the Plan. There can be no assurance that the Bankruptcy Court, after finding that a
22 classification was inappropriate and requiring a reclassification, would approve the Plan based upon
23 such reclassification. Except to the extent that modification of classification in the Plan requires
24 resolicitation, the Debtor will, in accordance with the Bankruptcy Code and the Bankruptcy Rules,
25 seek a determination by the Bankruptcy Court that acceptance of the Plan by any Holder of Claims
26 pursuant to this solicitation will constitute a consent to the Plan’s treatment of such Holder,
27 regardless of the Class as to which such Holder is ultimately deemed to be a member. The Debtor
28 believes that under the Bankruptcy Rules, it would be required to resolicit votes for or against the

1 Plan only when a modification materially and adversely affects the treatment of the Claim or Interest
2 of any Holder. To the extent that the Bankruptcy Court finds that the Plan does not satisfy the
3 requirement that the Plan provide the same treatment for each Claim or Interest of a particular Class
4 unless the Holder of a particular Claim or Interest agrees to a less favorable treatment of its Claim
5 or Interest, the Bankruptcy Court could deny confirmation of the Plan. Issues of disputes relating to
6 classification and/or treatment could result in a delay in the confirmation of the Plan and could
7 increase the risk that the Plan will not be consummated.

8 **11.6 The Plan May Not Be Consummated**

9 The Plan provides for certain conditions that must be satisfied (or waived) prior to
10 confirmation and for certain other conditions that must be satisfied (or waived) prior to the Effective
11 Date. As of the date of the Plan, there can be no assurance that any or all of the conditions in the
12 Plan will be satisfied (or waived). Accordingly, there can be no assurance that the Plan will be
13 confirmed by the Bankruptcy Court. Further, if the Plan is confirmed, there can be no assurance that
14 the Plan will go effective.

15 **11.7 Distributions Under the Plan May Be Inconsistent With Projections**

16 Projected Distributions are based upon good faith estimates of the total amount of Claims
17 ultimately Allowed and of the funds that will be available for Distribution. The estimated amounts
18 of Allowed Claims are based on certain assumptions with respect to a variety of factors, and there
19 can be no assurance that the estimated Claim amounts set forth herein are correct. Further, the
20 estimates of the funds available for Distribution may prove incorrect. The Liquidating Trust Assets
21 that will serve as the source of funding for Distributions on General Unsecured Claims consist in
22 substantial part of Retained Causes of Action. The Liquidating Trust must successfully prosecute
23 the Retained Causes of Action, whether to a litigated verdict or to settlement, in order to fund
24 Distributions, and the cost of such litigation, and the amount and timing of recoveries from any such
25 litigation, is inherently subject to substantial uncertainty. Accordingly, both the actual amount of
26 Allowed Claims in a particular Class and the funds available for Distribution to such Class may
27 materially differ from the Debtor's estimates. If the total amount of Allowed Claims in a Class is
28 higher than the Debtor's estimates, or the funds available for Distribution to such Class are lower

1 than the Debtor's estimates, the percentage recovery to Holders of Allowed Claims in such Class
2 will be less than projected. **For the avoidance of doubt, the amount and timing of any**
3 **Distributions under the Plan on General Unsecured Claims will depend on the outcome of**
4 **litigation of the Retained Causes of Action and the mediation described in Section 5.9.**

5 **11.8 Liquidating Trust Assets May Not Be Sufficient**

6 There is no assurance that the Liquidating Trust Assets will be sufficient, or will provide
7 sufficient liquidity, to fund the Liquidating Trust's expenses to administer and monetize the
8 Liquidating Trust Assets or to wind down the Debtor as provided for under the Plan. Accordingly,
9 there is no assurance that the Liquidating Trust will make any Distributions to the Liquidating Trust
10 Beneficiaries, or the amount or the timing on which such Distributions may be made.

11 **11.9 Insurance Assets May be Limited and/or Unavailable**

12 There is no assurance that the Applicable Policies will provide coverage for all or a
13 substantial majority of Recall Claims that are the subject of the proposed insurance mediation. The
14 Applicable Insurers have indicated that they have coverage defenses that, in the Applicable Insurers'
15 view, may limit or eliminate coverage obligations for some of all of the Recall Claims. In addition,
16 the Applicable Policies are subject to policy limits that set forth the maximum amount an Applicable
17 Insurer may be responsible to pay under that policy. It may be the case that the limits of the
18 Applicable Policies are insufficient to fully compensate otherwise covered Recall Claims.

19 **11.10 Risks Associated with Forward Looking Statements**

20 The financial information contained in the Plan has not been audited. In preparing the Plan,
21 the Debtor relied on financial data derived from its books and records that was available at the time
22 of such preparation. Although the Debtor has used its reasonable business judgment to ensure the
23 accuracy of the financial information provided in the Plan, and while the Debtor believes that such
24 financial information fairly reflects the financial condition of the Debtor, the Debtor is unable to
25 warrant or represent that the financial information contained herein and attached hereto is without
26 inaccuracies.

27 **11.11 The Plan May Result in Adverse Tax Consequences**

28 There are a number of material tax considerations for any Holder in evaluating the Plan, and

1 many of these tax considerations present potentially material risks. The discussion herein of any tax
2 consequences is not tax advice. It is provided for informational purposes only and, due to lack of
3 definitive judicial or administrative authority or interpretation, is subject to substantial uncertainties.

4 No opinion of counsel has been sought or obtained with respect to any tax considerations or
5 tax consequences of the Plan, and no tax opinion is being given in the Plan. No rulings or
6 determinations of the IRS or any other tax authorities have been obtained or sought with respect to
7 any tax consequences of the Plan, and the discussion below is not binding upon the IRS or any other
8 authorities. No representations are being made regarding the particular tax consequences of the
9 confirmation and consummation of the Plan. No assurance can be given that the IRS would not
10 assert, or that a court would not sustain, a different position from any discussed herein.

11 Any Holder may be liable for taxes on Distributions and may be deemed to have received
12 Distributions without having received any Distribution in Cash. The tax treatment of Holders of
13 Claims and the character, amount and timing of income, gain, or loss recognized as a consequence
14 of the Plan can vary depending on multiple factors, including but not limited to the following: (i)
15 whether the Claim or portion thereof constitutes a Claim for principal or interest; (ii) the type of
16 consideration, if any, received by the Holder in exchange for the Claim, and whether the Holder
17 receives Distributions under the Plan in more than one tax year; (iii) whether the Holder is a citizen
18 or resident of the United States for tax purposes, is otherwise subject to U.S. federal income tax on
19 a net basis, or falls into any special class of taxpayers, such as those that are excluded from this
20 discussion as noted above; (iv) the manner in which the Holder acquired the Claim; (v) the length
21 of time that the Claim has been held; (vi) whether the Claim was acquired at a discount; (vii) whether
22 the Holder has taken a bad debt deduction or a worthless securities deduction (as applicable) with
23 respect to the Claim or any portion thereof in the current or prior taxable years; (viii) whether the
24 Holder has previously included in gross income accrued but unpaid interest with respect to the
25 Claim; (ix) the method of tax accounting of the Holder; (x) whether the Claim is an installment
26 obligation for U.S. federal income tax purposes; (xi) whether the Claim is considered a "security"
27 for U.S. federal income tax purposes; and/or (xii) whether the "market discount" rules apply to the
28 Holder. Furthermore, it is possible that the Debtor may incur tax penalties or obligations that

1 materially reduce Distributions to Holders of Allowed Claim. In particular, the Debtor, or the
2 Liquidating Trust as applicable, may be required to recognize cancellation of debt income in
3 connection with the Sales. While the Debtor may have sufficient tax attributes, including net
4 operating losses, to avoid incurring a material cash liability, such result cannot be guaranteed at this
5 time and may materially impact the outcome of the Plan for some or all Creditors.

6 The Debtor and the Committee believe that it would be prohibitively expensive, unduly
7 burdensome, and an inefficient use of the assets of the Estates to obtain conclusive tax guidance on
8 such questions at this time. The Debtor and Committee therefore urge each Holder of a Claim or
9 Interest to consult its own tax advisor regarding the federal, state, and other tax consequences of the
10 Plan.

