UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
RM BAKERY LLC, *et al*.,[1] Debtors.	Case No. 20-11422 (MG) Jointly Administered

This is not a solicitation of acceptance or rejection of the plan. Acceptances or rejections may not be solicited until a disclosure statement has been approved by the Court. This disclosure statement is being submitted for approval but has not been approved by the Court.

DISCLOSURE STATEMENT

for

THIRD AMENDED JOINT PLAN OF REORGANIZATION

of

RM BAKERY, LLC, AND BKD GROUP LLC

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July 15, 2024

[1] The Debtors in these Chapter 11 Cases and the last four digits of each Debtor's taxpayer identification number are as follows: RM Bakery LLC (7954) and BKD Group LLC (0624).
[2] During the coronavirus pandemic, please address all mail to: 48 Seneca Street, Dobbs Ferry, NY 10522.

THIS DISCLOSURE STATEMENT IS THE ONLY DOCUMENT AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE DEBTORS' THIRD AMENDED JOINT PLAN OF REORGANIZATION (THE "**PLAN**") PROPOSED BY RM BAKERY, LLC, AND BKD GROUP LLC. *NO OTHER REPRESENTATIONS CONCERNING THE DEBTORS, THE VALUE OF THEIR ASSETS, OR BENEFITS OFFERED UNDER THE PLAN HAVE BEEN AUTHORIZED.*

THE APPROVAL OF THIS DISCLOSURE STATEMENT MEANS THAT THE BANKRUPTCY COURT HAS FOUND THAT THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION TO PERMIT CREDITORS OF THE DEBTORS TO MAKE A REASONABLY INFORMED DECISION IN EXERCISING THEIR RIGHT TO VOTE UPON THE PLAN. COURT APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A RECOMMENDATION ON THE MERITS OF THE PLAN. A COPY OF THE PLAN IS ANNEXED HERETO AS **EXHIBIT 1** AND DESCRIBED HEREIN.

THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT EXCEPT AS EXPRESSLY INDICATED HEREIN. THIS DOCUMENT WAS COMPILED FROM INFORMATION OBTAINED BY AND FROM THE DEBTORS AND FROM OTHER SOURCES BELIEVED TO BE ACCURATE TO THE BEST OF THE DEBTORS' KNOWLEDGE, INFORMATION, AND BELIEF. CERTAIN OF THE FINANCIAL INFORMATION CONTAINED HEREIN IS FORWARD LOOKING AND NECESSARILY THERE CAN BE NO GUARANTEE OF THE ACCURACY OF THE INFORMATION.

THIS DISCLOSURE STATEMENT CONTAINS ONLY A SUMMARY OF THE PLAN. ALL CREDITORS AND OTHER INTERESTED PARTIES ARE ENCOURAGED TO REVIEW THE FULL TEXT OF THE PLAN AND TO READ CAREFULLY THE ENTIRE DISCLOSURE STATEMENT, INCLUDING ALL EXHIBITS, BEFORE DECIDING TO VOTE TO ACCEPT OR REJECT THE PLAN.

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SECTION I: INTRODUCTION

A. Overview

RM Bakery LLC ("**RMB**") and BKD Group LLC ("**BKD**", and together with RMB the "**Debtors**") submit this Disclosure Statement (the "**Disclosure Statement**") pursuant to Section 1125 of Title 11 of the United States Code (the "**Bankruptcy Code**"), to Creditors and Interest Holders of the Debtors in connection with the: (i) solicitation of acceptances of the *Third Amended Joint Plan of Reorganization of RM Bakery, LLC and BKD Group LLC,* dated June 28, 2024, as amended from time to time [Docket No. 396] (the "**Plan**"), proposed and filed by the Debtors with the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**"); and (ii) the hearing on Confirmation of the Plan. Unless otherwise defined herein, all capitalized terms contained herein shall have the meaning ascribed to them in the Plan. If a capitalized term is not defined in the Plan, it shall have the meaning ascribed to it in the Bankruptcy Code. A copy of the Plan is attached hereto as **Exhibit 1**. The Debtors are the Proponents of the Plan and are recommending that Holders of Claims vote to accept the Plan.

This Disclosure Statement describes the Plan and explains the Debtors' pre-bankruptcy operating and financial history, the events leading up to the commencement of these Chapter 11 Cases, significant events during these cases, and the anticipated results if the Plan is Confirmed and becomes effective. This Disclosure Statement also describes terms and provisions of the Plan, including certain effects of Confirmation of the Plan, certain alternatives to the Plan, and the manner in which Distributions will be made under the Plan. In addition, this Disclosure Statement discusses the Confirmation process and the voting procedures that Holders of Claims entitled to vote under the Plan must follow for their votes to be counted.

B. The Plan Confirmation Process

The Plan divides Creditors and Interest Holders into nine classes and specifies the Distributions which will be made to the members of that Class. The first eight classes are Creditors, and Class 9 is for Interest Holders. *Ballots are being provided only to creditors in Classes 1 through 8*. Such Creditors are deemed Impaired and entitled to vote. Class 9 is made up of the Holders of Equity Interests in BKD. As their equity is being canceled upon Confirmation and they are receiving nothing under the Plan, they are deemed to have rejected the Plan, and, therefore, are not entitled to vote. Class 9 will not receive Ballots.

The Bankruptcy Court has approved this Disclosure Statement as containing adequate information to permit Creditors and Interest Holders to make a reasonably informed decision in exercising the right to vote upon the Plan. Approval of this Disclosure Statement does not, however, constitute a determination by the Bankruptcy Court as to the fairness or merits of the Plan. Each Creditor, Interest Holder and party-in-interest should read this Disclosure Statement and the Plan in their entirety.

In accordance with Section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan on September 24, 2024, at 10:00_a.m. (the "**Confirmation Hearing**") before the Honorable Martin Glenn, Chief Judge of the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York New York 10004. The hearing may be held via zoom, rather than in person. Parties must make arrangements in advance through the website for the U.S. Bankruptcy Court of the Southern District of New York to participate telephonically or via Zoom. Further information on the Confirmation process is in Section XI below.

C. Representations and Limitations

NO PERSON IS AUTHORIZED IN CONNECTION WITH THE PLAN OR THE SOLICITATION OF VOTES THEREON TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT AND THE EXHIBITS ANNEXED HERETO, OR INCORPORATED HEREIN BY REFERENCE OR REFERRED TO HEREIN, OR AS OTHERWISE APPROVED BY THE BANKRUPTCY COURT, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MAY NOT BE RELIED UPON BY YOU AS HAVING BEEN AUTHORIZED BY THE DEBTORS OR THE BANKRUPTCY COURT. ANY REPRESENTATIONS OR INDUCEMENTS TO SECURE YOUR ACCEPTANCE OF THE PLAN OTHER THAN AS CONTAINED HEREIN SHOULD NOT BE RELIED UPON BY YOU.

THE INFORMATION CONTAINED HEREIN HAS BEEN PREPARED BY THE DEBTORS IN GOOD FAITH, BASED UPON UNAUDITED INFORMATION AVAILABLE TO THE DEBTORS AS OF THE DATE HEREOF. THE DEBTORS BELIEVE THAT THIS DISCLOSURE STATEMENT COMPLIES WITH THE REQUIREMENTS OF THE BANKRUPTCY CODE.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE OF THE PLAN, UNLESS ANOTHER TIME IS SPECIFIED HEREIN. DELIVERY OF THIS DISCLOSURE STATEMENT SHALL NOT CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE OF THIS DISCLOSURE STATEMENT AND/OR THE DATE THAT THE MATERIALS RELIED UPON IN PREPARATION OF THIS DISCLOSURE STATEMENT WERE COMPILED.

IT IS THE DEBTORS' POSITION THAT THE DISCLOSURE STATEMENT MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN, AND NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE ADVICE ON THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON HOLDERS OF CLAIMS AGAINST OR EQUITY INTEREST IN THE DEBTORS.

THE DESCRIPTION OF THE PLAN CONTAINED IN THIS DISCLOSURE STATEMENT IS INTENDED AS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN ITSELF. EACH CREDITOR AND EQUITY INTEREST HOLDER IS ENCOURAGED TO READ, CONSIDER, AND CAREFULLY ANALYZE THE TERMS AND PROVISIONS OF THE PLAN.

THE PLAN PROVIDES FOR INJUNCTIVE RELIEF AS TO THE DEBTORS. THE PERMANENT INJUNCTION SET FORTH IN THE PLAN WILL APPLY TO HOLDERS OF ANY CLAIM, EQUITY INTEREST, LIEN, ENCUMBRANCE OR DEBT, WHETHER SECURED OR UNSECURED, WHETHER PRIORITY STATUS OR NONPRIORITY, OR AN EQUITY INTEREST IN THE DEBTORS, EXCEPT AS OTHERWISE SET FORTH IN THE PLAN. CREDITORS AND EQUITY INTEREST HOLDERS WILL BE BOUND BY THIS INJUNCTIVE RELIEF UNLESS THEY TIMELY FILE OBJECTIONS IN ACCORDANCE WITH THE PROVISIONS SET FORTH HEREIN, APPEAR AT THE CONFIRMATION HEARING TO PROSECUTE AN OBJECTION, AND HAVE THEIR OBJECTION SUSTAINED.

This Disclosure Statement has been neither approved nor disapproved by the Securities and Exchange Commission (the "**SEC**") or any state securities regulator, and neither the SEC

nor any state securities regulator has passed upon the accuracy or adequacy of the statements contained in this Disclosure Statement. Neither of the Debtors have any public securities, nor does the Plan contemplate issuing public securities.

D. Your Review of This Document

The purpose of the Disclosure Statement is to set forth information that (i) summarizes the Plan and alternatives to the Plan, (ii) advises Holders of Claims and Equity Interests of their rights under the Plan, (iii) assists Creditors entitled to vote in making informed decisions as to whether they should vote to accept or reject the Plan, and (iv) assists the Bankruptcy Court in determining whether the Plan complies with the provisions of chapter 11 of the Bankruptcy Code and should be confirmed.

You are urged to read the Disclosure Statement to determine what rights you may have to vote on or object to the Plan before making any decision on any such course of action. Particular attention should be directed to the provisions of the Plan affecting your rights as they existed before the institution of these Chapter 11 Cases. Please note, however, that this Disclosure Statement cannot tell you everything about your rights. For instance, this Disclosure Statement cannot and does not provide a complete description of the financial status of the Debtors, all of the applicable provisions of the Bankruptcy Code, or other matters that may be deemed significant by Creditors and other parties-in-interest. You are also encouraged to consult with your lawyers and/or advisors as you review and consider the Disclosure Statement and the Plan to enable you to obtain more specific advice on how the Plan will affect you.

Be sure to read the Plan as well as the Disclosure Statement. If there are any inconsistencies between the Plan and the Disclosure Statement, the Plan provisions will govern. Bankruptcy Code Section 1125 requires that a Disclosure Statement contain "adequate information" concerning the Plan. The term "adequate information" is defined in the

Bankruptcy Code as "information of a kind, and in sufficient detail," about a debtor and its operations "that would enable a hypothetical reasonable investor typical of holders of claims or interests" of the debtor to make an informed judgment about accepting or rejecting the Plan.

E. Brief Explanation of Chapter 11

The commencement of a bankruptcy case creates an estate composed of all the legal and equitable interests of the Debtors as of the date they filed for bankruptcy protection. The Debtors filed their petitions for Chapter 11 relief on June 15, 2020. In a chapter 11 case, a debtor may continue to operate its business and remain in possession of its property as a "debtor-in-possession" unless the Bankruptcy Court orders the appointment of a trustee. The principal purpose of a chapter 11 case is to permit the debtor to reorganize its business. To further that interest, the debtor or a party-in-interest may submit a plan, which is a proposal for ultimately settling and/or satisfying the Claims against the debtor.

F. Important Dates

The Bankruptcy Court approved this Disclosure Statement by and through the Disclosure Statement Order (defined below) entered on _____, 2024, after notice and a hearing and in accordance with Section 1125 of the Bankruptcy Code. The Bankruptcy Court found that the information contained herein is sufficiently detailed to enable a hypothetical, reasonable investor typical of the class being solicited to make an informed judgment concerning the Plan. **HOWEVER, THE BANKRUPTCY COURT HAS NOT CONFIRMED THE PLAN, NOR IS THE DISCLOSURE STATEMENT OR THE DISCLOSURE STATEMENT ORDER TO BE CONSTRUED AS APPROVAL OR ENDORSEMENT OF THE PLAN BY THE BANKRUPTCY COURT.**

As stated in the Plan, the Bankruptcy Court has scheduled a hearing to consider Confirmation of the plan forSeptember 24, 2024 at 10:00 __a.m . Holders of Claims and Equity Interests and other parties-in-interest may attend this hearing. Objections to Confirmation of the Plan must be filed with the Bankruptcy Court on or before _____ __, 2024, with two courtesy copies sent to the Chambers of the Honorable Martin Glenn, and served to be actually received by_____, 2024, upon: (i) the Debtors, at mark.rimer@kuzarigroup.com; (ii) Counsel for the Debtors, Mayerson & Hartheimer, PLLC, at sandy@mhlaw-ny.com and david@mhlaw-ny.com; (iii) the Office of the U.S. Trustee, Attn: Shara C. Cornell, Esq., at, Shara.cornell@usdoj.gov; (iv) Counsel to FS Lender 2015 LLC, Dov R. Kleiner, at dkleiner@kkwc.com; (v) Counsel to Pacific Western Bank, Successor by Merger to Square 1 Bank, Brett S. Moore, Esq. and Kelly D. Curtin, Esq., at bsmoore@pbnlaw.com, kdcurtin@pbnlaw.com; (vi) Kuzari Investors 27323 LLC, at Benjamin.gerut@kuzarigroup.com; (vii) all parties entitled to notice under Local Bankruptcy Rule 9013-1(b) and (ix) all persons and entities that have formally appeared and requested service in these cases pursuant to Bankruptcy Rule 2002 (together, the "**Objection Notice Parties**").

All Ballots with respect to the Plan must be completed in full and signed to be counted in the tabulation of votes and must be received by Epiq Corporate Restructuring, LLC, the Claims and Solicitation Agent, no later than 5:00 P.M., prevailing Eastern time, on _____ __, 2024.

Completed and signed ballots should be returned by first class mail, overnight mail, hand delivery or email to the Claims and Solicitation Agent at the below address.

A. If by regular mail:

RM Bakery LLC Ballot Processing
c/o Epiq Corporate Restructuring, LLC
PO Box 4422

Beaverton, OR 97076-4422

B. If by hand delivery or overnight mail:

RM Bakery LLC Ballot Processing
c/o Epiq Corporate Restructuring, LLC
10300 SW Allen Blvd.
Beaverton, then 97005

C. If by the E-Ballot Portal:

Submit your Ballot via the Claims and Solicitation Agent's online portal by visiting https://dm.epiq11.com/rmb, clicking on "E-Ballot" under "Case Actions" and following the instructions to submit your Ballot.

G. Solicitation Procedures

Creditors holding Claims that are Impaired have the right to vote to accept or reject the Plan. Generally speaking, a Claim or Equity Interest is Impaired if the Plan alters the legal, contractual or equitable rights of the Holder of the Claim or Equity Interest. A Class of Creditors accept the Plan when Creditors holding two-thirds in amount and more than one-half in number of the Claims in such Class which actually vote, vote to accept the Plan. If no Claims in a Class vote, then that Class is deemed to accept the Plan.

In these Chapter 11 Cases, the Plan consists of eight (8) Classes of Claims and one (1) Class of Equity Interests. The Plan provides that Holders of Claims in Classes 1 through 8 who hold Allowed Claims on the Record Date for Voting are entitled to vote and will receive Ballots. If you believe that you are in one of these groups and do not receive a Ballot, you should contact the Claims and Solicitation Agent or counsel to the Debtors, David Hartheimer, at david@mhlaw-ny.com. Only Claims that are Allowed as of the Record Date for Voting are entitled to vote and will receive of Ballot.

Beneficial Holders of Equity Interests in Class 9 will receive nothing under the Plan. Accordingly, as a matter of law, they are deemed to have rejected the Plan. Accordingly, they will not receive Ballots.

H. Recommendation

Since filing the Petition on June 15, 2020, and suffering a huge downturn in their hospitality business due to the global Covid pandemic, the Debtors have worked very hard to turn around and stabilize their business. As a result of their efforts, they have been able to propose the Plan which provides distributions to every creditor. The Debtors believe that without this reorganization process, no unsecured creditors would have received any Distributions, and the Debtors' Secured Creditors would only have received partial Distributions. A liquidation analysis supporting this opinion is attached hereto as **Exhibit 2**. The Debtors have secured significant Exit Financing for a minimum of $1,250,000, most of which is being used to pay Creditors. This funding will not be available absent Confirmation of the Plan. Thus, it is the Debtors' opinion that the treatment of Creditors and Interest Holders under the Plan contemplates a greater recovery than that which is likely to be achieved under any alternative for reorganization or liquidation of the Debtors' business. Accordingly, the Debtors submit that Confirmation of the Plan is in the best interest of the Debtors' Creditors and recommends that all Holders of Claims vote to accept the Plan. **The Debtors strongly urge each Holder of a Claim to vote such Claim to accept the Plan.** If the Plan is not accepted and subsequently Confirmed, the Debtors may well be liquidated, which would provide no return for unsecured creditors or Interest Holders, and only a partial return to Secured Creditors.

I. Inquiries

If you have any questions about the packet of materials that you have received, please contact the Claims and Solicitation Agent, Epiq Corporate Restructuring, LLC, by email at RMBakery@epiqglobal.com, or Debtors' counsel at david@mhlaw-ny.com.

J. Exhibits

The following exhibits are annexed hereto and expressly incorporated herein.

Exhibit 1: A copy of the Plan.

Exhibit 2: A copy of the Debtors' Liquidation Analysis

Exhibit 3: A copy of the Debtors' Financial Projections.

Exhibit 4: A copy of RM Bony LLC's Quarterly Profit & Loss Statement.

All exhibits to the Plan and Disclosure Statement are incorporated into and are a part of the Plan and Disclosure Statement as if set forth in full therein.

K. Rules of Construction

The Rules of Construction and provisions for Computation of Time set forth in the Plan shall apply equally to the Disclosure Statement.

SECTION II: HISTORY AND ORGANIZATION OF THE DEBTORS

A. Description of the Debtors' Business

RMB is a wholesale artisanal bread and pastry bakery in the Bronx that produces over 400 different breads and pastries for customers in the tri-state area, consisting of hotels, restaurants, country clubs, and caterers. Products are made to order from scratch every day and delivered fresh to customers via distributors. Prior to these Chapter 11 Cases, the Debtors did

their own deliveries, but one of the cost-saving changes they have made during these Chapter 11 Cases is to switch to distributors. The business is in a designated Economic Opportunity Zone and employs more than seventy (70) hard-working bakers, packers, and office staff. RMB has two subsidiaries, RMB BONY LLC ("**BONY**") and Baked Wholesale LLC ("**Wholesale**"). The two subsidiaries have not filed for protection pursuant to chapter 11. As described more fully below in Section VII.C the Reorganized Debtor intends on merging BONY and Wholesale into the Reorganized Debtor after the Effective Date; provided, it can do so in a cost-effective manner. The majority of the employees are residents of New York and are ethnically diverse. The Bronx-based bakery facility itself, as well as the residences of the majority of the employees, are in an area that is demographically very low income. RMB is proud to give hard workers from the nearby area employment opportunities. RMB is wholly owned by BKD, which has also guaranteed some of RMB's debt. BKD's only asset is an Equity Interest in RMB.

As further discussed below, the Debtors commenced their Chapter 11 Cases to protect its business (as well as its employees) from (i) imminent replevin and a summary judgement sought by Pacific Western Bank ("**Pac West**"), (ii) certain other meritless lawsuits, and (iii) to provide the Debtors with a breathing spell from the threat to its otherwise viable business (and its 70 some employees) from the adverse effects to their business from the Covid 19 pandemic. On the Petition Date, the Debtors expected Covid to be short-lived. Instead, it has adversely affected Debtors' business for four years, and it has taken tremendous dedication by both management and staff to turn around and stabilize the business. Through their settlements with Pac West and other parties, as well as the breathing spell afforded by these chapter 11 filings, which provided the opportunity for the Debtors to effectively react to the challenges of the Covid 19 pandemic and restructure their business to return to profitability in the face of these

difficult times, the Debtors were able to accomplish the goals for which they filed these Chapter 11 Cases.

B. Prepetition Capital Structure and Debt Obligations

1. Secured Debt

a. The Secured Debt of Pac West

On or about May 2, 2013, the predecessor-in- interest to Pac West, Square 1 Bank ("**Square 1**") made a loan to RMB, as borrower, in the original principal amount of $5,000,000 (the "**Pac West Loan**"). The Pac West Loan was authorized, approved, and guaranteed by the U.S. Small Business Administration (the "**SBA**") pursuant to a written Loan Authorization of the SBA dated April 10, 2013. The Pac West Loan is evidenced by an SBA Loan agreement, dated May 2, 2013 (the "**Square 1 Loan Agreement**"). The loan is further evidenced by a certain SBA Note, dated May 2, 2013, executed by RMB as borrower, to Square 1 Bank as original lender, in the principal amount of $5,000,000 (the "**SBA Note**").

To secure its indebtedness under the SBA Note and Square 1 Loan Agreement, RMB granted Square 1 a first priority security interest in substantially all of the assets of RMB, including Accounts, Chattel, Paper, Instruments, Documents, Inventory, General Intangibles, Equipment, furniture, and Proceeds and Products thereof (the "**Pac West Collateral**").

As a condition of the Pac West Loan, certain affiliates of RMB provided a guarantee of RMB's indebtedness to Square 1 by entering into written guarantees with Square 1 (the "**Affiliate Guarantees**"). Subsequently, in June 2016, BKD also provided Square 1 with a written guarantee (the "**BKD Guarantee**").

Effective October 6, 2013, Square 1 merged with Pac West, and Pac West became the successor, by merger, of Square 1's rights as original lender under the Pac West Loan. Accordingly, Pac West is now the holder and owner of the SBA Note, Square 1 Loan Agreement, security instruments, guaranties, and the other loan documents.

On June 1, 2016, RMB, as borrower, and Pac West, as lender, entered into a loan modification agreement extending the term of the loan to May 1, 2026. At that time, BKD also provided a written guarantee of RMB's indebtedness.

As will be discussed in more detail below, Pac West subordinated a portion of its security interest in the Pac West Collateral, namely its interest in accounts receivable, accounts, inventory, and proceeds thereof, to Mayrich Capital, LLC ("Mayrich"); although, on the Petition Date the parties disputed whether such subordination was still in effect. As a result of the subordination agreement, it has been the Debtors' position that Pac West only had a second priority position on accounts receivables, accounts, inventory, and proceeds thereof.

Prior to the Petition Date, RMB was in payment default on the Pac West Loan, and Pac West accelerated the Pac West Loan and sued RMB for payment, sued BKD on the guarantee, and sued on all the Guarantees. The suit against RMB and BKD was stayed by these Chapter 11 Cases.

As of the Petition Date, approximately $3,075,000 remained outstanding under the PAC West Facility. The Debtors took the position that Pac West was vastly under secured due to the subordination of a portion of its security interest and the value of its equipment.

b. The Secured Debt of GSB Industries LLC, Formerly Held by Mayrich

In June 2017, RMB entered into a revolving line of credit agreement with North Mill Capital ("**NMC**") for $1,250,000, which was secured with a first lien against RMB's

accounts receivable, accounts, inventory, and proceeds thereof, as well as substantially all of the Assets of BKD (other than BKD's choses in action) and certain equipment of RM BONY (the "**Mayrich Facility**"). To enable this loan to take place, as discussed in more detail below, Pac West subordinated its first lien in certain assets, but maintained a second lien on same. RMB, as borrower, entered into a Revolving Credit Master Promissory Note, dated June 8, 2017, (the "**Mayrich Note**") pursuant to which NMC extended a secured revolving line of credit facility to RMB in the original of a maximum amount of 1.25 million dollars ($1,250,000).

Since RMB was having liquidity problems in 2017 and needed the Mayrich Facility to survive, and Pac West did not wish to loan any further funds to RMB, Pac West agreed to subordinate to NMC with respect to their first lien on Accounts, Inventory, Deposit Accounts, General Intangibles related thereto, and Products and Proceeds thereof accounts receivable, accounts, inventory, and proceeds thereof through an inter-creditor agreement between NMC and Pac West also dated June 8, 2017 (the "**Intercreditor Agreement**"). Under the Intercreditor Agreement, NMC had a first lien on the above enumerated items (the "**Mayrich First Lien Collateral**"); while, Pac West maintained a second lien. Also pursuant to the Intercreditor Agreement, Pac West agreed to put any past due principal payments to the end of the loan term.

NMC subsequently sold and assigned its loan and security interests to Mayrich, subject to the Intercreditor Agreement. As of the Petition Date, Pac West disputed whether the Inter-creditor Agreement applied to NMC's assignee, Mayrich. This dispute has largely become inconsequential at this time, as both Pac West and Mayrich have agreed to their treatment under the Plan, subject to documentation and Confirmation.

On the Petition Date, Mayrich was owed $1.2 million ($1,200,000). The Debtors took the position that Mayrich was undersecured on the Petition Date, and that the value of

its Collateral on the Petition Date was seven hundred fifty thousand dollars ($750,000). As a result, Pac West's second lien on the Mayrich First Lien Collateral was of no value on the Petition Date.

Subsequent to the Petition Date, Mayrich sold its loan, together with all security agreements, loan documents, etc., and assigned its interests in the Inter-creditor Agreement to GSB Industries LLC. GSB has agreed to the treatment which Mayrich agreed to under the Plan.

c. Other Secured Financing

The Debtors are also parties to various other secured purchase money financing agreements with respect to machinery and equipment. Some of these agreements are written as loan agreements; while, others purport to be leases. As reflected herein, the Debtors have been able to work out payment plans with most of their equipment financers.

2. Unsecured Debt

The majority of Debtors' unsecured debt is to vendors to the business, as well as issuers of credit cards to the business. Including the deficiency Claims of Pac West, the Debtors project that the total Non-insider General Unsecured Claims in these Chapter 11 Cases will be approximately $4 million. More than half of this is the Pac West deficiency Claim.

3. Equity Holders

RMB is a wholly owned subsidiary of BKD. BKD, in turn, is owned 90.76% by Kuzari Investor 27323 LLC, the member-manager of BKD. KI 27323, in turn, is owned by numerous outside investors who beneficially own the Debtors. It is not anticipated that such

investors will receive any distributions under the Plan. As described elsewhere herein, however, the company providing the Exit Financing will offer the beneficial owners of the Debtors an opportunity to invest in such company.

To help the Debtors through liquidity issues prior to the Petition Date, KI 27323 did not take certain of its management fees when due, and loaned money to the Debtors. As a result, it has General Unsecured Insider Claims against the Debtors. During the course of these Chapter 11 Cases, KI 27323 sold such Claims to Kuzari Manager.

SECTION III: EVENTS LEADING TO THE CHAPTER 11 CASES

Several events and factors severely impacted the profitability of the Debtors' bakery business, ultimately leading to the litigation issues and liquidity pressures that precipitated the Debtors' decision to commence these Chapter 11 Cases.

The Debtors' problems began soon after the inception of RMB. RMB was initially incorporated as a vehicle to purchase the assets of an existing bakery named Rollo Mio Artisan Bakery. The initial equity holders of RMB were KI, (the current 90.76% owner of BKD, the parent of RMB), together with Christian Matthaeus ("**Matthaeus**"). The funds that RMB used for this acquisition and for initial operations were a $1.25 million equity investment by KI 27323 and a five million dollar ($5,000,000) secured loan from Square 1 Bank, the predecessor to Pac West, secured by substantially all of the assets of RMB. The loan from Square 1 Bank was guaranteed by the SBA. Matthaeus did not invest any funds into the business. The business arrangement between KI 27323 and Matthaeus was that KI 27323 would invest the capital, and Matthaeus would contribute his expertise and bakery operating skills.

In less than a year of operation, it became apparent that the condition and profitability of the business had been grossly misrepresented by the sellers of Rollo Mio. So RMB found itself operating a distressed company rather than the healthy thriving business it was led to believe it was acquiring. To make matters worse, Matthaeus did not have any experience operating a distressed business, nor did he have adequate skills in this regard. With revenues declining and the loss of a large contract, Matthaeus announced in June 2014 that he was no longer willing or able to lead the business. He resigned. There followed a period of severe turmoil while the equity owners, who had been relying on Matthaeus for his knowledge and expertise in operating bakeries, attempted to restructure the business and operations, without the leadership of Matthaeus.

After Matthaeus's departure, RMB undertook a search for a new CEO, and in October 2014, hired Frederic Lebourg ("**Lebourg**"). Lebourg was a seasoned bakery executive, having been CEO at Rudi Foods and Neuhauser USA. He had opened at least five new bakery facilities during his career and appeared to be ideal for the role. At the time he took over running the business on a day-to-day basis, the business was substantially underperforming.

One of Lebourg's first actions as CEO was to determine that RMB was at capacity at its then bakery facility in Queens, and could therefore never grow sufficiently to service its debt without moving to a larger facility. He located the current facility in the Bronx (the "**Facility**"), which would take the bakery from an 8,000 square-foot facility to 22,500 square feet, and determined to move RMB there in order to take advantage of business development opportunities.

The move did not go smoothly. During RMB's renovation of the Facility, it became apparent that the new Facility had significant problems. RMB discovered the Facility was not waterproofed, and, therefore, was not fit for the bakery that RMB planned to construct. The landlord would not remedy this defect voluntarily, and RMB was forced to commence an action

against the landlord to compel the landlord to remediate the condition of the facility. As a result of the defect in the condition of the facility and the ensuing litigation, the move to the Facility was delayed for well over a year, from March 2016, to Summer 2017, after the litigation was resolved and the landlord provided a habitable facility. Because of this unexpected delay, the already distressed financial condition of RMB worsened, causing RMB a significant cash flow problem.

Faced with an increasingly distressed business and significant cash flow issues, it became apparent that Lebourg was not in firm control of day-to-day operations. As a result, the Debtors had to raise an additional investment of $1,375,000 to survive. The funds came $1.2 million from the existing KI 27323 investors, and $175,000 from the remaining shareholders of BKD. While there was no official change to the management team, KI 27323, as managing member, watching its investment balloon, started to take a greater oversight role.

By the time RMB eventually moved into the Facility in the Bronx in Summer 2017, RMB was so far behind in executing on Lebourg's business plan that Lebourg felt unable to continue in his role as CEO. He resigned from the Debtors abruptly on just 30 days' notice, leaving the company operationally unstable. Without an experienced CEO, the Debtors were unable to properly utilize the new space and to provide their customers with basic levels of customer service and logistics. Not only was the ability to add new customers-- a key component of Lebourg's business plan-- severely diminished, but also RMB started losing existing customers because of the chaos created by the move and Lebourg's sudden departure.

At this juncture, the Debtors found themselves in a facility too large for their business and unable to attract a reliable CEO to a highly leveraged business that was in chaos. To further exacerbate the situation, Square 1 Bank was merged into Pac West. Pac West indicated that this type of loan was outside of its typical lending profile, and that they hoped to get out of the credit as soon as possible.

In June 2017, RMB entered into the 1.25-million-dollar revolving line of credit agreement with NMC described above in Section II.B.1.b. Without this funding, the company would not have been able to survive.

Around this period of time, minimum wage increased from nine dollars ($9.00) an hour to fifteen dollars ($15.00) an hour. As a bakery business is labor intensive, this increase in minimum wage created a significant new hardship on the Debtor with a direct effect on its ability to operate profitably.

Also, around this time, in summer of 2018, KI 27323 became much more "hands on" in its oversight and management of the Debtors. Mark Rimer from KI 27323, took on day-to-day responsibilities with RMB, and became the acting CEO. One of the first things Mr. Rimer did was to hire a senior executive team to stabilize operations and execute on the acquisition strategy started under Lebourg's leadership. RMB hired two executive vice presidents (one to oversee operations and one as a head baker), as well as a Chief Financial Officer. To fill the role of CFO, the company hired Norman Rich ("**Rich**"). Unbeknownst to Mr. Rimer or anyone else at the company, Rich was struggling with extreme mental illness, which tragically culminated with Rich taking his own life in the winter of 2020.

After Rich's hire in Summer of 2018, the Debtors relied heavily on him to assist with the stabilization of the business. Unfortunately, the Debtors' reliance on Rich had the opposite effect on the company. A symptom of his mental illness was the need to exert total control and, if necessary, conceal problems from others in order to appear successful. Unfortunately, this led to his giving inaccurate financial information to management. Without anyone at the company knowing, as bills mounted and became past due, Rich was stuffing past due notices and lawsuits into drawers and not responding to them, as well as failing to complete tax returns and internal financial statements. The internal financial statements which he did complete did not have correct information. Thus, the Debtors were not paying bills, not filing their taxes, not

responding to lawsuits, and the businesses' performance was much worse than anyone knew. Additionally, the inability to provide Pac West with timely, accurate financial statements and tax returns further exacerbated the already tenuous relationship with Pac West and made it very difficult to reach any accommodation with them.

As it eventually became apparent to management that Rich was not functioning properly, around October 2019, Rich simply stopped coming to work and responding to inquiries from management. Trying to find books and records in his office in Rich's absence, management discovered unanswered lawsuits and unpaid bills in his desk. Tragically, Rich lost his long battle with mental health in the winter of 2020 and committed suicide. In addition to the personal loss, this made it impossible for management to re-create some of the knowledge which only Rich had.

Although the Debtors' operational underperformance was stabilized by spring of 2018, it was insufficient to meet expenses. The business was only generating $1.2 million in revenue in the first quarter of 2018, versus a breakeven of $3 million per quarter. The problem was that the Debtors were not fully utilizing their 22,500 square-foot Facility. The Debtors, continuing with their acquisition of new business strategy, looked for potential partners who could help bring the facility up to capacity, so that it could operate at a profit.

RMB identified two acquisition targets: Beldotti Bakeries, Inc. d/b/a Good Bread ("**Good Bread**") and Bakery of New York ("**BONY**"). The sellers of Good Bread were the Beldotti brothers, and the licensor of BONY was Manuel Marino. As RMB had lost money in every quarter since the move to the new facility, none of the purchase consideration or integration costs could be funded from retained earnings. Instead, the Debtors funded the transactions with a combination of equity investments from new and existing investors and the conversion of loans from KI 27323 into equity, as well as, further loans from individual partners of KI 27323 of approximately $3.6 million. In addition, the sellers took back notes

and/or entered into lucrative consulting agreements with RMB. The results of the two transactions were immediate, bringing RMB to an almost breakeven level by the fourth quarter of 2018, but it was not all good news. Pac West disagreed with the strategy of bringing in more business by acquisition and felt that if RMB could have raised more money, it should have instead raised funds to pay down Pac West and not for acquisitions or licensing arrangements. Thus, the acquisitions irreparably harmed the Debtors' relationship with their principal lender.

Further destabilizing the Debtors' business, the Beldotti brothers did not live up to their obligations under their consulting agreements, which was an essential component of the structure of the Debtors' acquisition of their company. As a direct result of this failure, the revenue from Good Bread dropped by approximately 50% within six months of the acquisition. On January 23, 2020, the Beldottis commenced a meritless lawsuit in New York state court alleging fraud and breach of contract against RMB. This was another precipitating factor in the Debtors commencing the Chapter 11 Cases. Although the Debtors believed RMB had defenses to the Beldotti lawsuit, the Debtors could not afford the distraction nor the expense of a protracted litigation while they were in their precarious pre-petition financial position. As will be discussed below, in the Chapter 11 Cases, the Debtors were able to settle this matter for a nominal amount.

While RMB had been able to steadily increase revenues by approximately $1 million annually each year since 2017, such sales growth was insufficient to show a profit since moving into the Facility, given the large amount of debt held by the Debtors. Management tried all possible avenues to increase the revenues to the $11-12 million annual range, which would have allowed the Debtors to start to show a profit. The Debtors determined that the key to success was growing sales by acquiring complementary businesses, such that, the Facility could have become fully utilized, which would have made it profitable. However, Pac West

blocked further acquisitions, and management had been so focused on putting out the fires of various lawsuits that it had become difficult to grow internally.

In January 2019, after very difficult negotiations, RMB entered into a Loan Default Agreement with Pac West agreeing to a revised payment schedule that would be satisfactory to Pac West. RMB, however, did not make all of the payments required under the Loan Default Agreement. Prior to the filing of the Chapter 11 Cases, RMB had not made a payment to Pac West since June 2019. Pac West became increasingly upset as the Debtors continued to miss payments and could not provide accurate financial information due to the problems with Rich. With the Debtors not being profitable, and Pac West threatening foreclosure, it was impossible for the Debtors to raise any further capital through loans or equity from the investors who had been helping the Debtors.

In December 2019, Pac West filed a summary judgment action against (i) RMB as borrower, (ii) BKD as guarantor, and (iii) all of the Affiliate Guarantors, in the amount of $3,077,244.08, in the Supreme Court of the State of New York. Shortly thereafter, they also filed a replevin action to replevy virtually all of the assets of the Debtors.

The Debtors continued to attempt to negotiate a settlement with Pac West, but after a short period of time, Pac West refused any further negotiations. Before the Debtors could even come to terms with failure to reach an out-of-court resolution with Pac West, the coronavirus pandemic hit and completely changed the outlook for the Debtors. Within just a few days, the Debtors' orders plummeted. Most of RMB's customers are restaurants, hotels, country clubs, caterers and events businesses. At the outset of the pandemic, almost all restaurants had closed except for takeout and delivery, and hotels either closed or ran at an absolute minimum occupancy. In addition, the big conventions and other events that attract tourists to New York which filled the hotel and restaurant customers of the Debtor were cancelled. The Debtor lost

65% of its business almost overnight. The impact of the coronavirus made it impossible for the Debtors to continue in business without the breathing space afforded by chapter 11.

SECTION IV: SIGNIFICANT EVENTS DURING THE CHAPTER 11 CASES

A. First Day Motions

Soon after the Petition Date, the Debtors filed a number of motions and other pleadings (the "**First Day Motions**") to ensure an orderly transition into Chapter 11, including (i) a motion for joint administration of the Debtors' Chapter 11 Cases, (ii) a motion to approve case management procedures, (iii) a motion (a) to approve use of cash collateral, (b) to approve debtor-in-possession financing, (c) for adequate protection and (d) other relief, (iv) a motion for approval of adequate assurance of payment to utility services and for continuation of service, (v) a motion to authorize the Debtors to (a) pay prepetition wages and related obligations, (b) pay and remit payroll taxes and other deductions to third parties, (c) honor and process workers compensation and employee benefit obligations, and (d) authorize and direct all banks to honor checks and transfers for payment of prepetition employee obligations, and (vi) a motion to pay creditors critical to Debtors' continued business. The Bankruptcy Court ultimately granted the First Day Motions with certain adjustments or modifications to accommodate the concerns raised by the Bankruptcy Court, the United States Trustee, and other parties-in-interest. Subsequent to the approval of the critical vendor motion, RMB entered into critical vendor agreements with two vendors: King Arthur Flour and Fresh & Tasty Distributors.

1. The Debtor-in-Possession Financing

Most important among these First Day Motions was the motion for use of cash collateral, debtor-in-possession financing, and adequate protection. Pursuant to this motion, the Debtors were granted the use of cash collateral upon the terms specified therein, and received

approval to borrow a debtor-in-possession revolving credit facility of up to $1 million from FS Lender 2015 LLC (the "**DIP Lender")** to be loaned to the Debtors consistent with a revolving 90 day budget. The DIP Lender was made up of existing investors in the Debtors. To secure the debtor-in-possession financing, the DIP Lender was provided with super priority claims in accordance with Sections 364(c)(1) and 507(b) of the Bankruptcy Code and a valid, perfected first priority lien, and a junior lien, on substantially all of the pre-petition and post-petition assets of the Debtors, subject to pre-existing liens, the Replacement Adequate Protection Liens of the existing lenders, and the Carveout for professionals. In order to consent to the DIP Loan, both Pac West and Mayrich were granted Adequate Protection Replacement Liens in post-petition collateral which mirrored the extent and priority of their pre-petition liens. In addition, Pac West was provided with adequate protection payments of $2,500 per month. There is a Carveout from the liens of the DIP Lender in the amount of $40,000 for the benefit of professionals and the U.S. Trustee Fees. The DIP Loan bears interest at 10% per annum and has a 2% commitment fee, which are payable in kind. The maturity date is the earliest of (i) the date which a plan of reorganization for either of the Debtors becomes effective, (ii) the day on which the DIP Obligations become immediately due and payable pursuant to the terms of the DIP Credit Agreement or by court order, or (iii) the date that substantially all of the assets of RMB are sold, transferred, or alienated in any way.

During these Chapter 11 Cases, the Debtors have gone back to Court on occasion to increase the amount of the DIP Loan. The current amount approved by the Court is $2 million.. As is addressed more fully in Section VI.F below, if the Debtors succeed and confirm the Plan, under the terms of the DIP Facility, the Allowed Secured Claims of FS Lender, will convert to equity in the Reorganized Debtor at the rate of four New Equity Units for each dollar of debt. Thus, the increased amount of the DIP Facility only affects the Class 3 creditors (GSB) and Class 8 creditors (Insider General Unsecured Creditors) who's claims are also converting to

equity in the event of confirmation, as their equity will be diluted by FS Lender's additional claim converting to equity.

On the other hand, in the event of a liquidation, either under a conversion of these Chapter 11 Cases to cases under chapter 7 or pursuant to a dismissal of the case, only FS Lender is affected by the increase in the approved DIP Amount. The DIP loan is junior to (i) the Carve out of $40,000, (ii) the secured claim of Pac West of $300,000 and (iii) the Secured Claim of GSB (formerly of Mayrich) of $750,000. Thus, in order for FS Lender to see one dollar from a liquidation, a liquidation would have to net $1,090,000. The Debtors believe that a liquidation of their assets would net $1,385,147. See Exhibit 2 (the Liquidation Analysis). Thus, if the assets of the Debtors are liquidated, the Debtors believe that FS Lender would only receive $295,147, after payment to the more senior secured creditors. Thus, as FS Lender prior to the last amendment to the DIP (which increased the amount from 1.5 million dollars to 2 million dollars) had already advanced much more than the amount of the available collateral, it would only receive a fraction of its claim in the event of a liquidation. Now that the DIP amount is increased, FS Lender will still only receive $295,147, which would be a smaller percentage of their secured claim. Prior to the leatest DIP Amendment, when FS Lender had advanced $1,500,000 , there would be nothing available to unsecured creditors in the event of a liquidation (as there are no unencumbered assets) The increasing of the DIP Facility will have no effect on unsecured creditors. The unsecured Creditors were receiving no distribution in the event of a liquidation before the additional $500,000 was advanced, and likewise the general unsecured creditors will continue to receive no distribution after the additional $500,000 was advanced, in the event of a liquidation.

Thus, in short, in the event the Debtors confirm their Plan, only Insiders and GSB are affected by the increased DIP Amount (and the insiders have consented to increasing the DIP Facility) and in the case of a liquidation, by dismissal or by conversion, it is only FS Lender

that is affected. No other creditors are affected. Thus, the Debtors submit that increasing of the DIP Facility benefited the estate, because it made reorganization possible, and it had no adverse effect on Pac West, GSB and the non-insider unsecured creditors.

B. Schedules of Assets and Liabilities and Claims Bar Date

On June 18, 2020, both of the Debtors filed their Schedules of Assets and Liabilities and Statement of Financial Affairs [Docket Nos. 10 through 14]. On July 23, 2020, RMB filed amended schedules E, F, and H [Docket No. 62].

On October 12, 2020, the Debtors filed a motion seeking entry of a Bar Date for filing Claims in these Chapter 11 Cases [Docket Nos. 88 and 89], On October 29, 2020, the Bankruptcy Court entered an order approving the motion and setting December 9, 2020, as the general Claims Bar Date and December 14, 2020, as the governmental Claims Bar Date [Docket No. 98].

C. Exit from Distribution Business and Corresponding

1. Rejection of Certain Contracts

On October 23, 2020, RMB filed a motion seeking the rejection of three vehicle leases [Docket No. 90]. Prior to the Petition Date, RMB performed its own distribution of its products to its customers. To facilitate this distribution, RMB leased a small fleet of vehicles. Prior to the Petition Date, the Debtors determined that it would be more cost-effective to outsource the distribution of its products. In furtherance of this outsourcing, prior to the Petition Date, RMB returned all of its leased vehicles to their respective lessors. Nevertheless, the leases were still outstanding, and even though the lessors had possession of the vehicles, the three lessors would not terminate the leases voluntarily. They continued

to bill RMB for the leases, even though the vehicles had been returned. Debtor sought rejection of these leases to relieve the Debtors of a large burden for which it was receiving no benefit whatsoever.

On November 19, 2020, the Bankruptcy Court signed an order granting the motion and authorizing RMB to reject the three vehicle leases [Docket No. 107].

D. Settlement with the National Labor Relations Board

On August 24, 2020, the National Labor Relations Board (the" **NLRB**") filed a motion to compel payment of an administrative expense [Docket No. 71]. The NLRB filed an amended motion seeking the same relief on December 14, 2020 [Docket No. 123]. Prior to the Petition Date, a law firm called Make the Road New York ("**MRNY**") filed a charge with the NLRB on behalf of Juan Carlos Abarca, Clayton Brown, Nestor Marquez, René Moran, and Gilberto Paniura (the "**Individuals**") alleging that the Individuals had been unlawfully terminated from their alleged employment as drivers with RMB. Although RMB disputed these charges and asserts that the Individuals were independent contractors who did not comply with the requirements for insurance of drivers, it never formally replied to the complaint due to Rich failing to tell anyone that such charges had been filed. Instead, Rich hid the complaint and allowed a default judgement to be entered. As a result, on October 8, 2019, the NLRB issued an order granting a default judgment in favor of the Individuals, requiring that RMB (a) to post certain notices (the "**Notification Requirements**"), (b) expunge any disciplinary actions from the Individuals' files (the "**Expungement Requirement**"), (c) reinstate the Individuals as employees (the "**Reinstatement Requirement**"), and (d) make the Individuals whole for back pay through the date of reinstatement, including interest and taxes (the "**Back Pay Requirement**").

On December 27, 2019, the United States Court of Appeals for the Second Circuit entered judgment enforcing the NLRB order in full (the "**Judgment**"). On January 7, 2020, the NLRB issued a letter to Debtor demanding compliance with the Judgment. When RMB received this letter, it was the first time anyone with the Debtors, other than Rich, had heard about this action.

On February 13, 2020, RMB filed a Motion to Recall Mandate with the United States Court of Appeals for the Second Circuit, explaining the situation with Rich and that no one other than Rich had had notice of the NLRB complaint and the Second Circuit judgment. While RMB's motion was still pending, on February 20, 2020, the NLRB advised RMB by letter that the NLRB's Region 3 office referred the matter to the NLRB's Contempt, Compliance, and Special Litigation Branch ("**CCSLB**") to determine whether to pursue contempt proceedings. By the same letter, CCSLB advised RMB that it would postpone its investigation into whether RMB was in contempt of the Court's Judgment until the Second Circuit ruled on Debtor's motion.

Unfortunately, on March 3, 2020, the Second Circuit denied RMB's motion to recall the mandate, and CCSLB commenced its investigation into whether RMB was in contempt of the Court's Judgment.

Prior to the Petition Date, RMB satisfied both the Notification Requirements and the Expungement Requirement. RMB attempted to satisfy the Reinstatement Requirements by offering employment to the Individuals. The NLRB disputed the validity of Debtor's offers of appointment, which led to a dispute as to whether backpay continued to accrue as a post-petition administrative obligation of RMB. Accordingly, the NLRB filed a proof of claim on August 24, 2020 (docketed as Claim No. 19), for backpay, interest, and taxes on behalf of the Individuals in the aggregate amount of $285,906.08, of which, the NLRB took the position that $54,395.05 was a priority claim, and $29,682.40 was an administrative claim. On that same

date, the NLRB filed their motion for payment of the alleged $29,682.40 Administrative Claim [Docket No. 72]. On December 11, 2020, the NLRB, alleging that backpay continued to accrue, purported to amend its Proof of Claim by filing an amendment to its motion for payment of administrative claim increasing the administrative claim to $89,679, and thereby increasing its overall claim to $345,902.68 [Docket No. 123]. MRNY filed claims on behalf of the Individuals duplicating the claims of the NLRB.

In light of the disputed Claims, the motion of the NLRB for payment of an administrative claim, and the continuing enforcement actions by the NLRB, which could have resulted in liability against not just RMB, but also BKD as a "Responsible Person", the Debtors engaged in settlement discussions with the NLRB. The NLRB and Debtors successfully came to a global resolution of all claims between them and RMB, as well as all claims against BKD as a putative Responsible Person, and all claims brought by MRNY on behalf of the Individuals. The NLRB embodied the settlement in a Compliance Stipulation executed by itself, the Debtors and MRNY, which was the subject of a motion filed by RMB on May 20, 2021, pursuant to Rule 9019 of the Bankruptcy Rules, to approve the Compliance Stipulation [Docket No. 160].