11 In furtherance of the Plan: (a) the Liquidating Trust shall be structured to qualify as a
12 "liquidating trust" within the meaning of Treas. Reg. § 301.7701-4(d) and in compliance with Rev.
13 Proc. 94-45, 1994-2 C.B. 684, and, thus, as a "grantor trust" within the meaning of sections 671
14 through 679 of the Internal Revenue Code to the creditors who are beneficiaries of the Liquidating
15 Trust, consistent with the terms of the Plan; (b) the sole purpose of the Liquidating Trust shall be
16 the liquidation and Distribution of the Liquidating Trust Assets in accordance with Treas. Reg.
17 § 301.7701-4(d), including the resolution of Claims in accordance with the Plan, with no objective
18 to continue or engage in the conduct of a trade or business; (c) all parties (including the Debtor and
19 all beneficiaries of the Liquidating Trust) shall report consistently with such treatment (including
20 the deemed receipt of the underlying assets, subject to applicable liabilities and obligations, by the
21 beneficiaries, as applicable, followed by the deemed transfer of such assets to the Liquidating Trust);
22 (d) all parties shall report consistently with the valuation of the Liquidation Trust Assets transferred
23 to the Liquidating Trust as determined by the Liquidating Trustee (or its designee); (e) the
24 Liquidating Trustee shall be responsible for filing returns for the Liquidating Trust as a grantor trust
25 pursuant to Treas. Reg. § 1.671-4(a); and (f) the Liquidating Trustee shall annually send to each
26 Holder of an interest in the Liquidating Trust a separate statement regarding the receipts and
27 expenditures of the trust as relevant for U.S. federal income tax purposes. Subject to definitive
28 guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by

1 the Liquidating Trustee of a private letter ruling if the Liquidating Trustee so requests one, or the
2 receipt of an adverse determination by the IRS upon audit if not contested by the Liquidating
3 Trustee), the Liquidating Trustee may (x) timely elect to treat any reserve for Disputed Claims as a
4 “disputed ownership fund” governed by Treas. Reg. § 1.468B-9 (and make any appropriate
5 elections), (y) file such tax returns (including the filing of a separate federal tax return for the
6 “disputed ownership fund”) and pay such taxes as may be required consistent with such treatment,
7 and (z) to the extent permitted by applicable law, report consistently with the foregoing for state and
8 local income tax purposes. If a “disputed ownership fund” election is made, all parties (including
9 the Debtor, the beneficiaries of the Liquidating Trust, and the Liquidating Trustee) shall report for
10 United States federal, state, and local income tax purposes consistently with the foregoing.

11 The discussion of the U.S. federal income tax consequences herein is based on the Internal
12 Revenue Code, Treasury Regulations promulgated and proposed thereunder, judicial decisions, and
13 administrative rulings and pronouncements of the IRS and other applicable authorities, all as in
14 effect on the date hereof. Legislative, judicial, or administrative changes or interpretations enacted
15 or promulgated in the future could alter or modify the analyses and considerations herein. It cannot
16 be predicted at this time whether any tax legislation will be enacted or, if enacted, whether any tax
17 law changes contained therein would affect the tax consequences to the Holders of Claims. Any
18 such changes or interpretations may be retroactive and could significantly affect the U.S. federal
19 income tax consequences for the Debtor, Liquidating Trust, Holders, and the Plan generally.

20 THIS DISCUSSION DOES NOT ADDRESS FOREIGN, STATE, OR LOCAL TAX
21 CONSEQUENCES OF THE PLAN, NOR DOES IT PURPORT TO ADDRESS THE U.S.
22 FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO SPECIAL CLASSES OF
23 TAXPAYERS (SUCH AS FOREIGN ENTITIES, NONRESIDENT ALIEN INDIVIDUALS,
24 PASS-THROUGH ENTITIES SUCH AS PARTNERSHIPS AND HOLDERS THROUGH SUCH
25 PASS-THROUGH ENTITIES, S- CORPORATIONS, MUTUAL FUNDS, INSURANCE
26 COMPANIES, FINANCIAL INSTITUTIONS, SMALL BUSINESS INVESTMENT
27 COMPANIES, REGULATED INVESTMENT COMPANIES, CERTAIN SECURITIES
28 TRADERS, BROKER-DEALERS, AND TAX-EXEMPT ORGANIZATIONS).

1 FURTHERMORE, ESTATE AND GIFT TAX ISSUES ARE NOT ADDRESSED HEREIN, AND
2 TAX CONSEQUENCES RELATING TO THE ALTERNATIVE MINIMUM TAX ARE NOT
3 DISCUSSED HEREIN.

4 THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE
5 COMPLEX. NOTHING HEREIN SHALL CONSTITUTE TAX ADVICE. THE TAX
6 CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON
7 A HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, HOLDERS ARE URGED
8 TO CONSULT THEIR TAX ADVISORS ABOUT THE UNITED STATES FEDERAL, STATE
9 AND LOCAL, AND APPLICABLE FOREIGN INCOME AND OTHER TAX CONSEQUENCES
10 OF THE PLAN AND OF THE TRANSACTIONS DESCRIBED HEREIN.

11 ARTICLE XII

12 CONFIRMATION AND VOTING PROCEDURES

13 12.1 Confirmation Procedures

14 (a) At the Continued Status Conference Re: Voluntary Petition (CAE-1) on October 5,
15 2026, the Court approved a scheduling order setting various deadlines associated with the approval
16 of the Disclosure Statement and a final hearing on approval of the Disclosure Statement and Plan
17 for November 18, 2026 (the "Scheduling Order"). In accordance with the Scheduling Order, the
18 Debtor will file a motion with the Bankruptcy Court to approve (i) on an interim basis, this
19 Combined Disclosure Statement and Joint Chapter 11 Plan of Liquidation (the "Joint Plan Motion")
20 as containing adequate information for solicitation purposes, and (ii) related solicitation and ballot
21 tabulation procedures. The votes of all Creditors eligible to vote on the Plan are being solicited
22 pursuant to the Scheduling Order and the Joint Plan Motion.

23 (b) The Confirmation Hearing has been scheduled for **November 18, 2026 at 11:00 a.m.**
24 **(prevailing Pacific Time)** to consider (i) final approval of the Plan and the disclosure statement
25 containing adequate information pursuant to section 1125 of the Bankruptcy Code, and
26 (ii) confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code. The Confirmation
27 Hearing may be continued or adjourned from time to time by the Debtor without further notice,
28 except for an announcement of the adjourned date made at a hearing or by filing a notice with the

1 Bankruptcy Court.

2 (c) Any objection to the final approval of the Plan as a disclosure statement containing
3 adequate information pursuant to section 1125 of the Bankruptcy Code, or confirmation of the Plan
4 pursuant to section 1129 of the Bankruptcy Code, must be made in writing and filed no later than
5 **November 4, 2026 at 5:00 p.m. (prevailing Pacific Time)**. Any response or objection that is not
6 timely filed may not be considered by the Bankruptcy Court.

7 **12.2 Confirmation Requirements**

8 The Bankruptcy Court will confirm the Plan only if it meets all the applicable requirements
9 of section 1129 of the Bankruptcy Code. Many of these requirements are designed to protect the
10 interests of Holders of Claims or Interests who are not entitled to vote on the Plan, or do not vote to
11 accept the Plan, but who will be bound by the provisions of the Plan if it is confirmed by the
12 Bankruptcy Court. Among other requirements, the Bankruptcy Court must find that: (i) the Plan has
13 classified Claims and Interests in a permissible manner; (ii) the Plan complies with the requirements
14 of Chapter 11 of the Bankruptcy Code; and (iii) the Plan has been proposed in good faith. The Plan
15 must also (a) be accepted by all Impaired Classes of Claims or Interests or, if rejected by an Impaired
16 Class, the Plan must not “discriminate unfairly” against, and be “fair and equitable” with respect to,
17 such Class; and (b) must be feasible.