The terms of the settlement were as follows: (i) the Claims of the Individuals filed by MRNY are permanently expunged, and Claim No. 19 filed by the NLRB is Allowed as a General Unsecured Claim in the amount of $181,645.77; (ii) in addition, the NLRB is granted and Allowed Administrative Claim in the amount of $55,289.18, payable in six monthly installments. The first installment will be paid on the Effective Date of the Debtor's Plan, and each of the five subsequent installments will be paid at one-month intervals thereafter, such that the Allowed Administrative Claim will be paid in full by that date which is five months after the Effective Date of the Plan; (iii) no further Administrative Claims will accrue during the Chapter 11 Cases as a result of the Backpay Requirements, (iv) Mr. Rimer will cause

another company, Featherstone Distribution LLC, which is not an affiliate of either of the Debtors as that term is defined in the Bankruptcy Code, but in which Rimer had a 100% beneficial interest, to offer employment to the Individuals within fourteen (14) days of Court approval of the NLRB settlement at a wage of $16-$17 per hour; provided, the Individual meets certain employment qualifications set forth in the Stipulation of Settlement; (v) the Individuals agreed to file no further Claims in the Chapter 11 Cases; and (vi) there are various default provisions if the Debtors do not live up to their obligations pursuant to the settlement which would greatly increase the Allowed Claims of the NLRB.

On June 21, 2021, the Bankruptcy Court entered an order approving the NLRB Settlement [Docket No. 166]. The terms of the Stipulation of Settlement are incorporated by reference in the Plan. Subsequent to entry of the order approving the settlement, Featherstone offered employment to all of the Individuals pursuant to the settlement. None of the Individuals responded to the offer.

E. The Beldotti Adversary Proceeding and Subsequent Settlement

On August 8, 2020, Beldotti Bakeries LLC ("**Beldotti Bakery**"), Michael Beldotti ("**Michael**") and Christopher Beldotti ("**Christopher**" and together with Beldotti Bakeries and Michael, the "**Beldotti Parties**"), commenced an adversary proceeding against RMB, by filing a complaint with the Bankruptcy Court (the "**Beldotti Complaint**"), seeking a denial of discharge, based on its allegations that RMB fraudulently induced the Beldotti Parties to enter into certain agreements and had not lived up to such agreements, and that, therefore, RMB was not entitled to a discharge of any Claims in these Chapter 11 Cases, particularly the Claims of the Beldotti Parties**.** On August 11, 2020, the Beldotti Parties also filed Unsecured Claims against RM Bakery totalling $708,493.79. The Debtors disputed these Claims, as well as the allegations made by the Beldotti Parties contained in the Beldotti Complaint.

On September 10, 2020, RMB filed an answer disputing the allegations of the Beldotti Parties and asserting affirmative defenses and counterclaims against the Beldotti Parties (the "**Beldotti Answer**"), alleging breach of contract and receipt of avoidable fraudulent transfers by the Beldotti Parties.

In order to avoid the time, expense, and uncertainty of litigation, on October 23, 2020, RMB and the Beldotti Parties entered into a settlement agreement (the "**Beldotti Settlement Agreement**") providing that RMB would pay the Beldotti Parties a one-time payment of $20,000 in complete settlement of all claims of the Beldotti Parties against the Debtors. Upon payment of the $20,000, the Debtors and the Beldotti Parties would exchange mutual releases releasing one another from all Claims of whatever kind or nature. Additionally, the Beldotti Parties agreed to withdraw the Proofs of Claim filed by the Beldotti Parties. Finally, the Debtors and the Beldotti Parties agreed that upon payment of the $20,000, the Beldotti Complaint and the counterclaims and the affirmative defenses contained in the Beldotti Answer, would be dismissed with prejudice.

On November 9, 2020, the Bankruptcy Court granted the Beldotti Settlement Motion and entered an order, approving the Settlement Agreement [Docket No. 91; ADV Docket. No. 8-2 in Adv. Proc. No. 20-01204] between RM Bakery and the Beldotti Parties. On February 12, 2021, the Bankruptcy Court entered an order dismissing the Beldotti Adversary Proceeding with prejudice and deeming all Claims filed by the Beldotti Parties withdrawn.

F. The Lift Stay Motions brought by 220 Coster LLC and Settlements

RMB sublets its facility from KI 27323, which in turn leases the Facility from 220 Coster LLC ("**Coster**" or "**Landlord**"). Despite not having any contractual relationship with either Debtors nor being a Creditor in either Chapter 11 Case, 220 Coster filed two motions to lift stay during the pendency of these Chapter 11 Cases. Coster filed its first lift stay motion on

December 3, 2020 [Docket No. 120] (the "**First Coster Motion**"). Coster filed its second motion to lift stay on May 17, 2022 [Docket No. 241]. Although RMB filed an objection to the First Coster Motion on January 6, 2021, [Docket No. 126], and raised meritorious defenses, the Debtors did not want to expend resources on costly litigation, so instead the Debtors entered into settlement negotiations with Coster. Through these settlement negotiations, the Debtors and Coster reached a settlement that was memorialized in a stipulation subsequently approved by the Bankruptcy Court. The material terms of the settlement were the following: First, the Debtors agreed to pay Coster directly $52,217 for the January and February 2021 rent (instead of paying the rent to KI 27323, and KI 27323 then paying the rent to Coster). Second, the Debtors agreed to pay the March and April 2021 rents directly to Coster. Third, Coster agreed to adjourn the First Lift Stay Motion for 90 days. Fourth, Coster agreed to continue to adjourn the hearing date for the First Lift Stay Motion if RMB continued to make timely rent payments. Fifth, the parties agreed that if RMB failed to make February 2021 or March 2021 rent payments in a timely fashion, then the Landlord could advance the motion on an emergency basis, on not less than three days' notice. Sixth, Coster preserved any rights it had to any past due rents for October, November or December 2020, as well as preserved its rights regarding late fees, interest or penalties. On January 12, 2021, the Bankruptcy Court approved the stipulation by "so ordering" the stipulation [Docket No. 132].

On May 17, 2022, Coster filed its Second Lift Stay Motion [Docket No. 241]. On June 22, 2022, the Debtors filed their response to the Second Lift Stay Motion (the ("**Second Lift Stay Response**"). In the Second Lift Stay Response, the Debtors' arguments included: (i) contrary to the statements made in the Second Lift Stay Motion, the Facility was vital for the Debtors' reorganization, (ii) that as the Landlord was neither a Creditor of the Debtors nor a party with any contractual relationship with the Debtor, Coster did not have standing to bring

the Second Lift Stay Motion, (iii) that the motion was deficient on its face, (iv) Coster failed to meet its burden of proof, and (v) Coster did not establish cause.

Although the Debtors believed they had meritorious defenses to the Second Lift Stay Motion, in order to avoid the uncertainty and expenses of litigation, as well as the catastrophic result that would occur if the Debtors' objection to the motion was overruled, the Debtors engaged in settlement discussions with Coster. These settlement talks resulted in a settlement with Coster which was memorialized in a stipulation dated July 13, 2022 (the "**Second Coster Stipulation**"). The material terms of the Second Coster Stipulation are as follows: (i) upon Court approval of the Second Coster Stipulation, Debtors and/or KI 27323 would pay to Coster $58,283.06, consisting of June rent of $31,729.18 (inclusive of previously agreed-upon arrearages and a late fee of $1510.91), property taxes of $24,053.88, and legal fees of $2,500 for the Coster's legal cost for the preparation of the Second Lift Stay Motion, (ii) KI 27323 and RMB agree to timely pay all rent due for the Premises to Coster from the date of approval of the Second Coster Stipulation through Confirmation of the Debtors' plan of reorganization, but in no event later than the 12th of each month following Court approval of the Second Coster Stipulation, (iii) if the rent was not paid to Coster by the 12th of the month, Coster would be permitted to give written notice to the Court that the rent had not been paid by the 12th of the month, and unless such notice was disputed by the Debtors, the automatic stay would be deemed modified 48 hours after Coster's filing of the notice to permit Coster to pursue eviction proceedings without any further court order. The Second Coster Stipulation provided that if the Debtors in good faith dispute whether the rent was paid by the 12th, the Court would hold a hearing on shortened notice solely to determine whether the rent was paid by the 12th of the month; (iv) the Debtors (and KI 27323) would be required to add an additional $1,500 to monthly rent payment as set forth above, for the shorter of (x) the Effective Date of the Debtors' confirmed plan of reorganization, or (y) nine months from the date the Stipulation is approved

(such date being referred to as the "**Payment Deadline**"), (v) on the Payment Deadline, KI 27323 and/or the Debtors would pay Coster the April and May 2022 rent of $63,458.37, minus any payments of $1,500 per month which have been made in the meantime. The Debtors have complied with the payments required by the Stipulation. The Second Coster Stipulation contained certain acknowledgements including: (i) the existence of a valid lease modification agreement which the parties agreed to abide by, and (ii) the lease between KI 27323 and Coster, as well as the sublease between KI 27323 and RMB are both in full force and effect.

Most importantly, the Second Coster Stipulation also provided the terms pursuant to which the Debtors can assume the lease. It provides the should the Debtors seek assumption, all amounts pursuant to the First and Second Coster Stipulations must be paid up to date. Immediately prior to the assumption, KI 27323 will assign the lease to RMB, and Coster agrees to such assignment. RMB will then immediately assume the lease, making it in direct privity of contract with Coster. The Plan provides that RMB will assume the lease on the Effective Date in accordance with the terms of the Second Coster Stipulation.

On July 15, 2022, the Bankruptcy Court approved the Second Coster Stipulation by "So Ordering" said stipulation [Docket No. 271].

G. The Motion to Compel Payment of Administrative Expense Brought by the Hartford

On August 26, 2021, The Hartford Underwriters Insurance Company ("**The Hartford**") brought a motion for entry of an order to compel the Debtors to pay the past due post-petition premiums owed for workers compensation insurance provided by The Hartford as an Administrative Expense Claim (the "**Hartford Motion**"). Both before and after the filing of the instant Chapter 11 Cases, The Hartford issued various insurance policies to the Debtors providing the Debtors workers compensation, business owner and umbrella coverage. At the time The Hartford brought The Hartford Motion, the Debtor owed the Hartford the sum of

$47,757.48. At the same time, the Hartford owed the Debtors a credit for $7,278.07, thereby leaving a net unpaid balance of $40,479.41 owed by the Debtors' to the Hartford.

The Debtors' and The Hartford entered into good faith negotiations to resolve the dispute underlying the Hartford Motion. On December 3, 2021, the Debtors and The Hartford presented a stipulation of settlement to the Bankruptcy Court. Under the settlement, The Hartford receives an Allowed Administrative Claim in the sum of $40,479.41. The Debtors were required to pay that amount in 6 consecutive instalments of $6,746.56 each starting on January 15, 2022, or on the Initial Distribution Date under any Confirmed plan, whichever is sooner.

On December 3, 2021, this Court Approved the settlement by "So Ordering" the Stipulation [Docket No. 195].

As a result of further informal negotiations with The Hartford, the Plan provides the Debtors will assume all contracts with The Hartford at Confirmation, and will pay The Hartford $26,263.11 on the Initial Distribution Date on account of its Allowed Administrative Claim. Thereafter, upon the final dividend calculations under the contracts, the Debtors will promptly pay The Hartford any further amounts it owes, or The Hartford will promptly pay the Reorganized Debtor any amounts which it owes.

H. The Debtors' Application for an SBA Emergency Injury Disaster Loan

As stated above, at the outset of the Covid pandemic, most of the Debtors' customers had to close their doors, resulting in a 65% reduction of business. Throughout the pendency of the Chapter 11 Cases, the Debtors have worked tirelessly to revive the business and have made great strides in doing so. These efforts include seeking an Emergency Injury Disaster Loan (the "**EIDL Loan**") from the SBA in 2021. The Debtors were optimistic that if they could obtain

the low cost EIDL Loan, they would be able to attract one or more investors and emerge from bankruptcy in 2021.

The EIDL Loan program is a U.S. governmental loan program administered by the SBA and established as part of the Coronavirus Aid, Relief, and Economic Security Act (the "**CARES Act**") and related legislation. The purpose of the loan program is to help in the recovery of small businesses which were injured by the Covid pandemic. The program provides loans on extremely favorable terms to eligible small businesses.

In May of 2021, RMB and its subsidiary BONY applied for two EIDL loan(s). The original application was for the maximum allowable amount of $400,000. Subsequent to the filing of the application, legislation raised the maximum amount of an EIDL Loan to $2 million, and RMB and BONY thereafter changed their request to a total of $1 million divided equally between the two borrowers. Despite the Debtors' best efforts to obtain these EIDL loans, these loans were never ultimately advanced.

Attempting to obtain the proposed EIDL loan was a long and torturous process with many ups and downs. On several occasions, the SBA threatened to decline the loan or said it was declining the loan, only to reinstate the application. Debtors, despite constant and persistent inquiry of the SBA, were left in the dark for weeks at a time. Eventually, in their persistent attempt to get to the finish line, the Debtors had to involve a consultant, who advocated for the Debtors at both the SBA, as well as the House Oversight Committee having oversight of the EIDL program, and involved the good graces of Senators Schumer and Gillibrand.

Subsequent to filing the application(s) in May 2021, the Debtors heard almost nothing despite checking in with the SBA on an almost weekly basis. During this period, the loan application was being handled entirely in-house without the involvement of outside counsel or consultants. Only after the involvement of the consultant and Sen. Gillibrand's office in early

2022 did the SBA start looking at the loan application. There was a sudden flurry of activity from February 1, 2022, through March 23, 2022, in which the SBA asked for more information concerning the Debtors and the Chapter 11 Cases in order to process the loan. The Debtors immediately responded to all requests.

On April 12, 2021, a Tuesday, the SBA informed the Debtors that it was on the verge of approving the loans, but indicated that in order to approve the loan, the Chapter 11 Cases would either need to be dismissed or the plan of reorganization confirmed by the end of the week. As neither of those requests would be possible or viable, the Debtors engaged in intense negotiations with the SBA. Through these negotiations, the Debtors were able to convince the SBA that one could proceed without dismissal or confirmation, and so, the Debtors proposed two options to the SBA. The first was to conditionally approve the loan subject to Confirmation of an acceptable plan, and the Debtors would proceed to file a plan with the EIDL loan as part of the exit financing. The SBA rejected this approach, because it said it does not grant conditional approvals, and now that the loan application was in the queue, they needed to act within a certain number of days. The second approach was to seek Court approval of the loan immediately and take down the loan prior to Confirmation. The SBA indicated the second option would be its preferred path; however, they stated that the Debtors would need to get approval of the loan by the end of the week which was two days hence. Debtors explained that this was not feasible, and that, indeed, it was not in the SBA's best interests, because even if the Debtors could miraculously get final approval in two days, the approval would clearly lack due process and be open to attack.

While the Debtors indicated a willingness to try to get final approval on shortened notice by an order to show cause, they also indicated that they could not possibly get approval by the end of the week, and indicated that they needed to bring other Secured lenders into the loop, which would take some time. Eventually, the Debtors and the SBA agreed to proceed

with getting interim approval of the loan promptly, followed by final approval once all of the loan documents were finalized. Debtors tried to ascertain exactly what the SBA was looking for in the interim and final orders, but the SBA refused to give any guidance.

The Debtors proceeded to promptly file a motion on April 18, 2022, for interim authorization, and scheduled a hearing for Final Authorization for May 5, 2022. The Debtors understood from communications from Sen. Gillibrand's office that as soon as the SBA had the interim authorization order, and the Debtors provided signed resolutions, the loan would be formally approved, and the loan documents would be generated. On April 27, 2022, the Bankruptcy Court granted the Debtors' Motion for Interim approval of the EIDL loan, and entered the *Interim Order (i) Authorizing the Debtors to Obtain Postpetition Financing, (ii) Granting the Liens to The SBA and (iii) Scheduling a Final Hearing* (the "**Interim EIDL Order**") [Docket No 237].

The same day as the Court entered the Interim EIDL Order, the Debtors sent the order as well as executed resolutions to the SBA and requested the final loan documents. Instead, the SBA asked for further clarifying information. The Debtors provided all of the information requested and repeated their requests for the loan documents, but the documents were not forthcoming. The Debtors repeatedly reminded the SBA that they would need to adjourn their hearing if they did not get the loan documents, but the SBA did not seem in any hurry. Both the consultant and Sen. Gillibrand's office worked to expedite delivery of the formal approval and loan documents. The Debtors became increasingly concerned, as newspaper articles indicated that the EIDL program was running out of money, and so they repeatedly asked the SBA for clarification on timing and the loan documents.

On May 13, 2022, Mr. Rimer was emailed a form letter from the SBA declining the loan. The letter, however, on its face, appeared inapplicable to the Debtors' situation for a number of reasons. First, it did not come from the office with which the Debtors had been

dealing and appeared to be a form letter. Second, it implied that the SBA had just discovered that the proposed borrower was in bankruptcy, which was contrary to a year's worth of negotiations. Third, the letter stated that before a loan could be approved, the Chapter 11 Cases either had to be dismissed, or there had to be a confirmed plan of reorganization. As the Debtors had already hashed this out with the SBA at great length, it did not make sense that the SBA was returning to this position as a reason to decline the loan. Accordingly, the Debtors were concerned, but ultimately felt that the letter was a form letter which probably did not apply, and set about making inquiries to be sure.

Inquiries were made of the SBA by the Debtors, Sen. Gillibrand's office, and the consultants. The general consensus was that the Debtors had received a form letter, and that the loan had not been declined. On May 20, 2022, Mr. Rimer received an email from the officers with whom he had been working at the SBA, who indicated that due to financial constraints, the SBA had not yet moved forward with a decision on the loan. The consultant, through his investigation, determined that while the EIDL loan consideration was currently on hold, funding could come back to the program. No one, however, was able to provide the Debtors with a timeline on which their loan might be finally approved.

Accordingly, the Debtors requested that the Bankruptcy Court adjourn the EIDL Motion *sine die*, as the Debtors believed that if the Motion was withdrawn, the Interim EIDL order reversed, or final approval denied, the Debtors would no longer meet all the requirements for an EIDL Loan. As the application period had since closed, this would prevent the Debtors and their affiliates from re-applying for an EIDL Loan should money come back into the program. Accordingly, the Debtors wanted to keep the possibility of this very favorable loan open, even though, they would simultaneously be seeking alternate financing arrangements.

The Bankruptcy Court subsequently held a hearing to determine whether it should vacate the SBA Interim Order. After the hearing was held, on June 24, 2022, the Bankruptcy

Court entered an order vacating the Interim SBA Order [Docket No. 264]. The Debtors believe that since the Interim EIDL Order has been vacated, it is no longer eligible for and EIDL Loan, even if the program were to receive funding.

In retrospect, although the Debtors should have received the EIDL loan, the EIDL application process proved very deleterious to the Debtors' reorganization. The Debtors lost a great deal of time and money dealing with this issue, not to mention the loss of credibility with its current lenders, Creditors, and investors. The difficulties concerning the EIDL loan delayed the Debtors' reorganization by well over a year.

I. Retention of Professionals

Pursuant to Court Order, the Debtors employed the firm of Mayerson & Hartheimer, PLLC, as general counsel to the Debtors. Also pursuant to Court Order, the Debtors employed the firm Vernon Consulting, Inc. ("**Vernon**") as accountants and financial advisors to the Debtors. On or about July 2021, Vernon indicated that they no longer wanted to serve as financial advisor. In August 2021, the Debtors employed Sherwood Partners, Inc. ("**Sherwood**") pursuant to Court Order, to replace Vernon as financial advisor. Although the Debtors initially consulted Sherwood occasionally, since August 2021, most of the financial work, including preparation of the Monthly Operating Reports, has been done by Mr. Rimer personally in order to save money.

Additionally, the Debtors employed the firm of Epiq Corporate Restructuring, LLC , as Claims and Solicitation Agent pursuant to Court Order, and has authority from the Court to employ Ordinary Course Professionals.

J. The Effects of Covid 19 on the Debtors' Business and Their Efforts to Combat Those Effects

As stated above, at the outset of the Covid pandemic, most of the Debtors' customers had to close their doors, resulting in a 65% reduction of business. The filing of the Chapter 11 Cases and the bankruptcy protection afforded by these filings, provided the Debtors a breathing spell to combat the effects of the pandemic. In addition to applying for the EIDL loan, as described above, the Debtors undertook several other efforts to reorganize and stabilize their business. Chief among these has been the Debtors' efforts to profitably utilize the unused capacity of the Facility. As explained above, since moving into the Facility in the summer of 2017, one of the main business objectives of the Debtors has been to increase operations there to fully utilize the large production capacity of the Facility. During the pendency of the Chapter 11 Cases, the Debtors have continued this effort by contracting with other bakery businesses to use the Facility, both during hours that the Debtor is operating, as well as during the night shift when RMB is not currently operating due to decreased demand since Covid.

The Debtors have entered into two contracts with other bakery businesses to increase the usage of the Facility. The first contract is with Bread Craftsmen LLC, a subsidiary of a major baking company, to use the Debtors' facility overnight, during the night shift, when the Debtors would otherwise not be operating. Under this arrangement, RMB is currently receiving an additional $29,705 per month of revenue, and the monthly payment increases 3% each year on the anniversary.

The second contract is with Newlight Breadworks, another bakery business, whereby RMB is also contracting to utilize the Debtors' Facility during the daytime. Newlight will provide all of its own ingredient inventory to produce baked goods, but utilizes some of the Debtors' laborers, and some of its own. The contract commenced on January 1, 2022, and requires Newlight to pay Debtors $5,000 a month for the first six months, $10,000 a month for

the next six months, and $15,000 a month thereafter, with a 3% annual increase. The Debtors have no incremental cost to comply with this contract, as the baker is simply utilizing what would be the Debtors' downtime and unused capacity. The arrangement is for a maximum run rate of $2 million of product a year, which the Debtors believe they can handle without eroding any of the capacity needed for producing their own products. With these two arrangements, the Debtors believe they are able to better utilize Debtors' space, which had been one of the big challenges facing the Debtors since moving into the Facility.

In addition to these efforts, the Debtors have restructured their business, so that, they no longer need to maintain a costly fleet of vehicles for distribution. All of the distribution is now done by an outside vendor, which has proven more cost-effective. The Vendor, in addition, has been able to send some business the Debtors' way.

The Debtors have also sought new business outlets to replace customers that were lost, many of them permanently, due to the Covid pandemic.

Throughout these Chapter 11 Cases, the Debtors have diligently tried to obtain financing to emerge from bankruptcy. Several prospects, such as the EIDL Loan, failed. Finally, Mr. Rimer, one of the principals of the Debtors, sold another business of his in order to monetize his investment therein and have cash to use for the Exit Financing.

K. Abandonment of RM Bakery Manager LLC

The Bankruptcy Court authorized and approved the abandonment of RM Bakery Manager LLC ("**Manager**"), a wholly-owned subsidiary of RMB, on November 9, 2020 [Docket No. 109]. Manager has been defunct for a number of years and has no business, no assets, and no liabilities of which the Debtors are aware. It has been a drain on the resources of RMB, because, it costs money to maintain its corporate standing and file tax returns. As it was

a burden to RMB and of inconsequential value, the Debtors abandoned this asset to stop the drain on their resources.

L. Loss of Exclusivity

Pursuant to Section 1121(b) of the Bankruptcy Code, Debtors have an exclusive period to file a plan of reorganization for 120 days from the Petition Date. Similarly, pursuant to Section 1121(c) of the Bankruptcy Code, the Debtors had 180 days from the Petition Date to exclusively solicit acceptances of a plan. These exclusivity periods provide great value to a debtor, because, they prevent a hostile party from coming in and trying to take over a debtor. Unfortunately, due to the ravages of Covid on the Debtors' business, the Debtors were unable to propose a plan during the initial exclusivity period. Accordingly, on three separate occasions, the Debtors went to the Court to request an extension of the exclusivity periods. By Court Order dated November 9, 2020 [Docket No. 108], the Court granted Debtors' motion to extend the exclusive periods for proposing a plan and soliciting acceptances to February 10, 2021, and April 12, 2021, respectively. By order dated February 9, 2021 [Docket No. 144], the Court granted Debtors' motion to extend the exclusive periods to May 11, 2021, and July 9, 2021, respectively. By Order dated May 7, 2021 [Docket No. 159], the Court granted Debtors' motion to extend the exclusive periods to September 8, 2021, and November 5, 2021, respectively. The Debtors felt that it was inappropriate to request any further extensions. As a result, the exclusive period to file a plan expired on September 8, 2021, and the exclusive period to solicit acceptances expired on November 5, 2021.

SECTION V: SUMMARY OF THE PLAN

A. Description of the Plan

The following is a brief summary of certain provisions of the Plan; however, this summary is not comprehensive. The Plan and not the Disclosure Statement is the legally operative document that controls the relationship between the Debtors and their Creditors and Interest Holders. Therefore, the Plan should be read carefully and independently of this Disclosure Statement. Creditors are urged to consult with counsel and other professionals in order to fully resolve any questions concerning the Plan and how it affects them.

B. Overview

The Structure of the Plan is that RMB will be substantively consolidated with BKD for all purposes, including voting and distribution, with any intercompany or duplicate Claim eliminated. The consolidated Debtor, referred to as the Reorganized Debtor, will issue New Equity Units in exchange for certain debt. Other claimants will receive cash Distributions. The existing Equity will be cancelled by the Plan and will be eliminated. The Plan will be funded by a loan from Leaven of not less than $1,250,000, which amount can be doubled over the next year. Such amount will be used to fund the Plan Distributions on the Initial Distribution Date in accordance with the classification and treatment of the Claims contained in the Plan, as well as to provide working capital. After the Distributions on the Initial Distribution Date, the Reorganized Debtor intends to merge with its wholly-owned subsidiaries: RM BONY LLC and Baked Wholesale LLC; provided, it can do so tax effectively. As RM BONY operates at a profit, such merger will increase the cash flow of the Reorganized Debtor. After the Plan is substantially consummated, Leaven may offer to swap its shares for shares of the Reorganized Debtor, resulting in the Reorganized Debtor becoming a wholly-owned subsidiary of Leaven.

Should that happen, it will not disturb any of the Reorganized Debtor's obligations under the Plan, nor be considered a change of control for purposes of Plan provisions.

C. Claims

Any Creditor who failed to file a Proof of Claim on or before the appropriate Bar Date and was not listed on the Schedules or is listed as "disputed," "contingent" or "unliquidated" cannot be treated as a Creditor with respect to such Claim for purposes of voting on and receiving a Distribution under the Plan.

All Proofs of Claim filed in these Cases will be reviewed, and to the extent necessary, the Debtors will file objections to the Claims. The Court will retain jurisdiction to adjudicate objections to Claims brought by the Debtor, including any settlements or compromises of such claims.

D. Summary of Categories of Claims

The table below provides a summary of the classification of Allowed Claims under the Plan. The figures set forth in the table below represent the Debtors' best estimate of the total amount of Allowed Claims in these Chapter 11 Cases. These estimates have been developed by the Debtors based on (i) an analysis of the Debtors' books and records and the Claims Docket in these Chapter 11 Cases, and (ii) known Claims and filed Claims. By order of the Bankruptcy Court [Docket No. 98], December 9, 2020, was set as the last date for filing Proofs of Claims for prepetition Creditors with Epiq, the Debtors' Claims and Solicitation Agent. Pursuant to Article 2.1(d) and (f) of the Plan, any Administrative Expense or Claim which is not filed by the Administrative Expense Bar Date is forever barred. The Administrative Expense Bar date is the first Business Date that is thirty (30) days after the Effective Date of the Plan, or such other date as the Bankruptcy Court may order. There can be no assurance of

the amount of Claims which may be filed and be Allowed by the Bankruptcy Court. Accordingly, there can be no guarantee that the Allowed Claims in each Class will not exceed the amount set forth or described herein. The Allowed Claims may also ultimately be less than described herein. Nothing set forth in the schedules shall be deemed an admission by the Debtors as to the existence, validity, priority or amount of any Claim asserted against the Debtors' Estates. The Debtors fully reserve all of their rights to object to Claims.

The treatment of each category of Claims is discussed in detail below in Section VI.

CLASS	NATURE OF CLAIMS	ESTIMATED DOLLAR AMOUNT OF CLAIMS IN CLASS
Unclassified Ordinary Administrative Claims	Costs and expenses incurred during the pendency of the Chapter 11 Cases, not including professionals	Approximately $900,000
Unclassified Administrative Expense of Pac West	Unpaid adequate Protections due to Pac West	$72,500
Unclassified-Professional Fee Claims	Unpaid Administrative Claims of Professionals retained pursuant to Court Order .	Amounts owed to professionals in excess of retainer: approximately $326,000.
Unclassified-Administrative-503(b)(9) Claims	Reclamation Claims.	$87,775.65
Statutory Fees	Fees payable to the United States Trustee pursuant to Section 1938 of title 28 of the United States code	Approximately $59,000
Unclassified-Priority Tax Claims	Priority Tax Claims	Approximately $226,157
Class 1.	Classified Priority Non-Tax Claims	Approximately $2,000.00
Class 2.	Secured Claim of Pacific Western Bank ("**Pac West**")	$412,500 (The remainder of approximately $2,889,253 will be a Class 6 Non-insider General Unsecured Claim.)

Class 3.	Secured and Unsecured Claims of GSB, formerly belonging to Mayrich Capital LLC	Value of Collateral of $750,000 will "ride through" the bankruptcy on the existing terms of their credit and security agreements, and GSB will maintain its existing lien post-Confirmation up to a maximum of $750,000. The remainder of the GSB Claim of approximately $630,000 will be converted to New Equity Units at the rate of four New Equity Units per one dollar of Face Amount of Allowed Unsecured Claim.
Class 4.	Secured Claim of FS Lender 2015 LLC, the DIP Lender	Approximately $2,000,000 of principal and approximately $500,000 of interest and commitment fee, plus reimbursement of professional fees which is approximately $12,000.
Class 5	Other Secured Claims for equipment leases	Approximately $139,541
Class 6.	Non-insider General Unsecured Claims	Approximately $4 million
Class 7.	Non-insider General Unsecured Claims - Convenience Class for claims less than $15,000	$256,117.09
Class 8	Insider General Unsecured Claims	Approximately $4,045,500
Class 9	Equity Interests	N/A

E. Treatment of Claims

The treatment of each category of Claims is detailed below in Section VI. In summary, Allowed Priority and Administrative Claims will be paid in full either on the Initial Distribution Date or over time, or in such amount as the Claimant may agree. The Allowed Secured Claim of Pac West will be satisfied by payment in full of the past due Adequate Protection payments at Confirmation, and the payment of $300,000 over time, which payments will be secured by a lien on Equipment of the Reorganized Debtor, subject to other liens granted in this Plan. The

remainder of their claim will be a Non-insider General Unsecured Claim. The Allowed Secured Claim of GSB, which had formerly belonged to Mayrich, in the amount of $750,000, will ride through the bankruptcy. The amount of their deficiency Claim, approximately $630,000, will convert to equity in the Reorganized Debtor at the rate of four New Equity Units for each dollar of the deficiency Claim. The Allowed Secured Claims of FS Lender, which provided the DIP Financing, will convert to equity in the Reorganized Debtor at the rate of four New Equity Units for each dollar of debt, and the professional fees of FS Lender will be paid in full on the Initial Distribution Date. Other Allowed Secured Claims, which consist of purchase money financing for equipment, will be paid as agreed with the equipment lender. If there is no agreement, at the option of the Debtor, the Allowed Secured Claim will be discharged by either (i) the Allowed Amount of the Secured Claim (reflecting the value of the Collateral) will be paid in quarterly installments over 36 months from the Initial Distribution Date, or the Collateral will be returned after the Initial Distribution Date. Any deficiency Claims will be Non-insider General Unsecured Claims. Allowed Non-insider General Unsecured Claim will receive their pro rata share of $50,000 on the Initial Distribution Date, as well as their pro rata share of 25% of the Net Profits of the Reorganized Debtor for three years beginning with the first full fiscal year after the Effective Date. Allowed General Unsecured Claims of fifteen thousand ($15,000) or less, including any Allowed General Unsecured Claim which is voluntarily reduced by the Claimant to fifteen thousand dollars ($15,000), will receive their pro rata share of $20,000 on the Initial Distribution Date. Insider General Unsecured Claims will be converted to equity in the Reorganized Debtor, and all existing Interests in the Debtors will be canceled.

SECTION VI: TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. Administrative Expense Claims

Allowed Administrative Expense Claims are Claims against the Estates for any cost or expense incurred during the Chapter 11 Cases that are Allowed and entitled to Priority under Sections 503(b) and 507(a)(1) of the Bankruptcy Code, including, but not limited to, all actual and necessary expenses, and all allowances of compensation or reimbursement of expenses of Professionals retained by the Debtors to the extent permitted by the Court. In these Chapter 11 Cases, the Administrative Expense Claims include (i) ordinary Administrative Claims for costs or expense incurred during the Chapter 11 Cases, (ii) Pac West Adequate Protection payments that are unpaid on the Effective Date, (iii) the statutory fees due to the Office of United States Trustee, (iv) Claims of Professionals approved by order of the Bankruptcy Court, (v) reclamation claims pursuant to Section 503(b)(9) of the Bankruptcy Code, and (vi) Administrative Claims for unpaid taxes during the pendency of these Chapter 11 Cases. With some exceptions, Allowed Administrative Claims must be paid in full on the Initial Distribution Date unless the Claimant agrees to another treatment. In the instant case, as detailed below, many of the Administrative Claimants have agreed to a different treatment. Accordingly, of the estimated $900,000 in Administrative Claims, the Debtors expect to pay approximately $250,000 on the Initial Distribution Date, and $650,000 over time, all as detailed below.

1. Ordinary Administrative Claims

The Plan provides that Allowed Administrative Claims incurred in the ordinary course of business, other than Professional Fee Claims, Pac West Administrative Expense Claims, United States Trustee Fees, and Section 503(b)(9) Claims, will be paid in the ordinary course unless the Holder of the Claim has agreed to a different treatment. If such Claim is Allowed

after the Effective Date, such Claim will be paid when it is Allowed or as soon as practicable thereafter.

Notwithstanding the foregoing, the Debtors have reached Agreement with many of their Administrative Claimants to pay the Administrative Claims over time, and may reach further agreements with other Administrative Claimants. The agreements currently in place are:

a. **The NLRB.** The NLRB has agreed to a different treatment for its Allowed Administrative Claim. The details of the agreement with the NLRB are set forth in Section IV.D above.
b. **The Hartford.** The Hartford has agreed to a different treatment for its Allowed Administrative Claim. The details of the agreement with The Hartford are set forth in Section IV.G above.
c. **The Landlord (220 Coster).** The Landlord has agreed to different treatment for its Allowed Administrative Claim. The details of the agreement with the Landlord are set forth in Section IV.F above.
d. **Consolidated Edison ("Con Ed").** Con Ed has agreed to a different treatment for its Allowed Administrative Claim as follows:
    i. Con Ed as an Allowed Administrative Claim in the amount of $510,531.80 through June 14, 2024, which includes $21,590 for a new security deposit.
    ii. All new bills rendered after June 14, 2024, will be paid timely.

iii. $100,000 was to be paid by July 15, 2024 or as soon as the Court approved the Debtors' motion to increase the amount of the DIP Facility, and such amount was paid in July..

iv. $125,000 will be paid on the Initial Distribution Date, which shall include the $21,590 security deposit. Since the existing segregated account of $20,000 as additional security for all utilities will be released on the Effective Date, a portion of this payment will be made by transferring the amounts and sent it To Con Ed.

v. The Reorganized Debtor will pay Con Ed monthly payments of $10,000 each by the 15th of each month for 28 months commencing with the month following the Initial Distribution Date.

vi. A final installment of $5,531.80 will be paid in the 29th month by the 15th of the month.

vii. No additional late fees, interest, or penalties will be added to the $510,531.80 Allowed Administrative Claim, so long as, the above payments are made timely.

viii. Con Ed will not discontinue services for late payment of the $510,531.80, so long as, the above payments are made timely.

ix. Alternatively, if, after making the first $100,000 payment, debtor pays $326,182.28 on or before the Initial Distribution Date, the entire Administrative Claim will be deemed discharged.

e. The Claims and Solicitation Agent (Epiq). Epiq, the Debtors' Claims and Solicitation Agent, has filed a motion for immediate payment of its Administrative Claims. The Debtors contest the amount of the Administrative Claims, and the parties have engaged in good faith negotiations. The parties have reached a settlement agreement pursuant to which, assuming Epiq's fees and expenses are approved by the Bankruptcy Court, Epiq will be paid a total of $125,000 in total fees and expenses for all of its work through Confirmation as follows:

(i) $25,000 by August 14, 2024

(ii) $50,000 on the Initial Distribution Date

(iii) $50,000 over 24 months beginning 90 days after the Initial Distribution Date.

Based on this agreement, Epiq will withdraw its motion for immediate payment of Administrative Claims. Debtors will

support Epiq's fee application. In August the Debtors have made the initial payment to Epiq of $25,000.

(iv) The Debtors' Claims and Solicitation Agent has filed a motion for immediate payment of its Administrative Claims. The Debtors contest the amount of the Administrative Claims of the Claims and Solicitation Agent. Parties are engaged in good faith negotiations to resolve this matter. The Debtors expect, but cannot guarantee, that they will reach a settlement reducing the fees (but not the expenses) and capping the Administrative Claims throughout the rest of these Chapter 11 Cases. The Debtors expect that such agreement will require a portion of the Allowed Administrative Claim to be paid prior to Confirmation, a portion to be paid on the Initial Distribution Date, and a portion to be paid overtime. If agreement is reached prior to the hearing on the Disclosure Statement, the Debtors will update the Disclosure Statement accordingly.

(F) The Claims of Polar Leasing. The Debtors have reached a settlement with Polar Leasing with respect to all of their Claims against the Debtors, including Administrative Claims, prepetition Claims, and rejection damage claims. Such settlement is described in Article 8 herein concerning rejection of executory contracts.

2. Pac West Adequate Protection Payments

The Plan provides that the Debtors shall continue to pay Pac West adequate protection payments of $2,500 per month through the Effective Date. Any unpaid and outstanding adequate protection payments owed to Pac West on the Effective Date shall constitute an Allowed Administrative Claim and shall be paid on the Initial Distribution Date. The Debtors anticipate the total amount to be paid to Pac West on the Initial Distribution, on account of its Allowed Administrative Claim will be approximately $72,500

3. Statutory Fees

All U.S. Trustee Fees of the Debtors due as of the Effective Date pursuant to Section 1930 of title 28 of the United States Code, if not paid earlier, shall be paid no later than the Initial Distribution Date. The Debtors estimate that they will owe the United States Trustee fees in the approximate amount of $59,000. Subsequent to the Effective Date, the Reorganized Debtor will pay United States Trustee fees due.

4. Professional Fee Claims

Administrative Expense Claims include claims of Professionals approved by Order of the Bankruptcy Court who assisted in the administration of the Chapter 11 Cases and have filed Fee Applications by the Administrative Bar Date. This sum includes the fees and expenses of Professionals retained pursuant to Orders of the Bankruptcy Court. Such professional fees are subject to Court approval. The Debtors estimate the Professional Fees which may be allowed by Final Order of the Bankruptcy Court in excess of amounts already paid will be approximately $326,000. This includes the amount agreed upon to be paid to the Claims and Solicitation Agent as discussed in Section VI.A.1.e. above.

Each Professional who holds a Professional Fee Claim shall be required to File with the Bankruptcy Court, and to serve on all parties required to receive notice, a final Fee Application on or before the Professional Fee Bar Date, which is sixty (60) days after the Effective Date, or such other date as may be fixed by the Bankruptcy Court. The failure to timely file the Fee Application shall result in the Professional Fee Claim being forever barred and discharged. A Professional Fee Claim with respect to which a fee application has been properly and timely filed shall be paid only to the extent Allowed by a Final Order. No Professional Fee Claims shall be Allowed on account of any services rendered by a Professional whose retention with respect to the Chapter 11 Cases has not been approved by the Bankruptcy Court.

5. Section 503(b)(9) Claims

Pursuant to Section 503(b)(9) of the Bankruptcy Code, Administrative Claims also include Claims for the value of any goods received by the Debtors within 20 days before the date of the commencement of the Chapter 11 Cases, where goods have been sold to the Debtors in the ordinary course of the Debtors' business. There are two (2) 503(b)(9) Claims in the aggregate amount of $87,775.65. The Allowed 503(b)(9) Claims will be paid on the later of the Initial Distribution Date, or the date such Claim is Allowed by Final Order, unless the Holder of such Allowed Claim agrees to a different treatment.

6. Administrative Claims for Post-petition Taxes.

See Section VI.B. below.

B. Administrative and Priority Tax Claims.

The Debtors believe that only the IRS and New York State hold Allowed Administrative and Priority Tax Claims.

(a) IRS.

(i) Payment. The Internal Revenue Service ("IRS"), which holds an Allowed Priority Tax Claim in the amount of $380,253.36, agrees that the Allowed Claim will be paid in regular installments of $4,730.09[3] over an estimated three years, on a monthly basis. The installment payments will include interest at the statutory rate from the Effective Date. The first payment to the United States under the plan shall be made ninety (90) days after the Effective Date, as defined in the plan; thereafter, payments shall continue from month to month until the IRS's Allowed Priority Tax Claim, and all interest accruing on that Claim from the Effective Date, are fully paid. Monthly installments shall be made on or before the last day of each calendar month by personal, cashier, or certified check to the IRS at the following address:

Internal Revenue Service
2 Metrotech Center
6th Floor, Insolvency Unit
Brooklyn, NY 11201
Attn: Bankruptcy Specialist Stanley Cheung

Furthermore, the Debtors are entitled to certain post-petition Employee Retention Credits ("ERC") in the following amounts:

a. a credit of $111,016.00 for the fourth quarter of 2020;

b. a credit of $105,807.24 for the first quarter of 2021; and

c. a credit of $113,263.18 for the second quarter of 2021.

[3] $4,730.09 represents the parties' best projection of the monthly payment amount after the IRS applies the ERC credits first to the Allowed Administrative Claim and then to the Allowed Priority Tax Claim. This amount is subject to change and may be updated before Plan Confirmation to reflect the parties' best estimate. As set forth in the Plan, the installment payments will continue until IRS's Allowed Priority Tax Claim, plus all interest accruing on that Claim from the Effective Date, are paid in full.

Upon Confirmation, the IRS will apply these ERC credits, which total in the aggregate $330,086,42, first to its Allowed Administrative Claim in the amount of $109,660.13, and thereafter to its Allowed Priority Tax Claim. Any remaining amount owed for Allowed Priority Tax Claim after the application of such ERC credits will be paid as set forth above. The monthly payment set forth above takes into account the anticipated amount of the ERC credits that will be applied to the Allowed Priority Tax Claim.

(ii) **Default.** The failure of the Debtors to comply with the provisions of the Plan concerning the debt owed to the United States, which includes, but is not limited to, the failure to make full and timely payments, shall constitute a default of the Plan. In addition, if the Debtors, or any Debtor, fail to make any payment of any tax owed to the Internal Revenue Service within 10 days of the due date of such payment or fail to file any required federal tax return by the due date of such return, then the United States may declare that the Debtors are in default of the Plan.

If the United States declares the Debtors to be in default of their obligations under the Plan, and/or full payment of amounts owed to the United States, whether as required under the Plan or pursuant to Debtors' ongoing tax obligations, is not made, or any required return is not filed, within thirty (30) days of notice to Debtors of the default, then Debtors' entire liability under the Plan to the United States, together with any unpaid current liabilities, shall become due and payable immediately; the IRS may collect any unpaid liabilities through the administrative collection provisions of the Internal Revenue Code or by any other procedure authorized by law; and any automatic stay under 11 U.S.C. § 362(a), or injunction imposed by any Confirmation Order, that may be in effect is lifted for this purpose without further order of the Court. For the avoidance of doubt, the remedies available to the United States in the event

of a default as described in this paragraph are in addition to, and not in lieu of, a motion to dismiss or convert the case pursuant to 11 U.S.C. § 1112.

(iii) **Discharge.** Notwithstanding anything to the contrary, Confirmation of the plan shall not discharge any debt owed to the United States.

(b) New York State

Debtors have asked New Your State to accept a similar treatment with respect to their Allowed Administrative and Priority Tax Claims. New York State would be paid as follows:

i. Allowed Administrative Claims, minus any postpetition penalties and interest, will be paid in full on the Initial Distribution Date.

ii. The Remaining Allowed Administrative and Priority Tax Claims will be paid, with statutory interest, in monthly payments over three years from that date which is ninety (90) days from the Initial Distribution Date. The first such monthly payment will be due ninety (90) days after the Initial Distribution Date. If, for any reason, the monthly payments over three years have not paid the Administrative and Priority Tax Claim in full, the Reorganized Debtor will keep making monthly payments until the Allowed Claim is paid in full.

iii. New York State will have the same default and discharge provisions as provided to the IRS above.

C. Others.

Debtors are unaware of any Administrative or Priority tax claims of any taxing authorities other than the IRS and the State of New York., To the extent there are Allowed Priority Tax Claims other than such Claims, unless the Holder of such Claim agrees to a different treatment, the Holders of such Allowed Claims will receive on account of such Allowed Claims regular installments on a quarterly basis beginning the first full calendar quarter after the Initial Distribution Date in Cash:

(A) of a total value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim;

(B) over a period ending not later than June 14, 2025; and

(C) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by this Plan;

provided, however, that the Debtors may pay any Allowed Administrative and Priority Tax Claims in full at any time without premium or penalty. Nothing herein shall prevent the Debtors from utilizing any settlements they may have against Allowed Priority Tax Claims.

D. Class 1: Priority Non-Tax Claims.

Class 1 consists of Allowed Priority Non-Tax Claims held against Debtors, other than Professional Fee Claims. There is only one (1) Priority Non-Tax Claim which is in the approximate amount of $2,000.

Unless otherwise agreed by the Holder of the Priority Non-Tax Claim, the Holder of such an Allowed Priority Non-Tax Claim shall be entitled to receive, in full satisfaction of such Claim, six equal semi-annual payments aggregating (i) the Face Amount of the Claim, plus (ii) interest on the unpaid amounts at the prime rate of interest in effect at Citibank, N.A., on the Effective Date. The initial payment will occur on the Initial Distribution Date, and the subsequent payments will occur approximately every six months thereafter on a Distribution Date designated by the Debtors. The Debtors may pre-pay the Class 1 Allowed Claims at any time without penalty or premium. In such case, interest will only be paid from the Effective Date through the date of final payment.

Class 1 is Impaired. Holders of Allowed Class 1 Priority Non-tax Claims are therefore entitled to vote on the Plan. Class 2: Secured Claim of Pac West

Class 2 consists of the Allowed Secured Claim of Pac West. Pursuant to an agreement with the Debtors, Pac West is deemed to have an Allowed Secured Claim in the amount of Three Hundred Thousand Dollars ($300,000) plus the amount of the Adequate Protection payments it has received during these Chapter 11 Cases, including Adequate Protection payments paid on the Initial Distribution Date. The Debtor's estimate that the total Secured Claim of Pac West will be $412,500. The remainder of the Pac West claim evidenced by its proof of Claim will be deemed a Class 6 Non-insider Allowed General Unsecured Claim. The Debtors' estimate that the amount of the Allowed Pac West Non-insider General Unsecured Claim will be approximately $2,889,253.

The Pac West Allowed Secured Claim will be paid $125,000 on the Initial Distribution Date, in addition to the past due Adequate Protection Payments which will also be paid on the Initial Distribution Date, and which the Debtors estimate will be approximately $77,500. The remaining $175,000 of the Pac West Allowed Secured Claim will be paid in equal quarterly installments over the next four years with interest on the outstanding amounts at the prime rate of Citibank, N.A., in effect on the Effective Date, but not to exceed 6% per annum.

Assuming the maximum interest rate of 6% and an Effective Date of October 1, 2024, the Pac West Allowed Secured Claim would be paid as follows:

$35,000	Previously paid as Adequate Protection
$72,500	Adequate Protection Payments due on the Initial Distribution Date (assuming no further payments prior to the Effective Date)
$125,000	On the Initial Distribution Date.

$4,109.88	Each month for 48 months commencing the first month following the month in which the Initial Distribution Date occurs.

Should there be a change of control after the Initial Distribution Date and during the four-year payment period, through a sale, merger, or significant investment into the Reorganized Debtor, other than a change of control which makes the Reorganized Debtor a wholly-owned subsidiary of Leaven, the Reorganized Debtor shall provide notice to Pac West and its counsel, and Pac West, at its sole option, can elect to be paid the remainder due immediately at a 15% discount on the remaining balance of the Pac West Allowed Secured Claim. Other than an equity swap with Leaven, such that the Reorganized Debtor becomes a wholly-owned subsidiary of Leaven, the Reorganized Debtor is prohibited from selling more than 50% of its Equity or Assets to a third-party unless such party assumes the Reorganized Debtor's obligations to Pac West. Pac West is entitled to keep all of its adequate protection payments received during the Chapter 11 Cases, which amounts will be deemed payments on its secured claim (in addition to the $300,000 distributed pursuant to this Plan), thus reducing the amount of the remaining Allowed Non-insider General Unsecured Claim. To secure payment of its Allowed Secured Claim in accordance with this Plan, Pac West shall be deemed to have a valid, perfected first priority security interest in the Debtors' and the Reorganized Debtor's machinery and equipment, subject to all pre-existing liens on same, without the need for filing any instruments to perfect such security interest. Provided Pac West votes to accept the Plan, the Debtors release any and all claims against Pac West, including, without limitation, any avoidance actions, and Pac West will exchange mutual releases with the Debtors. The exact form of the proposed releases will be included in the Plan Supplement.

Class 2 is Impaired. Holders of Class 2 Claims are therefore entitled to vote on the Plan.

E. Class 3: Claims of Secured Creditor GSB, Formerly the Claims of Mayrich

Class 3 consists of the Allowed Secured Claim of GSB. GSB is deemed to have an Allowed Secured Claim in the amount of $750,000, which the Debtors and GSB agree is the fair value of the GSB Collateral on the Petition Date. The GSB Allowed Secured Claim will "ride through" these Chapter 11 Cases, and the $750,000 will be paid in the ordinary course pursuant to the terms of the current credit line with GSB. All the terms of the current credit line, including the security therefor, will stay in place; provided, however, that the liens held by GSB will be subordinate to the equipment lien granted to Pac West in Section II.B.1.a above, and the amount will be capped at $750,000. This leaves GSB with an Allowed deficiency Claim of approximately $630,000. In full discharge of its Allowed deficiency Claim, GSB has agreed to convert its Allowed Unsecured deficiency Claim to New Equity Units at the rate of four New Equity Units per one dollar of Face Amount of Allowed Claim. This agreement benefits all holders of Class 6 Non-insider General Unsecured Claims by reducing the Claims pool by $630,000.