18 **12.3 Classification of Claims and Interests**

19 Section 1123 of the Bankruptcy Code provides that a plan must classify the claims and
20 interests of a debtor’s creditors and equity interest holders. In accordance with section 1123 of the
21 Bankruptcy Code, the Plan divides Claims and Interests into Classes and sets forth the treatment for
22 each Class (other than those claims which, pursuant to section 1123(a)(1) of the Bankruptcy Code,
23 need not be and have not been classified). In addition, under section 1122 of the Bankruptcy Code,
24 all Claims or Interests in any Class must be substantially similar to the other Claims or Interests in
25 such Class. The Bankruptcy Code also requires that a plan provide the same treatment for each claim
26 or interest of a particular class unless the claim holder or interest holder agrees to a less favorable
27 treatment of its claim or interest. The Debtor and the Committee believe that the Plan complies with
28 such standards.

1 Any Class of Claims or Interests that does not contain, as of the date of commencement of
2 the Confirmation Hearing, a Holder of an Allowed Claim or Interest, or a Holder of a Claim
3 temporarily allowed for voting purposes under Bankruptcy Rule 3018, shall be deemed eliminated
4 from the Plan for purposes of voting to accept or reject the Plan, and disregarded for purposes of
5 determining whether the Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to
6 such Class.

7 **12.4 Impaired or Unimpaired Status**

8 Pursuant to the provisions of the Bankruptcy Code, only classes of claims or interests that
9 are "impaired" (as defined in section 1124 of the Bankruptcy Code) under a chapter 11 plan may
10 vote to accept or reject such chapter 11 plan. Generally, a claim or interest is impaired under a
11 chapter 11 plan if the holder's legal, equitable or contractual rights are changed under such chapter
12 11 plan. In addition, if the holders of claims or interests in an impaired class do not receive or retain
13 any property under a chapter 11 plan on account of such claims or interests, such impaired class is
14 deemed to have rejected such chapter 11 plan under section 1126(g) of the Bankruptcy Code and,
15 therefore, such holders are not entitled to vote on such chapter 11 plan.

16 Under the Plan:

17 (a) Holders of Claims in Class 1 (Other Secured Claims) and Class 2 (Priority Non-Tax
18 Claims) are Unimpaired and therefore are not eligible to vote.

19 (b) Holders of Claims in Class 3 (General Unsecured Claims) are Impaired and eligible
20 to vote on the Plan.

21 (c) Holders of Claims in Class 4 (Subordinated Administrative Claims of the Rizo
22 Parties and their affiliates) are Impaired and eligible to vote on the Plan.

23 (d) Holders of Claims in Class 5 (Interests) are Impaired, will not receive any
24 Distribution under the Plan or retain any property on account of such Claims or Interests, and are
25 therefore deemed to reject the Plan.

26 Any dispute as to whether any Claim or Interest is Impaired under the Plan shall be
27 determined by the Bankruptcy Court on or before the Confirmation Date.

1 **12.5 Acceptance; Cramdown**

2 Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan if it is
3 accepted by at least one impaired voting class even if other impaired voting classes vote to reject it.
4 Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection
5 or deemed rejection of the plan, such plan will be confirmed, at a plan proponent's request, in a
6 procedure commonly known as "cramdown," if the plan does not "discriminate unfairly" and is "fair
7 and equitable" with respect to each class of claims or equity interests that is impaired under, and has
8 not accepted, the plan. *See* 11 U.S.C. § 1129(b).

9 **(a) Unfair Discrimination**

10 Under section 1129(b)(1) of the Bankruptcy Code, a plan does not "discriminate unfairly" if
11 (a) the legal rights of a nonaccepting class are treated in a manner that is consistent with the treatment
12 of other classes whose legal rights are similar to those of the nonaccepting class and (b) no class
13 receives payments in excess of that which it is legally entitled to receive for its claims or interests.
14 The test does not require that the treatment be the same or equivalent, but that such treatment be
15 "fair," and the Bankruptcy Code allows wide latitude for separately classifying and treating claims
16 of the same priority based on, among other factors, the differing factual or legal nature or attributes
17 of the claims or their holders.

18 In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment
19 of classes of claims of equal rank (*e.g.*, classes of the same legal character). The Debtor and the
20 Committee believe that the proposed treatment of all Classes of Claims and Interests under the Plan
21 does not discriminate unfairly against any Class.

22 **(b) Fair and Equitable**

23 The "fair and equitable" test under section 1129(b)(1) and (2) of the Bankruptcy Code
24 applies to classes of different priority and status, and includes the general requirement that no class
25 of claims receive more than 100% of the amount of the allowed claims in such class. To determine
26 whether a plan is "fair and equitable," the Bankruptcy Code establishes tests for secured creditors,
27 unsecured creditors and equity holders:

28 **(i) Secured Claims.** A plan is "fair and equitable" with respect to a non-accepting

1 class of secured creditors if either (i) each holder of an impaired secured claim retains its liens
2 securing its secured claim and receives on account of its secured claim deferred cash payments
3 having a present value equal to the amount of its allowed secured claim, (ii) each impaired secured
4 creditor realizes the “indubitable equivalent” of its allowed secured claim, or (iii) the property
5 securing the claim is sold free and clear of liens, with such liens attaching to the proceeds of the sale
6 and the treatment of such liens on proceeds is as provided in clauses (i) or (ii) above. *See* 11 U.S.C.
7 § 1129(b)(2)(A).

8 (ii) *Unsecured Claims*. A plan is “fair and equitable” with respect to a non-
9 accepting class of unsecured creditors if either: (i) the plan provides that each holder of a claim in
10 such class receive or retain on account of such claim property of a value, as of the effective date of
11 the plan, equal to the allowed amount of such claim; or (ii) the holders of claims and equity interests
12 that are junior to the claims of the dissenting class will not receive or retain any property under the
13 plan. *See* 11 U.S.C. § 1129(b)(2)(B).

14 (iii) *Equity Interests*. A plan is “fair and equitable” with respect to a non-accepting
15 class of equity interests if: (i) the plan provides that each holder of an interest in such class receive
16 or retain on account of such interest property of a value, as of the effective date of the plan, equal to
17 the greatest of the allowed amount of any fixed liquidation preference to which such holder is
18 entitled, any fixed redemption price to which such holder is entitled, or the value of such interest;
19 or (ii) the holder of any interest that is junior to the interests of such class will not receive or retain
20 under the plan on account of such junior interest any property. *See* 11 U.S.C. § 1129(b)(2)(C).

21 The Debtor and the Committee believe that Plan satisfies the “fair and equitable”
22 requirement because, for each Impaired Class that has not accepted the Plan, there is no Class of
23 equal priority receiving more favorable treatment and no Class that is junior to such dissenting Class
24 that will receive or retain any property on account of the Claims or Interests in such Class.

25 **12.6 Feasibility**

26 Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of a chapter 11 plan
27 not be likely to be followed by the liquidation, or the need for further financial reorganization, of
28 the Debtor or any successor to the Debtor (unless such liquidation or reorganization is proposed in

1 the Plan). As the Debtor's principal assets have been liquidated pursuant to the Sale Order and the
2 Plan provides for the vesting of all remaining assets in the Liquidating Trust with proceeds thereof
3 to be distributed on account of Allowed Claims, for purposes of this test, the Debtor and the
4 Committee have analyzed the ability of the Liquidating Trust to satisfy its obligations under the
5 Plan. Based on their analysis, the Debtor and the Committee believe that the Liquidating Trust will
6 have sufficient assets to satisfy its obligations under the Plan and accomplish its purpose. Therefore,
7 the Debtor and the Committee believe that the Plan satisfies the feasibility requirements of the
8 Bankruptcy Code.

9 **12.7 Best Interests**

10 Even if a plan is accepted by all voting classes, the Bankruptcy Code requires a court to
11 determine that such plan is in the best interests of all holders of claims or interests that are impaired
12 by that plan and that have not accepted the plan. The "best interests" test, as set forth in section
13 1129(a)(7) of the Bankruptcy Code, requires that, if any holders of claims or interests that are
14 impaired by a chapter 11 plan have not accepted it, the chapter 11 plan must provide such holders
15 with no less of a recovery on the impaired claim or interest than would be provided in a liquidation
16 under chapter 7 of the Bankruptcy Code. If the recovery on such impaired claim or interest is greater
17 in a hypothetical chapter 7 liquidation than under the chapter 11 plan, then the chapter 11 plan is not
18 in the best interests of such holders of impaired claims or interests.

19 Because the Plan is a liquidating plan, the Plan and a hypothetical chapter 7 liquidation can
20 be expected to produce substantially similar proceeds. However, the Debtor and the Committee
21 expect the Plan will produce better recoveries for Creditors and Impaired Claims than a hypothetical
22 chapter 7 liquidation because of additional costs that would be incurred in a hypothetical chapter 7
23 liquidation. An analysis of recoveries, costs and recoveries under a Plan and a hypothetical chapter
24 7 liquidation is attached as Exhibit B hereto. (the "**Liquidation Analysis**").

25 The costs of liquidation under chapter 7 of the Bankruptcy Code would include the
26 compensation of a trustee, as well as the costs of counsel and other professionals retained by the
27 trustee. The Debtor and the Committee believe such costs would exceed the amount of expenses
28 that would be incurred in implementing the Plan and winding up the affairs of the Debtor.

1 Conversion also would likely delay the liquidation process and Distributions to Creditors.

2 Accordingly, the Debtor and the Committee believe that Holders of Allowed Claims will not
3 receive less under the Plan than in a hypothetical chapter 7 liquidation, and therefore that the Plan
4 complies with section 1129(a)(7) of the Bankruptcy Code.

5 **12.8 Solicitation Packages**

6 The Solicitation Packages will contain: (a) the Plan; (b) the Interim Approval and Procedures
7 Order, excluding the exhibits annexed thereto; (c) the Combined Hearing Notice; (d) an appropriate
8 Ballot, including voting instructions to vote online through the E-Balloting procedure or by mail
9 with a pre-addressed return envelope; and (e) such other materials as the Bankruptcy Court may
10 direct.

11 Holders of Claims and Interests in non-voting Classes that are deemed to either accept or
12 reject the Plan will receive packages consisting of: (a) the notice of the hearing on the Plan; (b) a
13 notice of such Holder's non-voting status; and (c) such other materials as the Bankruptcy Court may
14 direct.

15 **12.9 Acceptance or Rejection of the Plan**

16 The rules and procedures governing eligibility to vote on the Plan, solicitation of votes, and
17 submission of ballots are set forth in the Interim Approval and Procedures Order.

18 Classes that are Unimpaired are presumed to accept the Plan pursuant to section 1126(f) of
19 the Bankruptcy Code. Classes that are Impaired and that will not receive a Distribution or retain any
20 property under the Plan are presumed to reject the Plan pursuant to section 1126(g) of the
21 Bankruptcy Code.

22 At least one Impaired Class that will receive a Distribution must vote to accept the Plan for
23 it to be confirmed. Pursuant to section 1126(c) of the Bankruptcy Code, an Impaired Class of Claims
24 has accepted the Plan if a majority in number and two-thirds in dollar amount of the Claims in such
25 Class (excluding the votes of any insiders) has voted to accept the Plan.

26 **The Debtor and the Committee recommend that all eligible Creditors vote to accept**
27 **the Plan.**

28 IF YOU ARE A CREDITOR ELIGIBLE TO VOTE ON THE PLAN, PLEASE

1 COMPLETE AND PROMPTLY SUBMIT YOUR BALLOT THROUGH THE E-BALLOTING
2 PORTAL ON THE CASE WEBSITE OR BY MAIL. IF YOU DID NOT RECEIVE A BALLOT,
3 RECEIVED A DAMAGED BALLOT OR LOST YOUR BALLOT, OR IF YOU HAVE ANY
4 QUESTIONS CONCERNING PROCEDURES FOR VOTING ON THE PLAN, PLEASE
5 CONTACT THE BALLOTING AGENT VIA EMAIL AT rlinfo@angeiongroup.com,
6 TELEPHONE AT 1-877-534-8325, OR THROUGH THE BANKRUPTCY CASE WEBSITE AT
7 <https://bankruptcy.angeiongroup.com/Clients/rlf/Index>.

8 **12.10 Plan Amendment After Solicitation**

9 The Plan is subject to amendment or modification as set forth herein and in accordance with
10 the Bankruptcy Code. Such amendments or modifications could include reclassification of any
11 Claim, and any such reclassification could adversely affect Holders of Claims by changing the
12 composition of one or more Classes and thereby affect the voting required of such Class or Classes
13 for approval of the Plan.

14 EXCEPT AS SET FORTH IN THE PLAN, UNLESS SUCH AMENDMENT OR
15 MODIFICATION MATERIALLY AND ADVERSELY AFFECTS THE TREATMENT OF A
16 HOLDER OF A CLAIM AND REQUIRES RE-SOLICITATION, ACCEPTANCE OF THE PLAN
17 BY ANY HOLDER OF A CLAIM PURSUANT TO THIS SOLICITATION WILL BE DEEMED
18 CONSENT TO THE PLAN'S TREATMENT OF SUCH HOLDER OF A CLAIM REGARDLESS
19 OF THE CLASS TO WHICH SUCH HOLDER ULTIMATELY IS DEEMED A MEMBER.

20 **ARTICLE XIII**

21 **CONDITIONS TO THE EFFECTIVE DATE**

22 **13.1 Conditions Precedent to Confirmation**

23 The following are conditions precedent to confirmation of the Plan, each of which must be
24 satisfied or waived in accordance with Section 14.5 below:

25 (a) The Plan, the proposed Confirmation Order, and documents in the Plan Supplement
26 shall be in a form and substance reasonably acceptable to the Debtor and the Committee.

27 (b) The Bankruptcy Court shall have entered a Final Order, in form and substance
28 reasonably acceptable to the Debtor and the Committee, approving the Plan as containing adequate

1 information within the meaning of section 1125 of the Bankruptcy Code.

2 (c) The Bankruptcy Court shall have entered the Confirmation Order, in form and
3 substance reasonably acceptable to the Debtor and the Committee.

4 **13.2 Conditions Precedent to the Effective Date**

5 The following are conditions precedent to the occurrence of the Effective Date, each of
6 which must be satisfied or waived in accordance with Section 13.5 below:

7 (a) The Confirmation Order shall have become a Final Order and shall be in form and
8 substance reasonably acceptable to the Debtor and the Committee; and

9 (a) The Liquidating Trustee shall have sufficient Cash or other resources to fund the
10 Priority Reserve and the GUC Reserve in accordance with the Plan.

11 **13.3 Establishing the Effective Date**

12 (a) The Effective Date shall be the first Business Day after the date of satisfaction or
13 waiver of all conditions to the Effective Date, or such later date as selected by the Debtor in
14 consultation with the Committee.

15 (b) Within three days after the Effective Date, the Debtor shall file a notice of occurrence
16 of the Effective Date, which notice shall identify the applicable deadlines for filing Proofs of Claim
17 or requests on account of any Administrative Claim, Professional Claim, or Claim for any damages
18 from the rejection of any Executory Contract or Unexpired Lease pursuant to the Plan.

19 **13.4 Effect of Failure of Conditions**

20 If the Effective Date has not occurred within 45 days after the Confirmation Date, unless
21 extended by order of the Bankruptcy Court, the Plan shall be null and void in all respects and nothing
22 contained in the Plan shall: (a) constitute a waiver or release of any Claims against the Debtor; (b)
23 constitute a waiver or release of any Cause of Action by the Debtor; (c) prejudice in any manner the
24 rights of the Debtor, any Holders of a Claim or Holders of an Interest or any other entity; or (d)
25 constitute an admission, acknowledgment, offer or undertaking by the Debtor, the Committee, any
26 Creditors, or any other entity in any respect. In addition, the Debtor, the Committee, and all Holders
27 of Claims against or Interests in the Debtor shall be restored to the status quo as of the day
28 immediately preceding the Confirmation Date as though the Confirmation Date had never occurred.