Class 3 is Impaired. Holders of Class 3 Claims are therefore entitled to vote on the Plan.

F. Class 4: Allowed Claims of FS Lender

Class 4 consists of the Allowed Claims of FS Lender pursuant to the DIP Facility. FS Lender has agreed that in full discharge of its Allowed Claims, the Face Amount of its Allowed Claims, other than its Claims for Professional Fees, will be converted to New Equity Units at the rate of four New Equity Units per one dollar of Face Amount of Allowed Claim. In addition, with respect to its Claim for Professional Fees, the proposed Professional Fees will be circulated prior to the Confirmation Hearing to the appropriate notice parties as provided in the DIP Facility, and will be paid in full by the Debtors on the Initial Distribution Date. The Professional Fees are expected to be in the range of $12,000.

The Debtors estimate that approximately $2,517,000 including interest, commitment fees and professional fees will be outstanding under the DIP Facility on the Effective Date and will be converted into approximately 10,000,000 New Equity Units. Again, such conversion benefits the remaining Holders of Class 6 Non-insider General Unsecured Claims.

Class 4 is Impaired. Holders of Class 4 Claims are therefore entitled to vote on the Plan.

G. Class 5: Other Secured Claims

Class 5 consists of the Allowed Other Secured Claims, all of which arise from certain equipment finance agreements with RMB. At the sole option of the Debtors, Holders of Allowed Other Secured Claims, unless they agree to a different treatment, will either (i) be paid the value of their Collateral up to the Face Amount of their Allowed Other Secured Claim in quarterly instalments over 36 months beginning with the Initial Distribution Date, and will be entitled to a deficiency Class 6 Non-insider General Unsecured Claim by any amount by which their Allowed Claim exceeds the value of the Collateral, or (ii) be given their collateral after the Effective Date in complete discharge of the Secured Claim. As part of the Plan Supplement, the Debtor will file a list of the proposed collateral values to be determined by an independent party, which list will also be served on each holder of an Allowed Other Secured Claim, and each Holder of an Allowed Other Secured Claim will have two weeks to object to such amount, after which the amount proposed in the Plan Supplement will be deemed definitive. The Plan Supplement will also designate which Secured Creditors are being paid the value of their Collateral, and which Secured Creditors are being given back their Collateral. With respect to the latter, Secured Creditors will have thirty (30) days from entry of the Confirmation Order to pick up their Collateral from the Debtors. After such time, unless the Secured Creditors has made other arrangements with the Reorganized Debtor, the Reorganized Debtor is free to dispose of the Collateral. To the extent the Holders of Allowed Class 5 Claims are being paid

the value of their Ccollateral, they will retain their liens on the collateral until such time as the payments pursuant to this Plan have been made.The Debtors have reached agreements with the Holders of several Allowed Class 5 Other Secured Claims as outlined below. Including such Claims, the Debtors estimate the total dollar amount of Allowed Other Secured Claims will be $139,540, of which $99,000 have been settled. The Debtors believe the value of the Collateral securing the remaining Class 5 Claims is $40,500. Therefore, exclusive of the settlements discussed below, Holders of Allowed Class 5 Claims will receive a total of $40,500 or the return of their Collateral. In addition, to the extent Holders of Allowed Class 5 Claims have deficiency Claims, such Claims which will become Allowed Class 6 Non-insider General Unsecured Claims. Debtors believe such deficiency Claims will aggregate approximately $153,000.

It is worth noting that certain equipment lessors filed proofs of claim asserting Other Secured Claims against the Debtors. Review of the proofs of claim as well as review of the relevant underlying documentation reveals that these equipment lessors hold true leases and not secured claims. Therefore, the Debtors will also be objecting to these Proofs of Claim, and have not included such Claims in its calculation of the number and amount of Claims in this Class.

The following Holders of Allowed Other Secured Claims have agreed to the following different treatments, and further information concerning the value of their Collateral will not be included in the Plan Supplement:

i. **Ascentium.** Ascentium has a perfected security interest in certain equipment that is the subject of an equipment finance agreement. Prior to the Petition Date, Ascentium, RMB, and certain guarantors of the RMB debt to Ascentium, including BKD, entered into a settlement agreement with Ascentium requiring

certain monthly payments, with a balloon payment of the entire settlement amount on November 15, 2020. A non-Debtor guarantor has been making the monthly payments throughout the pendency of these Chapter 11 Cases, but the final balloon payment is past due. As of June 26, 2024, $14,451 was owed and past due on Ascentium's Secured Claim. The non-Debtor guarantors, therefore, entered into an addendum to the settlement agreement requiring the non-Debtor guarantors to pay $2,500 a month to Ascentium until Confirmation. If they fail to make the payments, Ascentium can file a confession of judgment against the non-Debtor guarantors for the full amount owed. In settlement of the Allowed Secured Claims of Ascentium, the Debtors will allow the equipment financing agreements and the Ascentium settlement agreement, as amended, to "ride through" the Chapter 11 Cases and continue as obligations of the Reorganized Debtor; provided, however, that the settlement agreement will be deemed amended to provide that the final payment is due 120 days after the Effective Date of the Plan. Ascentium will maintain its perfected security interest in its Collateral until all payments required to be made to it under the Plan have been made. As the Debtors believe they have equity in the Ascentium Collateral, they intend to auction the Collateral promptly after Confirmation in order to pay Ascentium in full the amount then owed and retain any equity. This will provide additional cash flow to the Debtors, which they estimate to be in the neighborhood of $100,000.

ii. **m2 Lease Funds.** m2 Lease Funds LLC ("**M2**") has made multiple loans to Debtor RMB to finance the purchase of multiple pieces of equipment. They have maintained a purchase money security interest in each piece of equipment. M2 filed Proofs of Claim Nos. 35, 38, 39, 40, 41, 42 and 43 against RMB alleging secured claims aggregating $46,071.04. M2 has agreed to compromise all seven

proofs of claim for the sum of $24,000 paid in 24 monthly instalments of $1,000.00 each month, with the first payment due on the Initial Distribution Date, and the subsequent payments due thereafter on the second day of each month. m2 will maintain its perfected security interest in its Collateral until all payments required to be made to it under the Plan have been made.

iii. **Mintaka**. Pre-petition, RMB entered into an equipment financing agreement for walk-in freezer equipment with Mintaka. As of June 13, 2024, RMB owed Mintaka $60,589.89, which includes certain post-petition interest and penalties; as, the Debtors agreed that Mintaka is oversecured. Payments to Mintaka are personally guaranteed by Mr. Mark Rimer, who has made certain post-petition payments to Mintaka when the Debtors could not make payments. RMB has been making and shall continue to make monthly adequate protection payments to Mintaka of $1,500 per month, due by the last day of each month, beginning February 28, 2023, and ending on the Effective Date. RMB shall make a lump-sum payment to Mintaka of $15,000 on the earlier of December 31, 2024, or seven (7) days after the Confirmation Date. Beginning on the Initial Distribution Date, RMB shall pay the balance owed to Mintaka in 36 equal monthly payments with interest at 6% per annum, which interest commences accruing on the Confirmation Date. The remaining amount to be paid over 36 months would be $60,589.89, minus the $15,000 lump-sum payable seven days after Confirmation, and minus any monthly payments of $1,500 paid after June 13, 2024. The Debtors estimate that such amount will be approximately $41,089.89. The monthly payments which will commence on the Initial Distribution Date must be received by the last day of each month, and shall commence no later than December 31, 2024. Mintaka shall retain its perfected security interest in its Collateral and all rights and remedies

pursuant to the Equipment Finance Agreement executed on March 28, 2019, consistent with the Plan. Should the Debtors fail to timely make any of the above payments, they may be made instead by the guarantor, Mr. Rimer. As long as the above payments are made when due, Mintaka shall not file suit against the Guarantor. Mintaka shall retain all rights and remedies against both the Debtor and the Guarantor set forth in the equipment finance agreement executed on March 28, 2019. Notwithstanding anything to the contrary in this Plan, the automatic stay terminates as to Mintaka with respect to its Collateral on the Effective Date of the Plan.

iv. **Others**. To the extent that the Debtors are able to make agreements with any other Holders of Allowed Class 5 Claims, such agreements will be disclosed in the Plan Supplement.

H. Class 6: Non-insider General Unsecured Claims

Class 6 consists of the Allowed Non-insider General Unsecured Claims of more than $15,000. The Debtors believe there are 39 Holders of Class 6 Claims which will be Allowed in the estimated amount of $4,000,000. These Holders of Class 6 Claims include the following: (i) the Pac West Allowed deficiency Claim in the approximate amount of $2,889,253, (ii) the NLRB General Unsecured Claim of $181,645.77, (iii) the Other Secured Creditor Deficiency Claims in the approximate amount of $153,000. The remainder are parties who are not Insiders who were scheduled as holding General Unsecured Claims that are not unliquidated, contingent, or disputed; or who have filed a proof of claim indicating they hold a General Unsecured Claim which is not contingent, unliquidated, or disputed, and which claim is ultimately Allowed.

Unless a Holder of an Allowed Class 6 Claim agrees to a different treatment, the Holders of Allowed Class 6 Claims will each receive their *Pro Rata* share of $50,000 Cash on the Initial Distribution Date. In addition, each such Holder will receive its *Pro Rata* share of the Net Profits of the Reorganized Debtor for a three-year period commencing with the first full fiscal year after the Effective Date, which the Debtors estimate will be calendar year 2025. The profit participation will be paid once annually on a Distribution Date determined by the Reorganized Debtor, but no later than 150 days after the close of the Reorganized Debtor's fiscal year. It is anticipated that the last payment will be for the year ending December 31, 2027. At any time prior to December 31, 2027, the Reorganized Debtor, at its sole option, can elect to make a one-time payment to the Holders of Allowed Class 6 Claims in full discharge of its remaining obligations to the Holders of Allowed Class 6 Claims as follows: if the election occurs prior to the Initial Distribution Date, a one-time payment of $350,000 to be distributed Pro Rata to the Holders of Allowed Class 6 Claims (in addition to the $50,000 already been paid to Class 6 on the Initial Distribution Date); if the election occurs between the Initial Distribution Date and December 31, 2025, a one-time payment of $300,000 to be distributed Pro Rata to the Holders of Allowed Class 6 Claims in addition to any amounts already received; if the election occurs between January 1, 2026, and December 31, 2026, a one-time payment of $200,000 to be distributed Pro Rata to the Holders of Allowed Class 6 Claims in addition to the amounts already received and/or due; and if the election occurs between January 1, 2027, and December 31, 2027, a one-time payment of $100,000 to be distributed *Pro Rata* to the Holders of Allowed Class 6 Claims in addition to the amounts already received and/or due. If prior to December 31, 2027, there is a change in control of the Reorganized Debtor other than the purchase of the Reorganized Debtor's equity by Leaven, and the Reorganized Debtor does not elect to utilize the one-time payment option, then the Reorganized Debtor is prohibited from selling more than

50% of its Equity or Assets to a third-party unless such party assumes the Reorganized Debtor's obligations to the Holders of Class 6 Allowed Claims.

So long as payments are owed to Class 6 Claimants, the Reorganized Debtor will provide annual financial statements to the Holders of Allowed Class 6 Claims. In addition, at least 45 days before a Distribution of Net Profits is due, the Reorganized Debtor will provide the Holders of Allowed Class 6 Claims the calculation of the Net Profits, detailing its revenue and operating expenses. Holders will have 15 days from service of the Net Profits calculation to object in writing to the calculation of Net Profits by emailing mark.rimer@bkd.group, with a copy to sandy@mhlaw-ny.com, and stating the basis for their objection. Thereafter, the Reorganized Debtor and the objecting party will have 20 days to try to resolve their differences. At the end of 20 days, if they are unable to resolve their differences, the objecting party may seek court intervention as to the calculation of Net Profits on shortened notice. If the objecting party does not get a stay of the Distribution, the Distribution will go forward as calculated by the Reorganized Debtor. If no objections are made to the calculation of Net Profits in a timely manner in accordance with this Section, the calculation as served upon the Holders of Allowed Class 6 Claims will be deemed conclusive for all purposes.

Based on the projections prepared by the Debtors of their future performance and attached hereto as Exhibit 3, and assuming an Allowed amount of Class 6 Claims of $4 million, each Holder of an Allowed Class 6 Claim will receive his *Pro Rata* share of approximately $250,000 over the life of the Plan, or approximately 6.25 cents on the dollar. The projections, however, are unaudited forward-looking numbers, and there can be no guarantee that these numbers will be reached, nor that they will not be exceeded. Thus, there can be no guarantee of the exact amount of the Distribution to Class 6 Claimants.

Any Holder of an Allowed Class 6 Claim may elect to reduce his claim to $15,000, and thereby have his Allowed Claim treated as a Class 7 Convenience Class Claim in the Allowed Amount of $15,000. Ballots sent to Holders of Class 6 Claims will permit Claimants to choose to reduce their Claim to $15,000. Whether or not the Holder of a Class 6 Claim reduces his Claim, his Claim in the unreduced amount will be counted in Class 6 for purposes of determining whether a sufficient number and amount of Class 6 Claims have accepted the Plan.

Class 6 is Impaired. Holders of Allowed Non-insider General Unsecured Claims are entitled to vote on the Plan.

I. Class 7: Convenience Class

Class 7 consists of Allowed Non-insider General Unsecured Claims in the amount of $15,000 or less, and for Distribution (but not voting) purposes, including any Allowed Non-insider General Unsecured Claims which have been voluntarily reduced by their Holder to $15,000. The Debtors believe there are 53 Holders of Class 7 Claims in the total dollar amount of $256,117.09. Unless a Holder of an Allowed Class 7 Claim agrees to a different treatment, Holders of Allowed Class 7 Claims will receive their *Pro Rata* share of Twenty Thousand Dollars ($20,000) in Cash on the Initial Distribution Date. Assuming no Holders of Class 6 Claims voluntarily reduce their Claim to $15,000, each Holder of an Allowed Class 7 Claims will receive approximately 7.8 cents on the dollar.

Class 7 is Impaired. Holders of Allowed Class 7 Convenience Claims are therefore entitled to vote on the Plan.

The purpose of the Class 7 Convenience Claims is to reduce the expense of administration of the Plan. There is an expense involved each time the Reorganized Debtor sends a Distribution payment to a Claimant, and the cost of carrying Claimants on the books and records of the Reorganized Debtor. With such small claims, the cost of servicing the Claimant in Class 6 would exceed the payment of the Claim. Accordingly, the Debtors have created the convenience class to streamline the costs of administration of the Plan.

J. Class 8: Insider General Unsecured Claims

Class 8 consists of Allowed General Unsecured Claims owed to an Insider. The Debtors believe there are 2 Holders of Class 8 Claims in the total Dollar amount of $4,045,499.88 consisting of management fees owed to Insiders and loans from the Insiders to the Debtors. All such Allowed Claims will be converted into equity in the Reorganized Debtor as follows:

a. Class 8A.

   Class 8A consists of Insider Claims for management fees. These are currently held by Kuzari Manager and Pequot Investments LLC and total $1,745,645. Each Allowed Claim will receive 0.6 New Equity Units in the Reorganized Debtor for each one dollar of Face Amount of its Allowed Class 8A Claim, for a total issuance to Class 8A of 1,047,387 New Equity Units.

b. Class 8B

   Class 8B consists of Insider Claims or loans to the Debtors made by Insiders. These are currently held by Kuzari Manager. Each Allowed Claim will receive two (2) New Equity Units in the Reorganized Debtor for each one dollar of Face Amount of its Allowed Class 8B Claim. The amount of the

Allowed 8B Claims is approximately $2.3 million. Accordingly, the total issuance to Class 8B 4.6m New Equity Units.

Kuzari Manager, which is the only Holder of both Allowed 8A and Allowed 8B Claims has agreed to the different treatment for its two different types of Insider Claims.

If an Insider transfers its Allowed Class 8 Claim to a non-Insider, the claim will still be treated as an Insider General Unsecured Claim. Insider status will be determined by the Holder of the Claim on the Petition Date.

Class 8 is Impaired. Holders of Insider General Unsecured Claims are therefore entitled to vote on the Plan. Acceptance or Rejection of the Plan by Class 8 will be determined by counting all of the Class 8 Ballots without regard to whether Claimant holds a Class 8A Claim or a Class 8B Claim.

K. Class 9: Equity Interests

Class 9 consists of the Allowed Equity Interests in the Debtors. Since the ownership by BKD of RMB will be eliminated through substantive consolidation, only the beneficial Holders of Allowed Equity Interests in BKD are in this Class.

Equity Interests in the Debtors will be cancelled and extinguished on the Effective Date, and there will be no distribution on account of Class 9 Equity Interests. Since Class 9 receives no distributions under the Plan, Class 9 is Impaired, but are deemed to reject the Plan and therefore are not entitled to vote. The Debtors believe there are approximately 26 beneficial Holders of Class 9 Interests. Technically, there is three equity Holder in BKD: KI 27323, Baked Partnes LLC and CM Owner LLC. KI 27323, in turn, holds the Equity Interests on behalf of the Persons who actually invested in the Debtors and are the beneficial Holders of the Equity

Interests in the Debtors. Although the beneficial Holders of the Equity Interests are not entitled to vote, they are entitled to receive copies of the Plan and Disclosure Statement. Debtors will provide KI 27323 with sufficient copies of the solicitation package, minus Ballots, for distribution to the beneficial Holders. KI 27323, as the sole Holder of record of Equity Interests in BKD, will be solely responsible for distributing the packages to the beneficial Holders of Class 9 Equity Interests at its own expense.

Outside of the Plan, Holders of Equity Interests have been, or will be, offered an opportunity by Leaven, the corporation providing the Exit Financing, to invest in Leaven.

SECTION VII: MEANS FOR IMPLEMENTATION

A. Substantive Consolidation

The Plan provides for substantive consolidation of the Debtors' Estates. The Plan constitutes the Plan Proponents' request that the Bankruptcy Court authorize and approve substantive consolidation of the Debtors. Thus, if this Plan is Confirmed, RMB and BKD will be merged and become a single consolidated entity for all purposes.

The Debtors have a strong basis, both legally and practically, for substantive consolidation. First, the Debtors operated as one single business. Originally, BKD was set up as a holding company of RMB because it was anticipated that there would be further acquisitions of businesses complementary to RMB. This never occurred, and the Debtors do not plan further acquisitions of other businesses at this time. Moreover, all Creditors typically dealt with the Debtors as if they were one legal entity. To Debtors' knowledge, no entity ever relied on the separate creditworthiness of BKD, which was just a shell to hold the Equity Interests in RMB. Therefore, there is no reason to continue with the structure of a parent and

subsidiary company operating a single business, and no reason to continue to have a buffer between RMB and its Equity Holders. Second, BKD is serving no purpose. Its only asset is its equity interest in RMB, so it is completely dependent upon the value of RMB to have any value. Third, most, if not all, of the debt of BKD is a joint liability of both Debtors; since, virtually all of the debt at the BKD level is for guarantees of RMB debt or borrowings for the benefit of RMB. BKD did not work directly with vendors. For the same reason, a great deal of the RMB debt is joint debt of RMB and BKD, because it is debt of RMB guaranteed by BKD. All such debt will continue to be a Claim against the substantively consolidated entity, but absent substantive consolidation, the Holders of such debt would be able to "double dip" to the detriment of all other Creditors. Furthermore, the overwhelming majority of the joint debt has been compromised pursuant to agreed-upon settlements with a payment plan which does not differentiate from which Debtor payments will be from. Therefore, the vast majority of the treatment of Creditors' Claims will not be diminished, or even affected by, the proposed substantive consolidation. Furthermore, even if two separate Estates were maintained, it is unlikely that BKD would be able to reorganize and provide any distributions to its Creditors, as virtually its only asset is its Equity Interest in RMB, and such Equity Interests are being wiped out. Nor would such Equity Interests be likely to have any value if RMB were to try to Confirm a standalone plan. By consolidating, Debtors will have a huge cost-saving, as it is not an insignificant cost to maintain BKD separately, while it serves no purpose. Under these circumstances, the Debtors concluded that the consolidation of the Debtors for all purposes is in the best interests of Creditors and the Estates. The Debtors submit that the Creditors are not harmed, and indeed are benefited, by substantive consolidation.

The Second Circuit employs the *Augie/Restivo* approach (*In Re Augie/Restivo Baking Company, Ltd*.) to determine allowance of substantive consolidation. It can be distilled into two critical inquiries: whether (i) "creditors dealt with the entities as a single economic unit

and did not rely on their separate identity in extending credit"; or (ii) "the affairs of the debtors are so entangled consolidation will benefit all creditors." *See, In re Augie/Restivo Baking Co., Ltd*., 860 F.2d 515, 518 (2d Cir. 1988). The Debtors submit that Creditors dealt with the Debtors as a single economic unit, and that the affairs of the Debtors are such that substantive consolidation will benefit all creditors.

The Debtors bear the burden of establishing a *prima facie* case for the substantive consolidation of their respective Estates. The Debtors submit, without limitation, (i) Creditors have dealt with the Debtors as a single, consolidated enterprise, both before and after the filing of the Chapter 11 Cases, (ii) the Debtors' utilize one central management which acts on behalf of both Debtors simultaneously, (iii) since the filing of these Chapter 11 Cases, the Debtors' have employed an integrated cash management system of bank accounts (iv) the business of the two Debtors is entangled to the point that BKD has essentially no debt other than the debt of RMB, which it has guaranteed; and (v) given the interconnection between the two Debtors as detailed above, substantive consolidation will benefit all Creditors. Further, efforts to deconsolidate the Debtors' respective assets and liabilities would be burdensome and divert professional resources that are more properly directed elsewhere, diluting creditor recoveries as a result of increased professional fees. Furthermore, without substantive consolidation, it is unlikely that the Creditors of BKD would receive any distributions.

If Substantive Consolidation is granted, entry of the Confirmation Order will constitute approval, pursuant to Sections 105(a) and 1123(a)(5) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of the estates of RMB and BKD for all purposes. Accordingly, upon substantive consolidation (a) the assets and liabilities of both RMB and BKD will be deemed to be the assets and liabilities of a single, consolidated entity; (b) each and every Claim listed on the Schedules and/or filed in the Chapter 11 Cases against

either Debtor will be considered filed against the consolidated Debtor and will be considered one Claim against, and an obligation of, the consolidated Debtor on and after the Effective Date; (c) all joint obligations of RMB and BKD, if any, and all multiple Claims against both entities on account of such joint obligations, will be considered a single Claim against the consolidated Debtor; (d) all intercompany Claims and Equity Interests between RMB and BKD will be cancelled and extinguished on the Effective Date; and (e) the consolidated Reorganized Debtor will take the name of RMB.

B. Sources of Cash for Plan Distributions

Debtors believe that the Plan is feasible because they will have sufficient cash on the Effective Date required for the payments to be made on or before the Initial Distribution Date. The necessary cash will be obtained as follows:

1. First, from cash on hand on the Effective Date;
2. Second, converting the DIP Loan, Allowed General Unsecured Insider Claims, and the GSB deficiency Claim to equity will provide additional liquidity; and
3. Third, the majority of the cash needed at Confirmation and to ensure sufficient operating capital is from the Exit Financing described below.

The cash required for payment of future distributions will come from the operations of the Reorganized Debtor. The Reorganized Debtor is seeking to expand the Debtors' business and will also consider potential mergers and acquisitions which allow it to more fully utilize its existing Facility. This, in turn, should lead to greater profitability and net operating income. The projected income of the Reorganized Debtor is set forth in Exhibit 3. Exhibit 3 contains unaudited forward-looking numbers, and as such merely represents the Debtors' best estimate of future earnings, and is not a guarantee that such earnings will be met.

As stated above, the majority of the cash required is coming from the Exit Financing which consists of a loan from Leaven to the Reorganized Debtor in the minimum amount of $1,250,000, with Leaven having the option to loan up to an additional $1,250,000 over the year following the Effective Date. Leaven is a newly formed Delaware Corporation formed by Mark Rimer to provide the Exit Financing necessary to fund the Plan. Approximately 35 to 50% of the equity interests of Leaven will be beneficially owned by Mr. Rimer or an affiliate of his. Prior to Confirmation, outside of the Plan, Mr. Rimer intends to cause Leaven to give all existing beneficial holders of equity interests in BKD an opportunity to invest in Leaven. The more they invest, the lower the percentage of Mr. Rimer's equity interest in Leaven. It should be noted, however, that the commitment of Leaven to loan the necessary Exit Financing to the Reorganized Debtor is not dependent on any such Equity Holders making an investment in Leaven.

The Reorganized Debtor will issue a note to Leaven for the principal amount of the Exit Financing loan, which amount will be not less than $1,250,000 initially, and may increase if Leaven decides to loan more. The note will be secured by a first priority perfected security interest in all of the assets of the Reorganized Debtor, subject only to the liens provided in this Plan to Pac West, GSB, and Class 5 Other Secured Creditors. The note will have a ten (10) year term from the date of issuance and will bear interest at the rate of 7% per annum, payable quarterly. Repayments will be interest only for the first 24 months that the loan is outstanding. Such interest will be paid-in-kind for the first six months that the loan is outstanding, which means that the Reorganized Debtor can pay the interest by the issuance of equity in the Reorganized Debtor. For the remaining 18 months of interest only, payments will be due quarterly in cash. After the first 24 months, the loan will amortize evenly over the remaining quarterly payments, which shall be made up of principal and interest. Assuming a loan of

$1,250,000, such payments will be $52,333 per quarter. The Leaven loan documents for the Exit Financing will be included in the Plan Supplement.

Leaven is committed to make the Exit Financing loan. Mr. Rimer sold another business of his, Featherstone Distribution LLC, in order to obtain the cash necessary to loan to the Reorganized Debtor, and created Leaven as a vehicle to funnel such funds to the Reorganized Debtor. As an extra benefit of the sale of Featherstone Distribution, the purchaser of Featherstone Distribution, who is in the bakery business, has agreed to make an effort to place some of his business with the Debtors, and he has already begun to do so. The Debtors estimate that this could increase their gross sales by approximately $2-3 million per year, or more.

Once the Debtors have substantially consummated the Plan (as defined in Bankruptcy Code § 1101(2)), Leaven expects to offer the Holders of New Equity Units an opportunity to exchange their New Equity Units for equity in Leaven upon such terms as the parties may mutually agree. If this happens, the Reorganized Debtor will become a subsidiary of Leaven but will continue to have all of its obligations under the Plan, and the Bankruptcy Court will continue to have jurisdiction over the Reorganized Debtor. The purpose of such an exchange will be to provide the Holders of Equity in both the Reorganized Debtor and Leaven, which parties overlap, with a more efficient tax treatment. Such an exchange is not required by the Plan, nor necessary for the Reorganized Debtor to meet its projections. Such an exchange would be accomplished in accordance with non-bankruptcy law outside of the Plan, after the plan is substantially consummated. It absolutely will not affect any of the Reorganized Debtor's obligations pursuant to this Plan, and such exchange will be deemed not to constitute a change of control for the purposes of triggering the various provisions of this Plan which are triggered upon a change of control.

C. Mergers

RMB has two wholly-owned subsidiaries: RM BONY LLC and Baked Wholesale LLC. RM BONY utilizes the RMB facilities and personnel, and uses certain perishable inventory of RMB. It is profitable. Baked Wholesale LLC is currently not operating, but when it did operate, it was profitable. Should the Debtors decide to reactivate Baked Wholesale, they have every reason to believe it would be profitable once again. Accordingly, RMB wishes to take the income of such subsidiaries into its income. Following the Effective Date of the Plan, RMB intends to merge both RM BONY LLC and Baked Wholesale LLC into RMB; provided, it can do so tax effectively. The consolidation of these two subsidiaries directly into RMB will contribute to an increase in cash flow and profits for RMB and help enable RMB to meet its projections. For example, in the second quarter of 2024, RMB showed negative net income in its Monthly Operating Report of approximately $172,045. Had it been able to consolidate RM BONY into the monthly operating reports, over the same period, it would only have lost $33.263.73. The merger with RM BONY is an important part of Debtors' plan to become profitable, and such merger is reflected in the projections attached hereto as Exhibit 3. In order to provide support for the amounts added to the projections based on the performance of RM Bony, attached as Exhibit 4 is a historical Quarterly Profit & Loss Statement of RM Bony for the time period from January 2023 through June 2024.

D. Vesting of Assets of the Estate

On the Effective Date, subject only to the terms of the Plan, all Assets of the Debtors and their Estates, wherever situated, shall vest in the Reorganized Debtor, free and clear of all Liens, Claims, encumbrances, and Interests except as otherwise provided in the Plan.

E. General Settlement of Claims and Interests

Pursuant to Section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, any consideration for the classification, distributions, releases and other benefits provided under the Plan on the Effective Date shall constitute good faith compromise and settlement of Claims and Interests and controversies relating to the contractual, legal and subordination rights that a Holder of the Claim or Interest may have with respect to any Allowed Claim or Interest or any Distribution to be made on account of any such allowed Claim or Interest. With respect to specific settlements outlined in the Plan, the Confirmation Order constitutes the approval by the Bankruptcy Court of such settlements.

F. New Equity Units and Corporate Governance

1. Cancellation of Existing Equity Interests. On the Effective Date , all instruments, certificates, book entries, old securities, Equity Interests, and any other document whatsoever evidencing or creating ownership or a right to invest or own an Interest in the Debtors, shall be cancelled, voided, and of no effect, and any obligations related thereto shall be fully satisfied, released, and discharged. The books and records of the Debtors will be marked to indicate that all Equity Interests are null, void and of no effect.

2. Issuance of New Equity Units. The Operating Agreement of the Reorganized Debtor will be revised and amended to provide that the Reorganized Debtor is authorized to issue up to thirty million (30,000,000) New Equity Units as provided in the Plan. The Debtors expect to issue between fifteen million eight hundred thousand (15,800,000) and eighteen million eight hundred thousand (18,800,000) New Equity Units on the Initial Distribution Date in accordance with the Plan. A copy of the Amended Operating Agreement will be included in the Plan Supplement filed with the Bankruptcy Court, and all recipients of the New Equity Units will be deemed to have signed the Revised Operating Agreement. On

the Effective Date, the Reorganized Debtor shall issue and deliver all notes, instruments, certificates and other documents necessary to evidence the New Equity Units to the parties entitled to receive the New Equity Units as provided in the Plan.

3. Other Changes to Operating Agreement. The amendments to the operating agreement will also prohibit the Reorganized Debtor from issuing non-voting securities, and will have restrictions on the transfer of the New Equity Units. It is intended that the Holders of New Equity Units will not be able to transfer their Units for approximately five years. The amended operating agreement will appoint RMB 2023 Manager, LLC, as the Reorganized Debtor's non-member manager. As set forth in more detail in Section 6.5. of the Plan, the new manager will receive the same compensation that KI 27323 was entitled to receive when it acted as the manager. Such compensation is on a sliding scale based on the EBITDA of the Reorganized Debtor. RMB Manager is owned by Persons who have a beneficial interest in the Equity Interests of the Debtors: Mark Rimer and Benjamin Gerut.

4. Exemption from Securities Act Registration Requirement. To the extent, if any, that the issuance of the New Equity Units would otherwise require registration under any federal, state, or local law, the New Equity Units will be issued without registration under the Federal Securities Act or any similar federal, state, or local law in reliance upon section 1145 of the Bankruptcy Code.

5. Officers and Their Compensation. From and after the Effective Date, the Reorganized Debtor will have two Officers: Mark Rimer, who will continue to serve as Chief Executive Officer at an annual salary of $165,000, and Dan Wilczynski will continue to serve as the Executive Vice President of Operations at an annual salary of $165,000. The officers have received no benefits other than their salaries. During the pendency of the Chapter 11 Cases, Mark Rimer has forgone receiving any salary in order to facilitate the reorganization, and will continue to do so until the Effective Date. Mr. Wilczynski acts as a consultant without

a consulting agreement and not as an employee, and will continue to act as a consultant. The Officers will be reviewed once each calendar year for an increase in their base salary, which increase shall not exceed ten percent (10%) of their existing base salary. Upon substantial consummation of a plan of reorganization, the Reorganized Debtor may offer a discretionary bonus to Mr. Wilczynski in either cash or equity. Mr. Wilczynski had certain Priority Claims against the Debtors which he is voluntarily withdrawing prior to Confirmation.

6. Management Incentive Plan. Currently, the Debtors have no incentive compensation plans and no plans to enact one. The Debtors reserve the right, however, to have the Reorganized Debtor enact an incentive compensation plan for key employees, which would consist entirely of equity incentives and would not dilute the then existing outstanding New Equity Units by more than 5%.

G. Conditions Precedent

The following are conditions precedent to the Effective Date that must be satisfied or waived by the Plan Proponents in order for the Plan to become effective after the Confirmation Order is entered:

1. **Entry of the Confirmation Order and the Confirmation Order having become a Final Order.** The Confirmation Hearing is currently set for _____, 2024.
2. **No request for revocation of the Confirmation Order under Section 1144 of the Bankruptcy Code shall be pending.** This means that no one is appealing the Confirmation Order after it is entered.
3. **The Debtors shall have been substantively consolidated pursuant to the Confirmation Order.** See the discussion above in Section VII.A.

4. **The Debtors shall have sufficient funds on hand to make all Cash Distributions required to be made on the Initial Distribution Date.** As noted above in Section VII.B., the Debtors have committed funding from Leaven to make all Cash Distributions, and Mr. Rimer will form Leaven for the purpose of loaning the necessary funds to the Debtors. Nonetheless, the agreements between Leaven and the Debtors have not yet been finalized. Such agreements will be included in the Plan Supplement.

5. **The Debtors have obtained agreement from the IRS and New York State as to the treatment of their Administrative and Priority tax Claims which is satisfactory to the Debtors in their sole discretion.** As noted above in Section VI.B., the Debtors are in active negotiations with the taxing authorities. The treatment currently reflected in the Plan is the treatment proposed by the Debtors to the taxing authorities. The Debtors are optimistic that they will be able to reach a resolution with the taxing authority that will be acceptable to the Debtors. The Plan may need to be amended once there is a resolution.

6. **The Debtors and Leaven have executed the loan documents for the Exit Financing, and Leaven is prepared to fund.** See subparagraph 4 above.

7. **Payments with respect to Allowed Administrative Claims due on the Initial Distribution Date shall not exceed $900,000.** The Debtors have reached settlements with many of their Administrative Creditors, and believe that this precondition is eminently attainable. The Projections on which the Plan is presumed the Administrative Payments due on the

Initial Distribution Date not exceed $900,000. If they do, the Debtors will need to take a long, hard look at the Projections to decide whether the Debtors can move forward without any changes to the Plan.

H. Preservation of Causes of Action

Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, compromised, or settled in the Plan, the Confirmation Order, any Final Order or, or in any contract, instrument, release or other agreement entered into or delivered in connection with the Plan, the Reorganized Debtor exclusively shall retain and may enforce, as a representative of the Estates under Section 1123(b)(3)(B), and the Debtors expressly reserve and preserve, in accordance with Section 1123(a)(5)(B) and 1123(b)(3) of the Bankruptcy Code, any claims, demands, rights and Causes of Action that the Debtors or the Estates may hold against any Person or Entity, including Avoidance Actions, which shall vest in the Reorganized Debtor. Accordingly, no preclusion doctrine, including, without limitation, the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), or laches shall apply to such Causes of Action by virtue of, or in connection with, the Confirmation, consummation, or effectiveness of the Plan. The Reorganized Debtor, or its successors or assigns exclusively may pursue such retained claims, demands, rights, and Causes of Action.

With respect to any Avoidance Action, the Reorganized Debtor reserves all rights under Section 502(d) of the Bankruptcy Code, to use defensively as a basis to object to all or any part of a claim of against the Estates asserted by a creditor which remains in possession of, or otherwise obtains the benefit of, an avoidable transfer.

No entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or this Disclosure Statement to any Cause of Action against them as an

indication that the Debtors or the Reorganized Debtor will not pursue any and all available Causes of Action against them. The Debtors and the Reorganized Debtor expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise provided in the Plan.

I. Objection to Claims and Settlements.

Prior to the Effective Date, the Debtors shall have the right to make and file objections to Claims; provided, however, to the extent that the Objection is not finally determined prior to the Effective Date, the Objection will be a Cause of Action that vests with the Reorganized Debtor, and may continue to be pursued only by the Reorganized Debtor. The Reorganized Debtor shall have the right to make and to File objections at any time prior to that date which is one hundred twenty (120) days after the Effective Date (the "**Objection Deadline**"). All objections shall be litigated to Final Order unless approval of a settlement or compromise of a Claim objection is obtained pursuant to Bankruptcy Rule 9019.

J. Estimation of Claims

The Debtors, or the Reorganized Debtor, may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claims, including any Claim for taxes, to the extent permitted by Section 502(c) of the Bankruptcy Code regardless of whether the Debtors or the Reorganized Debtor, as the case may be, has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute either the Allowed amount of such Claim or a maximum

limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtors or Reorganized Debtor may elect to pursue supplemental proceedings to object to any ultimate allowance of such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

K. Distributions on Claims and Disputed Claims Reserves

1. Distributions. Just because a claim is deemed Allowed on the Record Date for Voting and receives a Ballot does not mean that the Claim will ultimately be Allowed for Distribution purposes. As stated above, the Debtors have the right to object to Claims and to seek estimation of Claims. Distributions to Holders of Claims shall be made by the Debtors only with respect to Claims which have been Allowed.

Distributions to Holders of Allowed Claims shall be made by the Debtors themselves to the address on of Proof of Claim if one has been filed by the Holder, or at the Holder's last known address if no Proof of Claim has been filed, or if the Debtors have been notified in writing of a change of address. If there has not been a Proof of Claim filed, nor a written change of address, then the Reorganized Debtor shall make the distribution to the address reflected in the Schedules. If any Distribution to a Holder of an Allowed Claim is returned as undeliverable, no further distributions to such Holder shall be made unless and until the Debtors are notified in writing of such Holder's then-current address, at which time all missed Distributions made within the last ninety (90) days shall be made to such Holder without interest. The Debtors are only obliged to hold Undeliverable Distributions for ninety (90) days. Claims for undeliverable

Distributions must be made no later than ninety (90) days after the Distribution is made, after which time the Unclaimed Distribution will be forfeited. After ninety (90) days, Unclaimed Distributions shall revert to the Reorganized Debtor free of any restrictions thereon, and the Claim of any Holder or successor to such Holder with respect to such property shall be discharged and forever barred notwithstanding any federal or state is escheat laws to the contrary; provided, however, that with respect to any returned Distributions to Holders of Allowed Class 6 Claims or Allowed Class 7 Claims, once the Unclaimed Distribution reverts to the Reorganized Debtor, the Reorganized Debtor will be required to redistribute the unclaimed amounts to the remaining Allowed Claimants in that Class in accordance with the Plan. **Nothing contained in the Plan shall require the Debtors or any professional retained by the Debtors to attempt to locate any Holder of an Allowed Claim. Once a Distribution is returned as undeliverable, neither the Debtors nor any of their Professionals have any obligation to search for an alternative address for the Claimant.**

Checks issued by the Debtors or the Reorganized Debtor for Distributions which are not returned shall be null and void if not negotiated within one hundred eighty (180) days, and will be treated as Unclaimed Distributions in accordance with the above. After one hundred eighty (180) days, if a check has not been negotiated or returned, Claims in respect of such check shall be forever barred, and the proceeds of such check shall revest in the Reorganized Debtor, and be subject to redistribution if appropriate, in accordance with the provisions of the Plan.

Notwithstanding anything in the Plan to the contrary, no payment of fractional cents shall be made. Whenever any payment of a fraction of a cent under the Plan would otherwise be required, the actual Distribution made shall reflect a rounding of such fraction to the nearest whole penny (up or down), with half cents or more being rounded up, and fractions of less than half a cent being rounded down. No distributions of less than Fifteen Dollars ($15.00) will be

made on account of Allowed Claims. If a Claimant would be entitled to a payment of less than Fifteen Dollars ($15.00), no Distribution will be made to such Claimant, and the Claim will nonetheless be deemed discharged with respect to the payment.

2. Disputed Claims Reserve. On any Distribution Date, after making Distributions to be made on any such Distribution Date with respect to Allowed Claims, the Debtor shall make a reasonable reserve on account of Disputed Claims, and shall adjust the reserve periodically. The reserve shall be not less than the amount of the Disputed Claims multiplied by the Distribution that would have been made on account of such Claims had they been Allowed as of the Distribution Date. Such Disputed Claim Reserve shall be administered by the Reorganized Debtor. The Reserve shall be closed and extinguished by the Reorganized Debtor upon the determination that all Distributions under the Plan have been made in accordance with the terms of the Plan, and all Claims have either been Allowed, Disallowed, or withdrawn. Upon closure of the Disputed Claim Reserve, all cash in the Reserve attributable to Class 6 Claims and Class 7 Claims shall be subject to redistribution in accordance with the provisions of the Plan. All other cash in the Reserve shall revert to the Reorganized Debtor without restriction.

L. Exemption From Certain Transfer Tax and Recording Fees

Pursuant to Section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangible or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, sales tax, use tax or other similar tax or governmental assessment to the fullest extent contemplated by Section 1146(a) of the Bankruptcy Code, and upon entry of the Confirmation Order, the appropriate state or local government officials or agents are instructed to forego the collection of any such tax or governmental assessment, and to accept for filing and recordation

any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment. A copy of the Confirmation Order shall serve as evidence that the Debtors are not required to pay any such governmental assessments.

M. Discharge

Except as otherwise specifically provided in Section 1141(d) of the Bankruptcy Code, the Plan, or the Confirmation Order, and effective as of the Confirmation Date: (a) the distributions and rights that are provided in the Plan, if any, and the treatment of all Claims and Interests shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Causes of Action, whether known or unknown, including any interest accrued on such Claims from and after the Petition Date, against, liabilities of, Liens on, obligations of, rights against, and Interests in the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to this Plan on account of such Claims, rights, and Interests, including, but not limited to, Claims and Interests that arose before the Effective Date and all debts of the kind specified in Sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not (i) a Proof of Claim or Interest based upon such Claim, debt, right, or Interest is filed or deemed filed under Section 501 of the Bankruptcy Code, (ii) a Claim or Interest based upon such Claim, debt, right, or Interest is Allowed under Section 502 of the Bankruptcy Code, or (iii) the Holder of such a Claim, right, or Interest accepted this Plan; (b) the Plan shall bind all Holders of Claims and Interests notwithstanding whether any such Holders failed to vote to accept or reject the Plan or voted to reject the Plan; (c) all Claims and Interests shall be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under Section 502(g) of the Bankruptcy Code; and (d) all Entities shall be precluded from asserting against the Debtors, the Estates, the Reorganized Debtors, their successors and assigns, and their assets and properties any other Claims or Interests based

upon any documents, instruments, or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims against and Interests in the Debtors, subject to the occurrence of the Effective Date.

N. Closing of the Chapter 11 Cases

At any time after each Disputed Claim filed against the Debtors has become an Allowed Claim or a Disallowed Claim, and all Final Fee Applications have been adjudicated, the Reorganized Debtor may seek authority from the Bankruptcy Court to close the Chapter 11 Cases in accordance with the Bankruptcy Code and Bankruptcy Rules, and to request the Bankruptcy Court to enter the Final Decree. If not done earlier, once all Cash has been distributed in accordance with the Plan, the Debtors must seek authority from the Bankruptcy Court to close the Chapter 11 Cases and enter the Final Decree.

SECTION VIII: RISK FACTORS

In considering whether to vote to accept or reject the Plan, there are a number of risk factors which can affect the ability of the Debtors to obtain Confirmation and to achieve all of the terms of the Plan which one should consider. Principal among these are:

A. Realization of Projections.

The Debtors have prepared the Projections set forth in Exhibit 3 to demonstrate the feasibility of the Plan and the likely Distributions to Class 6 Non-insider General Unsecured Creditors. Although the Debtors have taken great care in preparing the Projections, the Projections are unaudited and have not been reviewed by a financial advisor. While the Debtors believe that the Projections are conservative and that the Debtors may well exceed the income projected therein, the Projections contain forward-looking numbers and, as such, represent the

opinion of the Debtors' management and cannot be guaranteed. The actual results may vary from the Projections either favorably or unfavorably.

B. Documentation of Exit Financing.

As pre-conditions to the Effectiveness of the Plan, the Debtors must have sufficient cash to make the Distributions required on the Initial Distribution Date, and must have entered into appropriate loan agreements with Leaven, and Leaven must be ready and willing to fund. The Debtors believe they will have sufficient cash to pay all of the Distributions required on the Initial Distribution Date; provided, they borrow $1,250,000 from Leaven on or before the Initial Distribution Date, as anticipated by the Plan. Since Leaven was formed precisely for the purpose of lending the Exit Financing to the Debtors required by the Plan, the Debtors do not anticipate any problems in finalizing the loan documentation with Leaven, and the Debtors are aware that Leaven has the necessary funds to make the proposed loan as a result of the sale by one of the principal shareholders of Leaven of certain assets unrelated to the Debtors, the proceeds of which sale are being invested in Leaven. Nonetheless, the documentation of the agreements between the Debtors and Leaven have not yet been finalized and signed. Accordingly, there can be no guarantee that the Debtors will be able to finalize the documentation with Leaven and obtain the necessary funds.

C. Administrative Claims

Another pre-condition to the Effectiveness of the Plan is that the Administrative Claims requiring payment on the Initial Distribution Date do not exceed Nine Hundred Thousand ($900,000) Dollars. The Debtors believe that they will be able to meet this pre-condition based on agreements they have made with various Administrative Creditors. Based on all the Claims of which the Debtors are aware, they believe this pre-condition will be met. Nonetheless, there is no guarantee that there will not be an unexpected Administrative Claim, nor that one of the

Debtors' agreements with an Administrative Claimant does not fall through. Either of these possibilities could prevent the Debtors from meeting this pre-condition.

D. Treatment of Administrative and Priority Tax Claims.

The Debtors are currently involved in good faith negotiations with counsel for the IRS and the New York State taxing authorities. A pre-condition to the Effectiveness of the Plan is that the Debtors reach a payment plan with such parties that is acceptable to the Debtors in their sole discretion. While the Debtors are very optimistic based on the current state of negotiations that they will be able to do so, there is no guarantee that they will reach an acceptable arrangement.

E. RM BONY Merger

The Plan provides the Reorganized Debtor will merge with its wholly-owned subsidiary, RM BONY; provided, it can do so on a tax effective basis. RM BONY is profitable, and the purpose of the merger is to provide additional liquidity to the Reorganized Debtor. The Projections assume that the merger will take place immediately after the Effective Date. At present, RM BONY does have some tax issues which it is in the process of working out, and its management believes it will be able to do so. Nonetheless, the Debtors may choose not to merge with RM BONY until such problems are resolved for fear of inheriting RM BONY's tax problems. Accordingly, there can be no guarantee that the merger will take place as quickly as anticipated in the Projections, or at all.

F. Confirmation by Cramdown

As the Class 9 Interest Holders are receiving nothing under the Plan, they are deemed to have rejected the Plan. As a result, the Debtors must seek Confirmation pursuant to the provisions of Bankruptcy Code Section 1129(b), commonly known as the cramdown provision. In order to succeed in Confirming a plan pursuant to the cramdown provision, one must

demonstrate to the satisfaction of the Bankruptcy Court that a plan does not discriminate unfairly and is fair and equitable with respect to the Class which is rejecting the Plan. While the Debtors believe that they can establish that Confirmation is appropriate pursuant to the cramdown provisions, there can be no guarantee that the Bankruptcy Court will agree with the Debtors.

SECTION IX: TAX TREATMENT

The contemplated merger with Leaven will allow new equity holders to receive original issued shares in a C-Corporation in return for the conversion of their claim or for new money provided, thus allowing them to receive shares that are expected to qualify for Section 1021 of the IRS code, known as Qualified Small Business Shares ("QSBS"). Equity holders are expected to retain the benefits of QSBS as long as they hold the shares for at least 5 years, however, any sale or transfer prior to the end of 5 years would cause them to lose this benefit.

The Plan is likely to affect each Holder of Claims or Interests differently based on their own tax situation, as well as their treatment pursuant to the Plan. You are urged to consult with your own tax advisor as to the tax ramifications of the Plan for you.

SECTION X: VOTING

A. Classes Entitled to Vote on the Plan

Under the Plan, Classes 1 through 9 are Impaired, but only Classes 1 through 8 are entitled to vote; since, the Class 9 Interest Holders receive nothing under the Plan and are therefore deemed to have rejected the Plan. You should read your Ballot(s) and carefully follow the instructions included in the Ballot(s). Please use only the Ballot(s) that accompany the applicable Solicitation Package. Such Ballots are pre-populated with your Class and the amount

of your Claim. If you disagree with the classification or amount, please contact either the Claims and Solicitation Agent at: RMBakery@epiqglobal.com, or Debtors' counsel at: david@mhlaw-ny.com. If you did not receive a Ballot and believe you are entitled to vote, you should also contact either the Claims and Solicitation Agent or the Debtors' counsel at the above emails. Finally, if you have any questions as to how to fill out your Ballot, or your Ballot is destroyed or damaged when you receive it, you should contact the Claims and Solicitation Agent at the above email.