1 **13.5 Waiver of Conditions to Confirmation and Effective Date**

2 Each of the conditions to the Effective Date may be waived, in whole or in part, upon
3 agreement by the Debtor and the Committee, without notice or an order of the Bankruptcy Court.

4 **ARTICLE XIV**

5 **RETENTION OF JURISDICTION**

6 Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, notwithstanding entry of the
7 Confirmation Order, the occurrence of the Effective Date, or substantial consummation of the Plan,
8 the Bankruptcy Court shall retain jurisdiction over all matters arising in, arising under, and related
9 to the Chapter 11 Cases, the Plan and the Liquidating Trust to the fullest extent permitted by law,
10 including among other things jurisdiction to:

11 (a) allow, disallow, determine, liquidate, classify, estimate, or establish the priority,
12 secured, or unsecured status of any Claim or Interest not otherwise Allowed under the Plan (other
13 than personal injury or wrongful death Claims, unless agreed by the Holder), including the
14 resolution of any request for payment of any Administrative Claim and the resolution of any
15 objections to the allowance or priority of Claims;

16 (b) hear and determine all applications for compensation and reimbursement of expenses
17 of Professionals under the Plan or under sections 327, 328, 330, 331, 503(b), 1103, and 1129(a)(4)
18 of the Bankruptcy Code;

19 (c) hear and determine all matters with respect to the assumption or rejection of any
20 Executory Contract or Unexpired Lease to which a Debtor is a party or with respect to which a
21 Debtor may be liable, including, if necessary, the nature or amount of any required cure or the
22 liquidation or allowance of any Claims arising therefrom;

23 (d) hear and determine any matters arising in connection with or relating to the
24 Liquidating Trust, including but not limited to matters relating to the interpretation, implementation
25 or operation of the Liquidating Trust Agreement or the consummation of the transactions
26 contemplated thereby;

27 (e) hear and determine any and all adversary proceedings, motions, applications, and
28 contested or litigated matters arising out of, under, or related to, the Chapter 11 Cases, the Retained

1 Causes of Action, or the Plan;

2 (f) enforce, interpret, and determine any disputes arising in connection with any
3 Retained Causes of Action against any current or former directors or officers;

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

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

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

12 (j) enter such orders as may be necessary or appropriate to execute, implement, or
13 consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements
14 or documents created in connection with the Plan or the Confirmation Order;

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

18 (l) enforce, interpret, and determine any disputes arising in connection with any
19 stipulations, orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings
20 entered in connection with the Chapter 11 Case (whether or not the Chapter 11 Case have been
21 closed);

22 (m) hear and determine such other matters as may be provided in the Confirmation Order
23 or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code; and

24 (n) enter orders closing any of the Chapter 11 Case.

25 ARTICLE XV

26 MISCELLANEOUS PROVISIONS

27 15.1 Injunctions or Stays

28 All injunctions or stays in effect in the Chapter 11 Case under sections 105 or 362 of the

1 Bankruptcy Code or otherwise as of the Confirmation Date shall cease as of the Effective Date.
2 From and after the Effective Date, all injunctions or stays contained in the Plan or the Confirmation
3 Order shall be in full force and effect in accordance with their terms. Nothing herein shall be
4 otherwise deemed to modify, limit, amend or supersede any injunction granted in the RLF Sale
5 Order.

6 **15.2 Amendments**

7 The Debtor, with the written consent of the Committee, may amend or modify the Plan at
8 any time prior to the entry of the Confirmation Order, or after entry of the Confirmation Order upon
9 notice and a hearing, provided that the Plan, as amended or modified, satisfies all applicable
10 Bankruptcy Code requirements for confirmation and for disclosure statement purposes and does not
11 materially and adversely change the treatment of any Class. Any Holder of a Claim that has voted
12 to accept the Plan shall be deemed to have accepted the Plan as amended or modified, if the proposed
13 amendment or modification does not materially and adversely change the treatment of the Claim of
14 such Holder, unless the Bankruptcy Court orders otherwise.

15 **15.3 Severability**

16 In the event that any provision of the Plan is determined to be invalid, void or unenforceable,
17 such determination shall not limit or affect the enforceability and operative effect of any other
18 provision of the Plan.

19 **15.4 Notices**

20 All notices, requests and demands to or upon the Liquidating Trustee or the Debtor, as
21 applicable, to be effective shall be in writing and, unless otherwise expressly provided herein, shall
22 be deemed to have been duly given or made when actually delivered or, in the case of notice by
23 facsimile transmission, when received and telephonically confirmed, addressed as shall be set forth
24 in the notice of occurrence of the Effective Date.

25 **15.5 Creditor Noticing**

26 After the Effective Date, any entities or persons that want to continue to receive notice in
27 these Chapter 11 Case must file a renewed request to receive documents pursuant to Bankruptcy
28 Rule 2002; *provided, however*, that the UST shall be excused from this requirement and shall remain

1 on the Bankruptcy Rule 2002 service list. The Liquidating Trustee is authorized to limit the list of
2 entities receiving documents pursuant to Bankruptcy Rule 2002 to such entities that have filed a
3 renewed service request, the UST, and all parties directly affected by the relief sought in any filing.

4 **15.6 Governing Law**

5 Except to the extent the Bankruptcy Code or the Bankruptcy Rules are applicable, the rights
6 and obligations arising under the Plan shall be governed by, and construed and enforced in
7 accordance with, the laws of the State of California, without giving effect to the principles of
8 conflicts of law thereof.

9 **15.7 Controlling Interpretation**

10 The Plan shall control in the event of any inconsistency with any other agreement, exhibit
11 or document. The Confirmation Order shall control in the event of any inconsistency with the Plan,
12 or any other agreement, exhibit or document.

13 **15.8 No Admissions**

14 Notwithstanding anything herein to the contrary, except with respect to any Claim that is
15 expressly Allowed under the Plan, nothing contained in the Plan shall be deemed as an admission
16 or waiver by the Debtor or the Liquidating Trust with respect to the validity or amount of any Claim.
17 No statement or provision contained herein, or the taking of any action by the Debtor or the
18 Committee with respect to the Plan shall be or shall be deemed to be an admission or waiver of any
19 rights of the Debtor or the Estate.

20 **15.9 Binding Effect; Successors and Assigns**

21 The Plan shall be binding on the Debtor, the Estate, the Liquidating Trust and all Creditors
22 from and after the Effective Date. The rights, benefits and obligations of any entity named or referred
23 to herein shall be binding on, and shall inure to the benefit of any heir, executor, administrator,
24 successor or assign of such entity.

25 **15.10 Immediate Effectiveness**

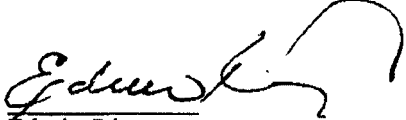
26 The Confirmation Order shall contain a waiver of any stay of enforcement otherwise
27 applicable under the Bankruptcy Rules.

1 **15.11 Final Decree**

2 On or after the Effective Date, the Liquidating Trustee shall have the power and authority to
3 file a motion with the Bankruptcy Court seeking the entry of a Final Decree closing any of the
4 Chapter 11 Case in accordance with section 350(a) of the Bankruptcy Code and Bankruptcy Rule
5 3022.

6 Dated: October 5, 2026

7 **RIZO-LÓPEZ FOODS, INC.**

8
9 
10 Edwin Rizo
President

**THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS**

*at: Ketur Mena, on behalf of
Chad Hamilton in his capacity
Name: Chad Hamilton as Chairperson,
Title: Chairperson
with express
authorization;
formal ratification
to follow.*

11
12 042026-000000 17031652 1
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT “A”

EXHIBIT A**GLOSSARY OF DEFINITIONS**

As used herein, the following terms have the respective meanings in the Plan specified below, unless the context otherwise requires:

1. **“Administrative Claim Objection Deadline”** means the date that is 180 days after the later of the Administrative Claims Bar Date and any filing of an Administrative Claim (other than a Professional Claim) or filing of any request for payment of an Administrative Claim, unless such objection deadline is extended by order of the Bankruptcy Court.