If you are a Holder of a Claim and/or Interest in more than one of the Voting Classes, you will receive a Ballot for each Class in which you hold a Claim or Interest. If you have more than one Claim in a particular Class, your Claims will be aggregated, and you will only receive one Ballot for all of your Claims in such Class.

B. Votes Required for Acceptance by a Class

A Class of Claims is determined to have accepted a plan if Creditors holding at least two-thirds (2/3) in amount and a majority in number of the Allowed Claims actually voting in the Class vote in favor of the plan. If, on the Record Date for Voting, there are no Allowed Claims in a particular Class, then that Class is deemed to have accepted the Plan. The Plan provides that if no Claimants in a Class vote, such Class is deemed to have accepted the Plan.

With respect to Interest Holders, a Class of Interest Holders accepts the Plan if at least two thirds in amount of the Equity Interests voting vote to accept the Plan. In the instant case, since the Interest Holders are receiving nothing under the Plan, they are deemed to reject the Plan and will not be provided with Ballots or an opportunity to vote. The Debtors will be required to proceed to seek Confirmation with a non-accepting Class.

C. Non-consensual Confirmation

If any Class of Claims or Interests entitled to vote does not accept the Plan by the requisite statutory majority, the Plan Proponents reserve the right to amend the Plan or undertake to have the Court confirm the Plan under Section 1129(b) of the Bankruptcy Code, or both. In the instant case, because the Class 9 Equity Interests are deemed to have rejected the Plan, the Debtor's plan to proceed pursuant to Bankruptcy Code Section 1129(b) which is often called the "cramdown" provision. This means that the Debtors will have to demonstrate to the satisfaction of the Bankruptcy Court that the Plan does not discriminate unfairly and is fair and equitable with respect to the Class 9 Interests. See Section XI.C. below.

D. Distribution of the Solicitation Package and Plan Supplement

The Debtors have requested that the Claims and Solicitation Agent distribute a Solicitation Package consisting of the most current version of the Plan, the approved Disclosure Statement, a letter from the Debtors, Notice of the Confirmation Hearing, and, if appropriate, Ballots and instructions for filling out same and a W-2 form, to all Holders of Allowed Claims and/or Interests as of the Record Date for Voting by U.S. regular mail by no later than_____, 2024. If you are a beneficial Holder of an Equity Interest, your Solicitation Package will come directly from the record Holder of such Interest. If you are expecting to receive a Solicitation Package and have not done so within a reasonable time after the above date, the Solicitation Package (except the Ballots) may be obtained from the Claims and Solicitation Agent by telephoning (503) 597-7669 or emailing RMBakery@epiqglobal.com. You may also obtain copies of any pleading filed with the Bankruptcy Court for free by visiting the Debtors' restructuring website, https://dm.epiq11.com/case/rmb/info, or for a fee by visiting PACER at

https://www.pacer.gov/. The Debtors reserve the right to serve the Solicitation Package on a diskette or a thumb drive, rather than by hard copy. Should you not receive a Ballot, please follow the instructions set forth above.

The Debtors shall file the Plan Supplement with the Bankruptcy Court no later than twenty-one (21) days before the Confirmation Hearing. This will also be served on all Holders of Allowed Claims and Interests as of the Record Date for Voting. The Debtors reserve the right to serve the Plan Supplement by diskette or thumb drive, rather than by a hard copy. If you do not receive the Plan Supplement, you may obtain one in the same manner described for obtaining a missing Solicitation Package above. If the Plan, the Disclosure Statement, or the Plan Supplement is updated or otherwise modified, such modified or updated documents will be made available on the Debtors' restructuring website.

E. Voting Procedures

In order for the Holder of an Allowed Claim in a Voting Class to have its Ballot counted as a vote to accept or reject the Plan, such Holder's Ballot must be properly completed, executed, and delivered either (a) by first class mail to RM Bakery LLC Ballot Processing, c/o Epiq Corporate Restructuring, LLC, P.O. Box 4422, Beaverton OR 97076-4422; (b) by hand delivery or overnight courier to RM Bakery LLC Ballot Processing, c/o Epiq Corporate Restructuring, LLC, 10300 SW Allen Blvd., Beaverton, OR 97005, or (c) by the Claims and Solicitation Agent's online portal (the "**E-mail Portal**") by visiting https://dm.epiq11.com/rmb, clicking on the "E-Ballot" under "Case Actions" and following the instructions to submit your Ballot, in each case so that such Holder's Ballot is actually received by the Claims and Solicitation Agent on or before the Voting Deadline which is_____, 2024, at 5:00 p.m., Prevailing Eastern Time.

If you hold Claims and/or Interests in more than one Voting Class under the Plan, you should receive a separate Ballot for each Class of Claims, coded by Class number.

IF A BALLOT IS RECEIVED AFTER THE VOTING DEADLINE, IT WILL NOT BE COUNTED UNLESS THE DEBTORS DETERMINE OTHERWISE OR AS ORDERED BY THE BANKRUPTCY COURT.

ANY BALLOT THAT IS PROPERLY EXECUTED BY THE HOLDER OF A CLAIM BUT THAT DOES NOT CLEARLY INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN, OR ANY BALLOT THAT INDICATES BOTH AN ACCEPTANCE AND REJECTION OF THE PLAN, WILL BE COUNTED AS AN ACCEPTANCE OF THE PLAN. ANY CLASS IN WHICH NO ONE VOTES TO ACCEPT OR REJECT THE PLAN WILL BE DEEMED TO ACCEPT THE PLAN.

EACH HOLDER OF THE CLAIM MUST VOTE ALL OF ITS CLAIMS WITHIN A PARTICULAR CLASS EITHER TO ACCEPT OR REJECT THE PLAN AND MAY NOT SPLIT SUCH VOTES. BY SIGNING AND RETURNING A BALLOT, EACH HOLDER OF A CLAIM WILL CERTIFY TO THE BANKRUPTCY COURT AND THE DEBTORS THAT NO OTHER BALLOTS WITH RESPECT TO SUCH CLAIM AND/OR INTEREST HAVE BEEN CAST. IF A HOLDER NONETHELESS CASTS MULTIPLE BALLOTS WITH RESPECT TO THE SAME CLAIM, ONLY THE LAST PROPERLY EXECUTED BALLOT TIMELY RECEIVED WILL BE COUNTED FOR PURPOSES OF ACCEPTING OR REJECTING THE PLAN AND ALL PRIOR BALLOT(S) WILL BE DEEMED SUPERSEDED AND REVOKED.

SECTION XI: CONFIRMATION PROCEDURES

A. The Confirmation Hearing

Under Section 1128(a) of the Bankruptcy Code, the Bankruptcy Court, after notice, may hold a hearing to Confirm a plan of reorganization. The Confirmation Hearing is scheduled to be held on _____, 2024, at _____ before the Honorable Martin Glenn, in the United States Bankruptcy Court, Southern District of New York, One Bowling Green, New York, NY 10004-1408; however, the Bankruptcy Court may decide to hold the hearing electronically by Zoom for Government instead. The Notice of Hearing in your Solicitation Package will specify whether you can attend the hearing virtually or in person. Please note that if the hearing is virtual, you must register in advance, and instructions to do so will be included in the Notice of Hearing. The Confirmation Hearing may be continued from time to time without further notice other than an adjournment announced in open court or a notice of adjournment filed with the Bankruptcy Court and served in accordance with the Bankruptcy Rules. The Bankruptcy Court, in its discretion and prior to the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing. Subject to Section 1127 of the Bankruptcy Code, the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing without further notice to parties-in-interest.

B. Objections to Confirmation

Section 1128(b) of the Bankruptcy Code provides that a party-in-interest may object to Confirmation. The Bankruptcy Court has directed that objections, if any, to Confirmation of the Plan, be in writing, filed with the Bankruptcy Court on ECF, with two courtesy copies to Chambers of the Honorable Martin Glenn, and such objection be served on the Objection

Notice Parties, as defined in the beginning of this Disclosure Statement, so as to be received on or before _____, 2024.

C. Confirmation Standards

Among the requirements for Confirmation are that the Plan (a) is accepted by all Impaired Classes of Claims and Interests or, if rejected by an Impaired Class, that the Plan "does not discriminate unfairly" and is "fair and equitable" as to such Class; (b) is feasible; and (c) is in the "best interest" of Holders of Claims and Interests that are Impaired under the Plan.

The following requirements must be satisfied pursuant to Section 1129(a) of the Bankruptcy Code before a bankruptcy court may confirm a plan of reorganization. The Debtors believe that the Plan, and the Debtors as the Proponents of the Plan, fully complies with all of the applicable requirements of Section 1129(a) of the Bankruptcy Code set forth below (other than those pertaining to voting, which has not yet taken place, but which the Debtors expect to comply with).

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtors have complied with the applicable provisions of the Bankruptcy Code.
- The Plan has been proposed in good faith and not by any means forbidden by law.
- Any payment made or to be made by the Debtors or by a Person issuing Securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with the Chapter 11 Cases, in connection with the Plan and incidental to the Chapter 11 Cases, is subject to the approval of the Bankruptcy Court as reasonable.
- The Debtors have disclosed or will disclose the identity and affiliation of any individual proposed to serve, after Confirmation, as a director or officer, any affiliate of the Debtors reorganized under the Plan, or any successor to the Debtors under the Plan. The appointment to, or continuance in, such office of such individual is consistent with the interest of creditors and equity security holders and with public policy.

- The Debtors have disclosed or will disclose the entity of any insider that will be employed or retained by the Reorganized Debtor and the nature of any compensation for such Insider.

- With respect to each Holder within an Impaired Class of Claims or Interests, as applicable, each such Holder (a) has accepted the Plan or (b) will receive or retain under the Plan on account of such Claim or Interest property of a value, as of the Effective Date, that is not less than the amount that such Holder would so receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

- With respect to each Class of Claims or Interests, such Class (a) has accepted the Plan or (b) is Unimpaired under the Plan (subject to the "cram down" provisions discussed in Section VIII.F. herein).

- The Plan provides for treatment of Claims, as applicable, in accordance with the provisions of Section 507(a) of the Bankruptcy Code.

- If a Class of Claims and/or Interests is impaired under the Plan, at least one Class of Claims that is Impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any insider.

- Confirmation is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Reorganized Debtors, or any successor to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan.

- All fees payable under 28 U.S.C. § 1930 had been paid or the plan provides for the payment of all such fees on the Effective Date.

D. Best Interest Test / Liquidation Analysis

As described above, the Bankruptcy Code requires that each Holder of an Impaired Claim or Interest either (a) accept the plan, or (b) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such Holder will receive if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code. Based on the unaudited Liquidation Analysis attached hereto as **Exhibit 2**, the Debtors believe that any Distributions if the Chapter 11 Cases were converted to cases under Chapter 7 of the Bankruptcy Code would be vastly less than the value of Distributions under the Plan. Although the Holders of Class 9 Interests are receiving nothing under the Plan, they clearly would also receive nothing in a

liquidation. As a result, the Debtors believe Holders of Claims and Interests in all Impaired Classes will recover at least as much as a result of Confirmation of the Plan as they would recover through a hypothetical chapter 7 liquidation.

THE LIQUIDATION ANALYSIS HAS BEEN PREPARED SOLELY FOR USE IN THIS DISCLOSURE STATEMENT. NOTHING CONTAINED IN THE LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION BY OR ADMISSION OF ANY DEBTOR FOR ANY PURPOSE.

E. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that the Bankruptcy Court find that Confirmation is not likely to be followed by the liquidation, or the need for further financial reorganization, of a debtor or any successor of a debtor under the plan of reorganization unless the plan contemplates such liquidation or reorganization. For purposes of determining whether the Plan meets this requirement, the Debtors have analysed their ability to meet obligations under the Plan. As part of this analysis, the Debtors have prepared the financial Projections, which together with the assumptions on which they are based are attached hereto as **Exhibit 3**. Based on these Projections, the Debtors believe the Plan meets the financial feasibility requirement. The Debtors have tried to be conservative in the Projections, and believe that the results shown in the Projections can be obtained. Nonetheless, the Projections are unaudited, have not been reviewed by a financial advisor, and contain forward looking numbers which cannot be guaranteed. However, given the substantial deleveraging of the Debtors' balance sheet accomplished through the Plan and the fact that the Debtors' gross sales have been improving year-over-year, the Debtors feel confident that the Plan satisfies the feasibility requirement of Section 1129(a)(11) of the Bankruptcy Code.

F. Confirmation Without Acceptance by All Impaired Classes

The Debtors will be seeking Confirmation without acceptance by all Impaired Classes; since, the Class 9 Interest Holders are deemed to have rejected the Plan. The Bankruptcy Code permits Confirmation of the Plan even if it is not accepted by all Impaired Classes, as long as (i) the Plan otherwise satisfies the requirements for Confirmation, (ii) at least one Impaired Class of Claims has accepted the Plan without taking into consideration the votes of any Insiders in such Class, and (iii) the plan is "fair and equitable" and does not "discriminate unfairly" as to any impaired class that has not accepted the plan. These so-called "cram down" provisions are set forth in Section 1129(b) of the Bankruptcy Code.

- **No Unfair Discrimination.** The no "Unfair Discrimination" test applies to Classes of Claims or Interests that are of equal priority and are receiving different treatment under the Plan. The test does not require that the treatment be the same or equivalent, but that such treatment be "fair". The Debtors do not believe the Plan discriminates unfairly against any Impaired Class of Claims or Interests. More importantly, all Holders of Equity Interests in the Debtors are being treated the same. The Debtors believe the Plan satisfies the foregoing requirements for non-consensual Confirmation in the treatment of all Classes of Claims and Interests under the Plan, particularly Class 9.

- **Fair and Equitable Test.** This test applies to Classes of different priority and status (e.g., Secured versus Unsecured) and includes the general requirement that no Class of Claims or Interest receive more than 100% of the amount of the Allowed Claims or Interest in such Class. The Plan specifically provides that there will be no Distributions in excess of the Face Amount of Claims. As to a dissenting Class, the test sets different standards depending on the type of Claims or Interest in such Class. In order to demonstrate the Plan is

fair and equitable with requests to a rejecting Class, the plan proponent must demonstrate the following:

- **As to Rejecting Secured Creditors:** Each Holder of a Secured Claim (a) retains its liens on the property, to the extent of the Allowed amount of its Secured Claim, and receives deferred cash payments having a value, as of the Effective Date of the chapter 11 plan, of at least the Allowed amount of such Claim, (b) has the right to credit the amount of its claim if the property is sold and retains its liens on the proceeds of the sale (or is sold, on the proceeds thereof), or (c) receives the "indubitable equivalent" of its Allowed Secured Claim. The Debtors submit that the treatment of all Secured Creditors in the Plan meets these requirements.

- **As to Rejecting Unsecured Creditors**: Either (a) each Holder of an Impaired Unsecured Claim receives or retains under the chapter 11 plan property of the value equal to the amount of its Allowed Claim or (b) the Holders of Claims and Interest that are junior to the Claims of the non-accepting Class will not receive any property under the Chapter 11 plan.

- **As to Rejecting Holders of Interests:** Either (a) each Holder of an Impaired Interest will receive or retain under the chapter 11 plan property of a value equal to the greatest of the fixed liquidation preference to which such Holder is entitled, the fixed redemption price to which such Holder is entitled, or the value of the Interest, or (b) the Holders of Interests that are junior to the non-accepting Class will not receive or retain any property under the Chapter 11 plan.

As to the Class 9 Equity Interests which are deemed to reject the Plan, the Liquidation Analysis shows that the Equity Interests have no value; since, the liabilities of the Debtors far exceed the assets. Accordingly, each Holder of an Equity Interest is receiving the value of such

Interest. The Debtors believe that the Plan, and in particular, the treatment of Class 9 Interests, satisfies the "fair and equitable" requirement.

G. Alternatives to Confirmation and Consummation of the Plan

If the Plan cannot be Confirmed, the Debtors may seek to (a) prepare and present to the Bankruptcy Court an alternative plan for Confirmation, or (b) liquidate their assets and businesses under Chapter 7 of the Bankruptcy Code. If the Debtors were to pursue a liquidation in chapter 7, the Debtors would convert the Chapter 11 Cases to cases under Chapter 7 of the Bankruptcy Code, and a trustee would be appointed to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. As demonstrated by the Liquidation Analysis attached hereto as Exhibit 2, in a liquidation, the Secured Creditors are likely to receive less than they do in the Plan, the Unsecured Creditors would receive nothing, and the Interest Holders would receive nothing. Theoretically, the Debtors could also pursue a merger or sale of their businesses, but the Debtors have chased potential mergers and sales throughout the lengthy pendency of these Chapter 11 Cases, and have concluded that such an option is not feasible. Accordingly, the Plan offers the best recovery for Creditors.

SECTION XII: MODIFICATION OF PLAN

A. Modification Prior to the Confirmation Order

The Plan Proponents may alter, amend, or modify the Plan or any exhibits thereto under Section 1127(a) of the Bankruptcy Code at any time prior to entry of the Confirmation Order. The Plan Proponents shall provide parties-in-interest with notice of such amendments or modifications as may be required by the Bankruptcy Code or Bankruptcy Rules or order of the

Bankruptcy Court. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, modified or clarified, if the proposed alteration, amendment, modification or clarification does not materially and adversely change the treatment of the Claim of such Holder.

B. Modification After the Confirmation Order

After the entry of the Confirmation Order and prior to substantial consummation (as defined in Section 1101(2) of the Bankruptcy Code) of the Plan, the Plan Proponents may, under Section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or omission or to reconcile any inconsistencies in the Plan or the Confirmation Order, and such matters as may be necessary to carry out the purpose and effect of the Plan, so long as such proceedings do not materially and adversely affect the treatment of Holders of Claims or Interests under the Plan; provided, however, that, to the extent required, prior notice of such proceedings shall be served in accordance with the Bankruptcy Code or Bankruptcy Rules or an order of the Bankruptcy Court. A Holder of a Claim or Interest that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, modified or clarified, if the proposed alteration, amendment, modification or clarification does not materially and adversely change the treatment of the Claim or Interest of such Holder.

SECTION XIII: EXECUTORY CONTRACTS UNDER THE PLAN

A. Rejection of Executory Contracts

All Executory contracts (other than those previously rejected or assumed and/or assigned pursuant to an order of the Bankruptcy Court) shall be deemed rejected on the Effective Date or such other date as may be agreed upon by the Debtors and the counterparties

thereto, or ordered by the Bankruptcy Court, and the Debtors and respective counterparties shall be relieved of any further obligation to perform under such agreements. Rejected Contract counterparties that do not oppose this proposed treatment by filing and serving a written objection with the Bankruptcy Court in accordance with the Bankruptcy Code and Bankruptcy Rules by the date objections to Confirmation of the Plan are required to be filed shall be deemed to have consented to rejection of such Executory Contract. This Plan shall constitute a request pursuant to Bankruptcy Code Section 1123(b)(2) and 365(a), and the Confirmation Order (except as otherwise provided therein) shall constitute an order of the Bankruptcy Court, approving the rejection by the Debtors of all Executory Contracts that have not otherwise been rejected or assumed by order of the Bankruptcy Court.

The Debtors have reached an agreement with Polar Leasing to reject all lease contracts with Polar Leasing, effective the 30th day after the Effective Date of the Plan. E. Polar Leasing has agreed to pick up its equipment which was being leased by the Debtors promptly after such date at a mutually agreed time. Polar Leasing has asserted prepetition, Administrative, and rejection damage Claims against RMB, and filed an untimely proof of claim alleging a Secured Claim, as well. RMB disputes such Claims. Accordingly, the parties entered into settlement negotiations, and have agreed to the following payments in discharge of all of Polar Leasing's Claims against the Debtors of whatever kind:

i. The lease with Polar Leasing is rejected as of the 30th day following the Effective Date, and Polar Leasing will pick up its equipment on an agreed time after such date.

ii. Polar Leasing will have an Allowed Administrative Claim in the amount of $40,000, which will be paid in full in Cash on the Initial Distribution Date.

iii. Polar Leasing will have an Allowed Class 6 Non-insider General Unsecured Claim in the amount of $85,000.

iv. Upon Confirmation of a plan including the above settlement terms, Polar Leasing's Secured proof of Claim will be deemed expunged.

This Plan constitutes the Debtors' request that the Bankruptcy Court approve the settlement with Polar Leasing, and entry of the Confirmation Order will constitute approval of the above settlement.

The above Polar Settlement has been negotiated in good faith, however it has not yet been formally approved by the principals of Polar.

B. Rejection Claims

If the rejection of a Rejected Contract gives rise to a Claim by the Counterparty or parties to such contract or lease, such Claims shall be classified as a Class 6 Non-insider General Unsecured Claim; *provided*, however, that any Claim arising from the rejection of a Rejected Contract pursuant to the Plan shall be forever barred and shall not be enforceable against the Debtors, the estates, the Reorganized Debtor, or their properties, unless a Proof of Claim is filed and served on the Debtors by the Rejection Claims Bar Date. The Rejection Claims Bar Date is thirty (30) days after the entry of an Order by the Bankruptcy Court rejecting such contract, or thirty (30) days after entry of the Confirmation Order in the event the Rejected Contract was rejected pursuant to the Plan, whichever occurs first. As the amount of Polar Leasing's rejection damages have been agreed, Polar Leasing shall not be required to file a Proof of Claim for rejection damages.

C. Assumption Prior to Entry of the Confirmation Order

Prior to the Confirmation Hearing, the Debtors may designate certain executory contracts and unexpired leases which they wish to assume at Confirmation, rather than reject. The Plan Supplement will contain a Cure Notice listing all such executory contracts and unexpired leases which the Debtors wish to assume at Confirmation, along with the proposed amount of Cure. Such Cure Notice will be served by the Debtors on all counterparties to the executory contracts and unexpired leases which the Debtors wish to assume. Counterparties who oppose the assumption may to do so by filing and serving a written objection with the Bankruptcy Court in accordance with the Bankruptcy Code and the Bankruptcy Rules by the deadline for filing objections to Confirmation of the Plan. Failure to file such an objection shall be deemed consent to the assumption of such Executory Contract. With respect to the Cure, a counterparty shall have fourteen (14) days from service of the Cure Notice to file any objection to the Cure Amount, whether or not it had previously filed an objection to assumption of the contract.

Notwithstanding the foregoing, entry of the Confirmation Order shall constitute the assumption of the following contracts under the following terms:

1. **Landlord**. As discussed above, the Debtors have previously entered into two Stipulations of Settlement among themselves, 220 Coster, LLC, as landlord, and KI 27323, which have been approved by the Bankruptcy Court and which anticipate the Reorganized Debtor will assume the lease for the Debtors' primary facility at 220 Coster St., Bronx, NY. Currently, KI 27323 is the lessee with the Landlord, and RMB subleases the premises from KI 27323. Accordingly, pursuant to the already approved Stipulation of Settlement, the assumption of the lease will be accomplished as follows:

a. All payments owed to the Landlord pursuant to the final Stipulation of Settlement must be current as of the Effective Date, and there must be no further outstanding defaults under the Lease, in order for the assumption to take place. Currently, there is a dispute between RMB and the Landlord as to the amount of certain late fees and penalties which the Landlord asserts are owed. The Debtors disagree with such assertion. If this dispute cannot be resolved prior to Confirmation, the amounts alleged by the Landlord will be set aside in a segregated account until such dispute is resolved by the Court.

b. KI 27323 will assign the Lease and the Lease Modification to which it is a party to RMB at Confirmation in consideration of RMB's assumption of the liabilities thereunder. Both the Landlord and KI 27323 have already agreed to this assignment as part of the Stipulation of Settlement.

c. Upon such assignment, RMB will be in privity of contract with the Landlord, and the Sublease will be terminated and deemed rejected, while the Lease and the Lease Modification will be deemed assumed, and RMB will be deemed the Tenant pursuant to the Lease and Lease Modification for all purposes.

d. The Payments required by ¶¶ four and five of the final Stipulation of Settlement constitute the necessary cure for assumption of the Lease/sublease (along with the segregated account of the disputed late fees if such dispute has not yet been resolved).

e. The assumption does not affect the ongoing obligations of RMB pursuant to the Stipulations of Settlement.

2. **The Hartford**. Debtors will assume all outstanding insurance policies with The Hartford. The Debtors will pay The Hartford $26,263.11 on the Initial Distribution Date, which

the Debtors and The Hartford estimate will be the approximate amount of The Hartford's Allowed Administrative Claim after application of the dividend credits which it will owe RMB. Thereafter, upon the final dividend calculations, the Reorganized Debtor will promptly pay The Hartford any further amounts it owes, or The Hartford will promptly pay the Reorganized Debtor any amounts which it owes. Except as set forth above, no other cure amount is required.

SECTION XIV: PROVISIONS OF THE PLAN REGARDING EFFECT OF CONFIRMATION, INJUNCTIONS EXCULPATION AND THIRD-PARTY RELEASES

A. Effect of Confirmation

On the Confirmation Date, and except as otherwise provided in the Plan, the Plan binds all Holders of all Claims against the Debtors and all Interest Holders, whether or not such Holder accepts the Plan.