2. **“Administrative Claim”** means any Claim for actual and necessary costs and expenses of preserving the Estate under sections 503(b) or 507(a)(2) of the Bankruptcy Code, including without limitation any claims arising under section 503(b)(9) of the Bankruptcy Code, any fees or charges assessed against the Estate under section 1930 of Title 28 of the United States Code, and any Professional Claims.

3. **“Administrative Claims Bar Date”** means the first Business Day that is 30 days after the Effective Date.

4. **“Allowed”** means: (a) a Claim that as of the Effective Date has been scheduled by the Debtor in its Schedules as other than disputed, contingent or unliquidated, which has not been superseded by a filed Proof of Claim and which scheduled Claim has not been amended; (b) a Claim that has been allowed pursuant to the terms of the Plan or by a Final Order; (c) a Claim that is allowed by the Liquidating Trustee; or (d) a Claim that has been timely filed by the applicable deadline and for which no objection has been filed by the Claim Objection Deadline. Notwithstanding anything to the contrary in the Plan, a Disputed Claim shall not be deemed Allowed unless and until such objection has been resolved by agreement or by Final Order. For the avoidance of doubt, Claims or Interests allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed” hereunder.

5. **“Applicable Insurance Policies”** refer to the Insurance Policies maintained by the Debtor under which coverage to pay Recall Claimants could be available as set forth in Section 5.9 of the Plan.

6. **“Applicable Insurers”** means the insurers providing coverage to the Debtor under the Applicable Insurance Policies as identified in Section 5.9(a)(ii) of the Plan.

7. **“Applicable Policyholder Rights”** mean the rights and obligations of the Debtor under each of the Applicable Insurance Policies as set forth in Section 5.9 of the Plan.

8. **“Avoidance Actions”** means any and all actual or potential claims and causes of action of the Debtor or the Estate arising under Chapter 5 of the Bankruptcy Code, including without limitation all claims, rights and causes of action arising under sections 544, 545, 547, 548, 549, 550, 551, and 553(b) of the Bankruptcy Code.

9. **“Balloting Agent”** and **“Claims Agent”** mean Donlin, Recano & Company, LLC dba Angeion Group.

10. **“Bankruptcy Code”** means Title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended from time to time.

11. **“Bankruptcy Court”** means the United States Bankruptcy Court for the Eastern District of California, Sacramento Division.

12. **“Bankruptcy Rules”** or **“Rules”** mean the Federal Rules of Bankruptcy Procedure.

13. **“Bar Date”** or **“Bar Dates”** mean the applicable deadline by which a Proof of Claim or request for payment of an Administrative Claim must be, or must have been, filed, as established by order of the Bankruptcy Court, including the Notice of Commencement and the Confirmation Order.

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

15. **“Case Website”** means the website relating to the Chapter 11 Case that is maintained by the Claims Agent and accessible free of charge at <https://bankruptcy.angeiongroup.com/Clients/rlf/Index>.

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

17. **“Causes of Action”** means all Avoidance Actions, all Claims, all Recall Claims, and all other claims, actions, causes of action, choses in action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, third-party claims, counterclaims, and crossclaims, whether in contract or in tort, whether arising under the Bankruptcy Code or other federal or state law, or based in equity, or pursuant to any other theory of law, including, but not limited to, under the Bankruptcy Code or securities law, whether direct, indirect, derivative, or otherwise, whether asserted or unasserted, known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, and any and all commercial tort claims, in each case, whether arising before, on or after the Petition Date.

18. **“Chapter 11 Case”** means the chapter 11 bankruptcy case commenced on the Petition Date that is pending before the Bankruptcy Court under the caption *In re Rizo-Lopez Foods, Inc.*, Case No. 25-25004-C, before the Honorable Christopher M. Klein.

19. **“Claim”** has the meaning set forth in section 101(5) of the Bankruptcy Code.

20. **“Claims Objection Deadline”** means the date that is the first Business Day that is at least 180 days after the Effective Date, as such date may be extended from time to time on motion by the Liquidating Trustee; *provided that* for Administrative Claims, such deadline shall be the Administrative Claim Objection Deadline.

21. “**Class**” means any group of substantially similar Claims or Interests and classified by the Plan pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code.

22. “**Committee**” means the Official Committee of Unsecured Creditors appointed by the UST in this Chapter 11 Case on September 29, 2025 [Doc. 89].

23. “**Confirmation Date**” means the date on which the Confirmation Order is entered by the Bankruptcy Court.

24. “**Confirmation Hearing**” means the hearing held by the Bankruptcy Court to consider (i) final approval of the Plan as providing adequate information pursuant to section 1125 of the Bankruptcy Code and (ii) confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

25. “**Confirmation Order**” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

26. “**Consent Decree**” means the Consent Decree of Permanent Injunction between the Debtor, Edwin Rizo, Tomas Rizo, and the FDA, which was entered on October 8, 2024, in the United District Court, Eastern District of California, Case No. 2:24-cv-02624-DJC-JDP [Doc. 9].

27. “**Creditor**” means any Holder of a Claim against the Debtor.

28. “**Debtor**” means Rizo-López Foods, Inc., the debtor and debtor in possession in this Chapter 11 Case.

29. “**DIP Financing Agreement**” means the senior secured postpetition financing facility for the Debtor from the Rizo Parties.

30. “**Disallowed**” means any Claim or any portion thereof that (i) has been disallowed by a Final Order, (ii) is Scheduled as zero or as contingent, disputed or unliquidated and as to which no Proof of Claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or otherwise deemed timely filed under applicable law or the Plan, (iii) is not Scheduled and as to which no Proof of Claim has been timely filed or has been deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any order or otherwise deemed timely filed under applicable law or the Plan, (iv) has been withdrawn by agreement of the Debtor and the Holder thereof or (v) has been withdrawn by the Holder thereof.

31. “**Disclosure Statement**” means the disclosure statement, as amended, supplemented, or modified from time to time, which is embodied within this Plan and distributed in accordance with sections 1125, 1126(b) and 1145 of the Bankruptcy Code, Bankruptcy Rule 3017, and other applicable law.

32. “**Disputed**” means any Claim or any portion thereof that (i) has not been Scheduled by the Debtor or has been Scheduled as unknown, contingent, unliquidated, disputed or at zero, whether or not such Claim is the subject of a Proof of Claim, (ii) is the subject of a Proof of Claim that differs in nature, amount or priority from the Schedules (except to the extent that the Plan

Administrator elects, in its discretion, to treat the Claim asserted in such Proof of Claim as an Allowed Claim) or (iii) is the subject of an objection interposed by the Claims Objection Deadline or such other time period fixed by the Bankruptcy Court, which has not been withdrawn or overruled by a Final Order; *provided, however*, that a Claim shall not be a Disputed Claim to the extent it becomes an Allowed Claim or Disallowed Claim.

33. **“Distribution Date”** means any day on which a Distribution is made pursuant to the Plan.

34. **“Distribution”** means any distribution of Cash or other property by the Debtor or the Liquidating Trust to a Creditor on account of an Allowed Claim pursuant to the Plan.

35. **“Docket”** or **“Doc.”** means the docket in the Chapter 11 Case maintained by the Clerk of the Bankruptcy Court.

36. **“Effective Date”** means the date on which all of the conditions specified in Section 13.3 of the Plan have been satisfied or (to the extent permitted by the Plan) waived.

37. **“ERTC”** means Employee Retention Tax Credits, which are refundable tax credits for certain eligible businesses that had employees and were affected during the COVID-19 pandemic.

38. **“Estate”** means the estate of the Debtor created upon the commencement of the Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

39. **“Exculpated Parties”** means, collectively, and in each case in its capacity as such, (a) the Debtor; (b) the Committee and the Committee members; (c) directors, officers and limited liability company managers of the Debtor as of the Confirmation Date; and (d) any Professional of the Debtor, the Committee, and/or any Committee member.

40. **“Executory Contract”** means any contract to which any Debtor is a party and that is subject to assumption, assumption and assignment, or rejection under section 365 of the Bankruptcy Code.

41. **“Failed Mediation”** has the meaning set forth in Section 5.9(m) of the Plan.

42. **“FDA”** means the United States Food and Drug Administration.

43. **“Final Cash Collateral Order”** means the *Final Order Authorizing Use of Cash Collateral and Granting Adequate Protection* [Doc. 634].

44. **“Final DIP Order”** means the *Final Order (A) Authorizing Secured Post Petition Financing, (B) Granting Post-Petition Liens and Super Priority Claims as Modified Herein, (C) Granting Relief from Stay, and (D) Limiting Prepetition Liens Pursuant to Bankruptcy Code Section 552(b)* [Doc. 635].

45. **“Final Order”** means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction with respect to the subject matter, that has not been reversed, stayed,

modified or amended and as to which the time to appeal, to petition for certiorari, or to move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending; provided that even if an appeal, petition for certiorari, or other proceedings for reargument or rehearing are timely filed, an Order will be deemed a Final Order if it provides that it is effective immediately upon entry on the Bankruptcy Court's docket and not subject to any stay notwithstanding the provisions of Bankruptcy Rules 6004(h), 6006(d), 7062, and Federal Rule of Civil Procedure 62, and that no stay pending appeal has been obtained.

46. **"General Bar Date"** means January 21, 2026, at 11:59 p.m. (PT) as established by the Notice of Commencement.

47. **"General Unsecured Claim"** means any Claim against the Debtor that is not an Administrative Claim, Priority Tax Claim, Secured Claim, Priority Non-Tax Claim, Subordinated Administrative Claim, or Interest. For the avoidance of doubt, Class 3 consists of General Unsecured Claims.

48. **"Governmental Bar Date"** means March 16, 2026, at 11:59 p.m. (PT) as established by the Notice of Commencement.

49. **"GUC Reserve"** has the meaning set forth in Section 9.3 of the Plan.

50. **"Holder"** means the beneficial holder of any Claim or Interest.

51. **"Impaired"** means, with respect to any Class, Claim or Equity Interest, "impaired" within the meaning of sections 1123 and 1124 of the Bankruptcy Code.

52. **"Impaired Class"** means any Class that is Impaired.

53. **"Insurance Assignment"** has the meaning set forth in Section 5.9 of the Plan.

54. **"Insurance Policies"** means any and all insurance policies, insurance settlement agreements, coverage-in-place agreements, and other agreements, documents, or instruments providing or relating to coverage for liability, entered into by or issued to or for the benefit of, at any time, the Debtor, including without limitation any policies providing tail or runoff coverage and any policies providing coverage for liabilities relating to acts or omissions by any current or former directors or officers of the Debtor.

55. **"Interests"** means any share of common stock, preferred stock or other equity security (as such term is defined in section 101(16) of the Bankruptcy Code) or instrument evidencing an ownership interest in the Debtor, whether or not transferable, and any option, warrant or right, contractual or otherwise, to acquire any such interest in the Debtor that existed immediately prior to the Effective Date.

56. **"Lien"** has the meaning set forth in section 101(37) of the Bankruptcy Code, and with respect to any property or asset, includes any mortgage, lien, pledge, charge, security interest, or other encumbrance of any kind, or any other type of preferential arrangement that has the practical effect of creating a security interest, in respect of such property or asset.

57. **“Liquidation Analysis”** has the meaning set forth in Section 12.7 of the Plan.
58. **“Liquidating Trust”** means the trust to be created on the Effective Date for the benefit of Holders of Allowed Claims.
59. **“Liquidating Trust Agreement”** means the agreement between the Debtor and the Liquidating Trustee, in a form as consented to by the Committee, as the same may be amended from time to time in accordance with its terms, filed as part of the Plan Supplement and approved pursuant to the Confirmation Order, providing for the administration of the Liquidating Trust and governing the Liquidating Trustee’s rights and duties in administering the Liquidating Trust.
60. **“Liquidating Trust Assets”** means all property, rights or other assets of the Debtor and the Estate of any kind or nature, whether existing as of the Effective Date or arising thereafter, wherever located and whether tangible or intangible, including without limitation (a) all of the Debtor’s Cash; (b) all Retained Causes of Action; (c) all rights of setoff, recoupment, and other defenses against Claims; (d) all of the Debtor’s rights under the RLF APA and any other documents related to the RLF Sale; (e) all of the Applicable Insurance Policies and Applicable Policyholder Rights; (f) all of the Debtor’s bank accounts; (g) all documents, communications and information of the Debtor, without regard to whether such documents, communications and information are subject to the attorney-client privilege not transferred as part of the Sale; (h) all Assets; and (i) any other assets, and any proceeds realized or received from such assets, of the Debtor or the Estate that were not sold pursuant to the RLF Sale Order or Riverbank Sale Order, if any, existing immediately prior to the Effective Date.
61. **“Liquidating Trust Expenses”** means all reasonable and documented fees, expenses and costs incurred by the Liquidating Trustee in connection with carrying out the duties of the Liquidating Trust, including the maintenance or disposition of the Liquidating Trust Assets (including Liquidating Trustee fees, indemnity reserves, attorneys’ fees, the fees of other professionals and other Entities retained by the Liquidating Trust, personnel-related expenses and any taxes imposed on the Liquidating Trust or in respect of the Liquidating Trust Assets) and any other expenses incurred in accordance with the Liquidating Trust Agreement.
62. **“Liquidating Trustee”** means the person selected by the Committee to effectuate the provisions of the Plan and to be trustee of the Liquidating Trust after the Effective Date. The identity, role, and compensation of the Liquidating Trustee will be disclosed in the Plan Supplement.
63. **“Local Rules”** or **“LBR”** mean the Local Rules of Practice for the United States Bankruptcy Court for the Eastern District of California.
64. **“Mediation Procedures”** has the meaning set forth in Section 5.9 of the Plan.
65. **“Notice of Commencement”** means the *Notice of Chapter 11 Bankruptcy Case* [Doc. 43].
66. **“Notice of Intent to Participate”** has the meaning set forth in Section 5.9(c) of the Plan.

67. **“Oversight Committee”** has the meaning set forth in Section 8.1(b) of the Plan.

68. **“Petition Date”** means September 15, 2025.

69. **“Plan”** means this 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 through the Effective Date.

70. **“Plan Supplement”** means any schedules, exhibits, or other documents deemed by the Debtor to be necessary or appropriate for the Court’s or parties’ consideration of the Plan prior to the Effective Date.

71. **“Pre-Distribution Certifications”** has the meaning set forth in Section 9.13(d) of the Plan.

72. **“Prequalified Participant”** mean the certain Recall Claimants and their respective Subrogees who are identified in Section 5.9(d) of the Plan as automatically deemed qualified to participate in mediation without submitting a Notice of Intent to Participate.

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

74. **“Priority Reserve”** has the meaning set forth in Section 9.3 of the Plan.

75. **“Priority Tax Claim”** means a Claim that is entitled to priority under section 507(a)(8) of the Bankruptcy Code.

76. **“Professional Claims”** means all Claims under sections 330, 331, 503, or 1103 of the Bankruptcy Code for compensation and reimbursement of expenses by Professionals to the extent Allowed by the Bankruptcy Court.

77. **“Professional”** means any professional person employed in the Chapter 11 Case pursuant to an Order of the Bankruptcy Court pursuant to section 327, 328 or 1103 of the Bankruptcy Code and to be compensated for services rendered pursuant to sections 327, 328, 329, 330, or 331 of the Bankruptcy Code.

78. **“Proof of Claim”** means a proof of Claim filed with the Claims Agent pursuant to section 501 of the Bankruptcy Code or a proof of Interest filed with the Claims Agent pursuant to Bankruptcy Rule 3007.

79. **“Qualification Notice”** has the meaning set forth in Section 5.9(e) of the Plan.

80. **“Qualified Participant”** mean the Recall Claimants and/or Subrogees (other than Prequalified Participants) who are deemed qualified to participate in mediation under the procedure specified in Section 5.9(e) of the Plan.

81. **“Recalled Product”** means, collectively, the cheese, yogurt, sour creams, and related products recalled by the Debtor in or around January and February 2024 as set forth in Section 3.2(a) of the Plan.

82. **“Recall Claimants”** refers to Holders of claims asserted against the Debtor for damages arising from or related to the Debtor’s manufacture, sale, distribution, or recall of the Recalled Products.

83. **“Retained Causes of Action”** means all Causes of Action of the Debtor or the Estate existing as of the Effective Date, whether direct or derivative, whether known or unknown, in each case that are not expressly released under the Plan or Confirmation Order, including as identified in the Plan Supplement. For the avoidance of doubt, the Retained Causes of Action do not include any Causes of Action sold to RLF Buyer under the RLF Sale Order.

84. **“Riverbank Buyer”** means R.L. Riverbank, LLC, the proposed purchaser of Riverbank Land, LLC in the Riverbank Sale.

85. **“Riverbank Sale Order”** means the *Order Authorizing the Sale of the Estate’s Interest in Riverbank Land LLC to R.L. Riverbank LLC, or any other buyer approved by the Bankruptcy Court* [Doc. ##].

86. **“Riverbank Sale”** means the sale approved by the Riverbank Sale Order.

87. **“Rizo Parties”** refer to Edwin Rizo and Ivan Rizo.

88. **“RLF Buyer”** means Francisco Foods, LLC, the purchaser of substantially all of the Debtor’s assets in the RLF Sale.

89. **“RLF Sale Order”** means the *Order Authorizing the Sale of Certain of the Debtor’s Assets Free and Clear of Liens and Interests and Approving Assumption and Assignment of Certain Executory Contracts and Unexpired Leases to Francisco Foods, LLC* [Doc. 572].

90. **“RLF Sale”** means the sale approved by the RLF Sale Order.

91. **“Scheduled Claim”** means any Claim that is listed in the Schedules with a liquidated amount, and is not identified therein as being contingent or disputed, and for which no Proof of Claim has been filed with the Claims Agent.

92. **“Schedules and Statements”** means the applicable *Schedule of Assets and Liabilities* and *Statement of Financial Affairs*, as first filed on October 14, 2025 [Doc. 155], and as amended on January 23, 2026 [Doc. 374], April 13, 2026 [Doc. 587], and August 4, 2026 [Doc. 713], and as the same may be further amended from time to time.

93. **“Secured Claim”** means a Claim that is secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Final Order of the Bankruptcy Court, or that is subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the Holder of such Claim’s interest in the Estate’s interest in such property or to the extent of the amount subject to

setoff, as applicable, as determined pursuant to section 506(a) or as Allowed pursuant to the Plan as a Secured Claim.

94. **“Statutory Fees”** has the meaning set forth in Section 4.4 of the Plan.
95. **“Solicitation Packages”** has the meaning set forth in Section 12.8 of the Plan.
96. **“Subrogee”** means parties with alleged subrogation rights related to a Recall Claimant’s Allowed Claim(s) against the Debtor.
97. **“Unclaimed Distribution”** has the meaning set forth in Section 9.7 of the Plan.
98. **“Unexpired Lease”** means any unexpired lease of commercial real property to which the Debtor is a party and that is subject to assumption or rejection under section 365 of the Bankruptcy Code.
99. **“Unimpaired”** means, with respect to any Class, Claim or Interest, not “impaired” within the meaning sections 1123 and 1124 of the Bankruptcy Code.
100. **“UST”** means the Office of the United States Trustee for the Eastern District of California.

EXHIBIT “B”

RIZO LOPEZ FOODS - LIQUIDATION ANALYSIS

Waterfall					
		CH. 7		CH. 11 Liquidating Plan	
		Low	High	Low	High
Proceeds	Total Asset (Book Value)				
Cash ¹	\$ 1,156,703	\$ 1,156,703	\$ 1,156,703	\$ 1,156,703	\$ 1,156,703
ERTC Claims (Est.)	1,900,000	-	1,900,000	-	1,900,000
Litigation Proceeds ²	TBD	TBD	TBD	TBD	TBD
Total Cash Proceeds		\$ 1,156,703	\$ 3,056,703	\$ 1,156,703	\$ 3,056,703
Ch. 7 Trustee Fees ³		(53,250)	(89,471)	-	-
Ch. 7 Trustee Professionals		(215,642)	(732,355)	-	-
Ch. 7 Statutory Fees		(10,410)	(27,510)	-	-
Ch. 11 Administrative Claims ⁴		-	-	-	-
Priority Tax Claims		(348,418)	(348,418)	(348,418)	(348,418)
Ch. 11 Professional Claims		(518,366)	(518,366)	(518,366)	(518,366)
Ch. 11 Statutory Fees		(10,616)	(10,616)	(10,616)	(10,616)
Available Cash⁵		-	\$ 1,329,966	\$ 279,303	\$ 2,179,303
Waterfall Recoveries	Est. Claims Amount^{6, 7}				
Class 1: Secured ⁷	\$ -	-	-	-	-
Class 2: Priority Non-Tax	192,771	-	192,771	192,771	192,771
Class 3: GUCs	91,393,743	-	1,000,000	TBD ⁵	TBD ⁵
Class 4: Rizo Subordinated ⁴	491,552	-	137,196	TBD ⁵	TBD ⁵
Class 5: Interests	N/A	-	-	-	-
Total Claims / Cash Available⁵	\$ 92,078,066	\$ -	\$ -	\$ 86,532	\$ 1,986,532

Net Recovery %					
		CH. 7		CH. 11 Liquidating Plan	
		Low	High	Low	High
Proceeds	Total Asset (Book Value)				
Cash ¹	\$ 1,156,703	100%	100%	100%	100%
ERTC Claims (Est.)	1,900,000	0%	100%	0%	100%
Litigation Proceeds ²	TBD	TBD	TBD	TBD	TBD
Waterfall Recoveries	Est. Claims Amount^{6, 7}				
Class 1: Secured ⁷	\$ -	100%	100%	100%	100%
Class 2: Priority Non-Tax	192,771	0%	100%	100%	100%
Class 3: GUCs	91,393,743	0%	1%	TBD ⁵	TBD ⁵
Class 4: Rizo Subordinated ⁴	491,552	0%	28%	TBD ⁵	TBD ⁵
Class 5: Interests	N/A	0%	0%	0%	0%

FOOTNOTES

- 1: Assumes Riverbank Land LLC sale proceeds have been received prior to the Plan effective date, and that all Chapter 11 administrative expenses have been paid in full, except the Class 4: Rizo Subordinated (see note 4), Chapter 11 Professional claims, and Chapter 11 Statutory Fees.
- 2: Proceeds from litigation are unknown. Any litigation recoveries may increase distributions to Class 3: GUCs, and potentially, to Class 4: Rizo Subordinated (see note 4).
- 3: Ch. 7 Trustee fees were calculated under §326 and projected amounts are based on total cash that is expected to be distributed.
- 4: Pursuant to the sale of substantially all of the Debtor's assets that closed on April 17, 2026 ("April 363 Sale"), claims under Class 4: Rizo Subordinated were subordinated to the first \$1,000,000 paid to the Class 3: GUCs.
- 5: Class 2, Class 3, and Class 4 claims are paid after liquidating trustee's fees and expenses, and administrative costs to liquidate the estate; fees, expenses, and costs are undetermined. **It is assumed that a Chapter 7 liquidation would be more costly due to (i) the cost of administering the liquidation through a federal court proceeding, (ii) payment of Chapter 7 statutory fees, and (iii) a Chapter 7 trustee would not be elected by the Unsecured Creditors' Committee ("UCC"), whereas The Debtor believes a liquidating trustee selected through the Plan process may allow for more efficient administration of remaining assets and claims than conversion to a Chapter 7.**
- 6: The foregoing is an estimate only and not to be misconstrued as an admission by the Debtor. These claims figures have not been fully adjudicated and are thus subject to change. Further, some claims may be reclassified as deficiency claims in whole or in part.
- 7: All Class 1: Secured claims were paid in full on/around April 17, 2026, the closing date of the April 363 Sale.