B. Injunction Related to the Plan

To the fullest extent provided in Section 1141 of the Bankruptcy Code, and except as otherwise provided in the Plan, as of the Effective Date, all Persons that have held, currently hold, or may hold a Claim or other debt or Liability or Interest that is addressed in the Plan are permanently enjoined from taking any action on account of such Claims, debts, Liabilities or Interests, other than actions brought to enforce any rights or obligations under the Plan.

C. Releases

1. Debtors' Release of Claims against Officers, Directors, Managing Members, and Professionals of the Debtors

As of the Effective Date, Debtors shall be deemed to have released all claims in connection with or related to any action or omission taking place after the Commencement Date and prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, and/or the Plan, against the Debtors' present directors, officers, Managing Members, all personnel of corporate Managing Members, financial advisors, attorneys, and professionals; *provided*, however, the foregoing shall not waive or release any causes of action arising out of (i) any contractual obligation owing by any such party, (ii) any Avoidance Actions,

or (iii) the fraud, wilful misconduct, gross negligence, breach of fiduciary duty, ultra vires acts, malpractice or misuse of confidential information that causes damage, or criminal conduct of any such party.

2. **No Release Prior to Petition Date**

For the avoidance of doubt and notwithstanding anything to the contrary in this Plan or otherwise, nothing herein shall release any claims that arose prior to the Petition Date against the Debtors' Principals or any related parties, or affiliates of the Debtors.

3. **Releases with Pac West.**

Provided that Pac West votes to accept the Plan, the Debtors will exchange broad releases with Pac West upon Confirmation. A copy of the proposed releases will be included in the Plan Supplement. The Debtors will release any claims, demands, rights, defenses, objections, and Causes of Action that the Debtors or their Estates may hold against Pac West, including, but not limited to, any Avoidance Actions. The release will provide that Section 6.9 ("Preservation of Causes of Action") and Section 9.2 ("Retention of Causes of Action") of the Plan will not apply to Pac West once the releases are exchanged. The Debtors and their Affiliates will be released from all claims of Pac West other than their ongoing obligations under the Plan. Notwithstanding the foregoing, any claims of Pac West and the SBA against any guarantors of the Pac West debt, other than the Debtors themselves, will not be affected by the releases.

D. Exculpation

To the extent permitted by Section 1125(e) of the Bankruptcy Code, as of the Effective Date, each (i) Debtor, (ii) each director, officer, managing member, personnel of corporate managing member, and Holders of Equity Interest of the Debtor, and (iii) each of the respective financial advisors, attorneys, accountants, consultants, liquidators, and other professionals of each such party (each an "**Exculpated Party**") shall neither have nor incur, and each Exculpated Party is hereby released and exculpated from, any Exculpated Claim or obligation, cause of action or liability for any Exculpated Claim, except for acts undertaken in bad faith, fraud, gross negligence, wilful misconduct, breach of fiduciary duty, *ultra vires* acts, malpractice, misuse of confidential information that causes damage, or criminal conduct; but in all respects each Exculpated Party shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under this Plan in their dealings with a Debtor, or in the context of each Debtor's Chapter 11 Case. No Holder of any Claim or Equity Interest or any other party-in-interest, including their respective agents, employees, representatives, financial advisors, attorneys, or affiliates, shall have any right of action against any Exculpated Party relating to or arising out of the Exculpated Claim, except for such Exculpated Party's own wilful misconduct or gross negligence; **provided, however, that nothing in the Plan shall, or shall be deemed to, release or exculpate the Exculpated Parties with respect to their obligation or covenants arising pursuant to the Plan, and nothing herein shall abrogate the provisions of any disciplinary code.**

SECTION XV: RETENTION OF SUBJECT MATTER JURISDICTION AND CAUSES OF ACTION

A. Retention of Subject Matter Jurisdiction

The Plan is designed to ensure that even after Confirmation, the Bankruptcy Court shall continue to have subject matter jurisdiction of all matters, and over all persons, arising out of, or relating to, the Chapter 11 Cases. The Plan identifies a panoply of items over which the Bankruptcy Court maintains jurisdiction, but such list is not meant to be exhaustive. The items identified in the Plan are:

1. To consider and rule on compromises and settlement of any Claim against or Causes of Action on behalf of the Debtors or the Estates;

2. To ensure that Distributions to Holders of Allowed Claims are accomplished as provided in the Plan, including to determine Net Profits in the event there is an objection to the Reorganized Debtor's calculation of same;

3. To hear and determine any timely objections to the Administrative Expense Claims or to Proofs of Claim filed, both before and after the Effective Date, including any objection to the Classification of any Claim or Equity Interest, and to Allow or disallow any Claim in whole or in part;

4. To hear and determine any and all applications for the allowance of Professional Fees accrued prior to the Effective Date as provided for in the Plan;

5. To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

6. To issue such orders in aid of execution of the Plan, in accordance with section 1142 of the Bankruptcy Code;

7. To estimate Claims for all purposes under the Plan;

8. To consider any modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in the Plan, including any exhibits thereto, or in any order of the Bankruptcy Court, including the Confirmation Order, as may be necessary to carry out the purpose and intent of the Plan and to implement and effectuate the Plan;

9. To hear and determine matters concerning state, local and federal taxes, including but not limited to those in accordance with §§ 346, 505 and 1146 of the Bankruptcy Code, with respect to either Debtor or any Person;

10. To compel the conveyance of property and other performance contemplated under the Plan and documents executed in connection herewith;

11. To enforce remedies upon any default under the Plan;

12. To enforce, interpret and determine any disputes arising in connection with any orders, stipulations, judgments and rulings entered in connection with the Chapter 11 Cases (whether or not the Chapter 11 Cases have been closed);

13. To resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation, or enforcement of the Plan and the documents ancillary thereto, or any Person's obligation incurred in connection therewith;

14. To determine any other matters that may arise in connection with or related to the Plan and Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan or Disclosure Statement;

15. To issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person with the occurrence of the Effective Date or enforcement of the Plan;

16. To issue such orders as may be necessary or appropriate in aid of Confirmation and/or to facilitate consummation of the Plan;

17. To determine such other matters as may be provided for in the Confirmation Order or other orders of the Bankruptcy Court as may be authorized under the provisions of the Bankruptcy Code or any other applicable law;

18. To hear and determine (a) all motions, applications, adversary proceedings, and contested and litigated matters pending on the Effective Date, and (b) all Claims by or against the Debtors arising under the Bankruptcy Code or non-bankruptcy law, if made applicable by the Bankruptcy Code, whether such Claims are commenced before or after the Effective Date, including, but not limited to, Causes of Action and the Avoidance Actions;

19. To hear and determine all Causes of Action, to the extent not described above;

20. To hear and determine any Claims asserted by: (i) suppliers of goods or services to any of the Debtors; and (ii) any Equity Holder, Insider or Affiliate of any of the Debtors, for any actions or omissions prior to the Commencement Date;

21. To hear and determine any other matter authorized by applicable law; and

22. To enter a Final Decree.

SECTION XVI: CONCLUSION AND RECOMMENDATION

For all of the reasons stated above, the Debtors believe that Confirmation and consummation of the Plan is preferable to all other alternatives and will result in the highest possible return to all Creditors. Consequently, the Debtors urge all Holders of Claims entitled to vote to accept the Plan and to evidence such acceptance by returning their Ballot(s), so that, they will be received by the Claims and Solicitation Agent no later than 5:00 p.m. prevailing Eastern Time on _____., 2024.

Respectfully submitted,

RM Bakery, LLC

By: BKD Group LLC
Its Managing Member

By: Kuzari Investor 27323, LLC
Its Managing Member

By: */s/ Mark Rimer*
Name: Mark Rimer
Authorized Signatory

-and-

BKD Group LLC

By: Kuzari Investor 27323, LLC

Its Managing Member

By: *s// Mark Rimer*
Authorized Signatory

July 15, 2024
New York, New York

EXHIBIT 1

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	
	:	Chapter 11
RM BAKERY., *et al.*,[1]	:	
	:	Case No. 20-11422(MG)
Debtors.	:	
	:	(Jointly Administered)

THIRD AMENDED JOINT PLAN OF REORGANIZATION of RM BAKERY, LLC, AND BKD GROUP LLC

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(646) 778-4380
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David H. Hartheimer, Esq.

Counsel for Debtors and
Debtors-in-Possession

Dated: June 28, 2024

[1] The Debtors in these chapter 11 cases, along with the last four numbers of each Debtor's taxpayer identification number are: RM Bakery LLC (7954) and BKD Group LLC (0624).

**JOINT PLAN OF REORGANIZATION OF
RM BAKERY, LLC AND BKD GROUP, LLC**

This Joint Plan of Reorganization and the accompanying Disclosure Statement is presented to you to inform you of the proposed Plan for the reorganization of RM Bakery, LLC, and BKD Group LLC, and the treatment of their creditors as part of their reorganization. The Debtors are being combined into one entity pursuant to this Plan. The Plan and Disclosure Statement are being provided to you at this point in advance of a hearing to determine the adequacy of the disclosure. Later, the Plan and Disclosure Statement will be used to solicit your acceptance of the Plan. **NO SOLICITATION OF YOUR ACCEPTANCE MAY BE MADE UNLESS AND UNTIL THIS PLAN AND DISCLOSURE STATEMENT HAVE BEEN APPROVED BY THE BANKRUPTCY COURT FOR PURPOSES OF SOLICITATION. You may object to the adequacy of the disclosure at a hearing held for that purpose on _____ __, 2024, at __ _.m.** Instructions for objecting to the adequacy of disclosure are contained in the accompanying Notice of Hearing.

You are encouraged to carefully review the full text of this document, including all exhibits and attachments, before deciding how to vote on the Plan.

YOUR BALLOT STATING HOW YOU ARE VOTING ON THE PLAN MUST BE RETURNED BY _____ __, 2024, BY 5:00 PM, PREVAILING EASTERN TIME. THE BALLOT MUST BE TO THE FOLLOWING ADDRESS:

A. If by regular mail:

**RM Bakery LLC Ballot Processing
c/o Epiq Corporate Restructuring, LLC
PO Box 4422
Beaverton, OR 97076-4422**

B. If by hand delivery or overnight mail:

**RM Bakery LLC Ballot Processing
c/o Epiq Corporate Restructuring, LLC
10300 SW Allen Blvd.
Beaverton, then 97005**

C. If by the E-Ballot Portal:

Submit your Ballot via the Claims and Solicitation Agent's online portal by visiting https://dm.epiq11.com/rmb, clicking on "E-Ballot" under "Case Actions" and following the instructions to submit your Ballot.

Any ballot received after 5 PM, prevailing Eastern time, on _____ __, 2024, will not be counted as a vote on the Plan.

[A HEARING ON THE CONFIRMATION OF THE PLAN IS SCHEDULED FOR _____ __, 2024, AT __:00 _M AT THE UNITED STATES BANKRUPTCY COURT, ONE BOWLING GREEN, NEW YORK, NY 10004. THE HEARING MAY BE HELD TELEPHONICALLY RATHER THAN IN PERSON. PARTIES MUST MAKE ARRANGEMENTS IN ADVANCE THROUGH THE WEBSITE FOR THE US BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK TO PARTICIPATE TELEPHONICALLY.]

THIS PLAN CONTAINS AN INJUNCTION INTENDED TO PROTECT THE DEBTORS FROM SUITS OR CLAIMS THAT MAY BE ASSERTED BY CREDITORS OR OTHER PARTIES-IN-INTEREST, AS WELL AS RELEASES AND EXCULPATION PROVISIONS INTENDED TO PROTECT THE DEBTORS AND THEIR MANAGEMENT FROM SUITS OR CLAIMS THAT MAY BE ASSERTED BY CREDITORS AND OTHER PARTIES-IN-INTEREST. THESE MAY AFFECT YOUR RIGHTS. YOU ARE ENCOURAGED TO READ ARTICLE 11 FOR MORE INFORMATION ABOUT SUCH MATTERS.

The Debtors believe that this Third Amended Joint Plan of Reorganization provides the best available recovery to its creditors. Your rights may be affected by this Amended Joint Plan of Reorganization. You are encouraged to read this Plan and the accompanying Disclosure Statement in their entirety, and you should consider discussing this document with an attorney.

The Debtors reserve the right to alter, amend, modify, revoke, or withdraw this Plan before its substantial consummation to the full extent permitted by law.

June 28, 2024

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INTRODUCTION AND SUMMARY OF THE PLAN AND DISTRIBUTIONS TO CREDITORS

RMB and BKD are the debtors and debtors-in-possession in these cases. They are proposing this reorganization plan for the resolution of the outstanding Claims and Interests, which, if confirmed, will allow RMB to continue in the bakery business. Capitalized terms used herein shall have the meanings ascribed to them in Article 1.B. of this Plan. In order to effectuate the Plan, the Debtors are proposing that all of the assets and all of the liabilities of both companies will be combined through a process known as substantive consolidation, with RMB as the surviving entity emerging from the Chapter 11. Substantive consolidation will eliminate all intercompany debt between RMB and BKD, which could otherwise be substantial. Equity issued pursuant to this Plan will be membership interest in the combined company. The Debtors submit that substantive consolidation benefits all creditors.

The Debtors are the proponents of this Plan within the meaning of Section 1129 of the Bankruptcy Code. Under Section 1125(b) of the Bankruptcy Code, a vote to accept or reject this Plan cannot be solicited from a Holder of a Claim or Interest until a disclosure statement has been approved for solicitation purposes by the Bankruptcy Court and distributed to Holders of Claims and Interests. [The Disclosure Statement relating to this Plan was approved by the Bankruptcy Court on_____ __, 2024, and has been made available to all parties whose votes are being solicited.] The Disclosure Statement contains, among other things, a discussion of the Debtors' history, business and operations, risk factors associated with the business and the Plan, and summaries of certain settlements.

The Plan provides for eight (8) classes of claims against the substantively consolidated Debtors and one class of equity interests. The treatment of each class is set forth herein. The Plan requires payments to be made over a period of four years from the Effective Date of the Plan. During such time, the Debtor will continue in the commercial bakery business. The Debtor submits that the Plan provides a greater recovery to Holders of Claims and Interests than would be available through a liquidation.

ALL HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN A DEBTOR ARE ENCOURAGED TO READ THE PLAN AND DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

ARTICLE 1
DEFINITIONS, RULES OF INTERPRETATION, AND COMPUTATION OF TIME

A. Scope of Definitions

For purposes of this Plan, unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings ascribed to them in Article 1.B. of this Plan. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules.

B. Definitions

1.1. **"Accepting Class"** means a Class that votes to accept the Plan in accordance with Section 1126 of the Bankruptcy Code.

1.2. **"Administrative Expense Bar Date"** shall apply to Administrative Expense Claims and means the first Business Day that is thirty (30) days after the Effective Date or such other date as established by Final Order of the Bankruptcy Court.

1.3. **"Administrative Expense Claim"** or **"Administrative Claim"** means any right to payment constituting a cost or expense of administration of the Chapter 11 Cases under Sections 503(b) and 507(a)(2) of the Bankruptcy Code, including without limitation: (a) any actual and necessary costs and expenses incurred on or after the Commencement Date of preserving the Estates and operating the Debtors' businesses; (b) Claims that have been determined by a Final Order to constitute an administrative expense of the Estates; (c) Professional Fee Claims; and (d) any fees or charges assessed against and payable by the Debtors under Section 1930 of title 28 of the United States Code.

1.4. **"Allowed"** means with respect to Claims (a) any Claim against a Debtor, proof of which is timely Filed or by order of the Bankruptcy Court is not or will not be required to be Filed, (b) any Claim that has been or is hereafter listed in the Schedules as neither disputed, contingent or unliquidated, and for which no timely Filed proof of Claim has been Filed, or (c) any Claim allowed pursuant to this Plan and, in each such case in (a) and (b) above, as to which either (i) no objection to the allowance thereof has been Filed within the applicable period of time fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court, or (ii) such an objection is so Filed and the Claim shall have been allowed pursuant to a Final Order (but only to the extent so allowed).

1.5. **"Assets"** means all assets and property of the Estates of the Debtors, regardless of whether reflected in the financial records of the Debtors, including but not limited to: Cash, deposits, refunds, rebates, abatements, fixtures, equipment, inventory, contractual interests, intangibles, claims, Causes of Action, suits, setoffs, recoupments, equitable or legal rights, interests and remedies.

1.6. **"Avoidance Actions"** means any and all actual or potential claims and causes of action to avoid a transfer of property or an obligation incurred by the Debtors, and their recovery, subordination, or other remedies that may be brought by and on behalf of the Debtors and their estates under the Bankruptcy Code or applicable non-bankruptcy law, including actions or remedies under Sections 502, 544, 545, 547, 548, 550, 553, and 724(a) of the Bankruptcy Code.

1.7. **"Ballots"** means the ballots accompanying the Plan upon which Holders of Impaired Claims and Interests entitled to vote shall, among other things, indicate their acceptance or rejection of the Plan in accordance with the Plan and the procedures governing the solicitation process, and which must be actually received on or before the Voting Deadline.

1.8. **"Bankruptcy Code"** means title 11 of the United States Code, as amended and in effect on the Commencement Date. With respect to any amendments to the Bankruptcy Code

subsequent to the Commencement Date, only to the extent that such amendments were made expressly applicable to bankruptcy cases which were filed as of the enactment of such amendments shall such amendments be included in the definition of Bankruptcy Code

1.9. "Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of New York, Manhattan Division, having jurisdiction over the Chapter 11 Cases or such other court of competent jurisdiction as may have such jurisdiction in the future.

1.10. "Bankruptcy Rules" means (a) the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under Section 2075 of title 28 of the United States Code, and (b) the Local Rules of the Bankruptcy Court, in each case, as in effect on the Commencement Date. With respect to any amendments to the Bankruptcy Rules subsequent to the Commencement Date, only to the extent that such amendments were made expressly applicable to bankruptcy cases which were filed as of the enactment of such amendments shall such amendments be included in the definition of Bankruptcy Rules.

1.11. "Bar Date" means the deadline set by the Bankruptcy Court pursuant to the Bar Date Order or other Final Order for filing proofs of claim in the Chapter 11 Cases, as the context may require. *See also* the definition of "General Claims Bar Date" below.

1.12. "Bar Date Order" means the order entered by the Bankruptcy Court on October 29, 2020 [Docket No. 98] and any subsequent order supplementing such order or relating thereto.

1.13. "**BKD**" means BKD Group LLC, a debtor and debtor-in-possession in this Chapter 11 Case.

1.14. "Business Day" means any day other than: (a) a Saturday, (b) a Sunday, and (c) a "legal holiday" as defined in Bankruptcy Rule 9006(a).

1.15. "Cases" has the same meaning as the term "Chapter 11 Cases"

1.16. "Cash" means legal tender of the United States of America.

1.17. "Cash Equivalents" means equivalents of Cash in the form of readily marketable securities or instruments issued by an Entity, including readily marketable direct obligations of, or obligations guaranteed by, the United States of America, commercial paper of domestic corporations carrying a Moody's rating of "P2" or better, or equivalent rating of any other nationally recognized rating service, or interest bearing certificates of deposit or other similar obligations of domestic banks or other financial institutions having a shareholders' equity or capital of not less than five hundred million dollars ($500,000,000) having maturities of not more than one year, at the then generally prevailing rates of interest for like amounts and like periods.

1.18. "Causes of Action" means any and all actions, causes of action, rights, suits, debts, sums of money, damages, judgments, claims, proceedings, accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims, and demands whatsoever, whether known or unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured, and whether asserted or assertable in contract or in tort, directly or derivatively, existing

or hereafter arising, in law, equity, or otherwise, including but not limited to, actions brought prior to the Commencement Date, Avoidance Actions, and any Action against any Entity for failure to pay for products or services provided or rendered by any Debtor, all claims, suits or proceedings relating to the enforcement of the Debtors' intellectual property rights, and all claims or causes of action seeking recovery of the Debtors' or the Reorganized Debtor's accounts receivable or other receivables or rights to payment created arising in the ordinary course of the Debtors' or the Reorganized Debtor's businesses, based in whole or in part upon any act or omission or other event occurring prior to the Commencement Date or during the course of the Cases, including through the Effective Date, that belong to the Debtors or their Estates.

1.19. "Chapter 11 Cases" means these chapter 11 cases of RMB and BKD pending in the United States Bankruptcy Court for the Southern District of New York and jointly administered as Case No. 20-11422 (MG).

1.20. "Claim" means any claim against a Debtor, regardless of whether asserted and regardless of whether known, as the term "claim" is defined in Section 101(5) of the Bankruptcy Code.

1.21. "Claims and Solicitation Agent" means Epiq Corporate Restructuring LLC.

1.22. "Claims Objection Deadline" shall have the meaning ascribed to it in Section 7.6 of the Plan.

1.23. "Class" means any group of substantially similar Claims or Equity Interests classified by the Plan pursuant to Section 1122 of the Bankruptcy Code.

1.24. "Commencement Date" means June 15, 2020, the date on which each Debtor filed its voluntary petition under chapter 11 of the Bankruptcy Code. "Commencement Date" is used interchangeably with the term "Petition Date", and means the same thing.

1.25. "Confirmation" means the entry, within the meaning of Bankruptcy Rule 5003, of the Confirmation Order, subject to all conditions specified in Section 6.9 herein having been satisfied or waived in accordance with the terms herein.

1.26. "Confirmation Date" means the date on which Confirmation occurs.

1.27. "Confirmation Hearing" means the hearing held by the Bankruptcy Court pursuant to Section 1128 of the Bankruptcy Code to consider the Confirmation of the Plan, as it may be adjourned or continued from time to time.

1.28. "Confirmation Order" means an order of the Court confirming the Plan under Section 1129 of the Bankruptcy Code that has become a Final Order.

1.29. "Creditor" has the meaning ascribed to such term in Section 101(10) of the Bankruptcy Code.

1.30. "Cure" means the payment or other honoring of all obligations required to be paid or honored in connection with the assumption of an Executory Contract or Unexpired Lease

pursuant to Section 365 of the Bankruptcy Code, including (a) the cure of any non-monetary defaults to the extent required, if it all, pursuant to Section 365 of the Bankruptcy Code, and (b) with respect to monetary defaults, the distribution, within a reasonable period of time following the Effective Date, of Cash, or such other property as may be agreed upon by the parties or ordered by the Bankruptcy Court, with respect to the assumption (or assumption and assignment) of and Executory Contract or Unexpired Lease, pursuant to Section 365(b) of the Bankruptcy Code, in an amount equal to all unpaid monetary obligations or such other amount as may be agreed upon by the parties, under such Executory Contract or Unexpired Lease, to the extent such obligations are enforceable under the Bankruptcy Code and applicable non-bankruptcy law.

1.31. "Cure Notice" means the notice of proposed Cure amount provided to counterparties to assumed Executory Contracts or Unexpired Leases pursuant to Article 8 of the Plan.

1.32. "Cure Objection Deadline" means the deadline for filing objections to a Cure Notice or proposed Cure, which shall be on or before fourteen (14) days after the applicable counterparty was served with a Cure Notice.

1.33. "Debtor" means one of the Debtors, in its individual capacity as a debtor and debtor-in-possession in its respective Chapter 11 Case.

1.34. "Debtors" means collectively RM Bakery, LLC, and BKD Group LLC, as debtors and debtors-in- possession in the Chapter 11 Cases.

1.35. "DIP Facility" means the debtor-in-possession secured financing facility provided by FS Lender in accordance with the financing and cash collateral agreements finally approved by the Bankruptcy Court on July 16, 2020 [Docket No. 57], and any amendments thereto.

1.36. "DIP Lender" means FS Lender 2015 LLC, the lender and secured party pursuant to the DIP Facility.

1.37. "Disallowed" means (a) a Claim, or any portion thereof, that has been disallowed by a Final Order or a settlement, or as provided in this Plan; (b) a Claim or any portion thereof that is Scheduled at zero or as an unknown amount, or as contingent, disputed, and/or unliquidated, and as to which a proof of Claim Bar Date has been established but 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 of the Bankruptcy Court or otherwise deemed timely filed under applicable law; or (c) a Claim or any portion thereof that is not Scheduled and as to which a proof of Claim Bar Date has been established but 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 of the Bankruptcy Court or otherwise deemed timely filed under applicable law.

1.38. "Disclosure Statement" means the disclosure statement and any supplements thereto that relates to this Plan, as such disclosure statement may be amended, modified, or supplemented from time to time in accordance with the terms therein, all as approved by an order of the Bankruptcy Court pursuant to Sections 1125 and 1127 of the Bankruptcy Code and Bankruptcy Rule 3017.

1.39. "Disclosure Statement Order" means the order entered by the Bankruptcy Court approving the Disclosure Statement as containing, among other things, "adequate information" as required by Section 1125 of the Bankruptcy Code and solicitation procedures related thereto.

1.40. "Disputed" means, with respect to a Claim or any portion thereof, (a) any Claim as to which a Debtor or other party-in-interest, in accordance with applicable law, has interposed an objection or request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules, or any Claim (or portion thereof) otherwise disputed by any Debtor or other party-in-interest in accordance with applicable law, which objection has not been withdrawn or determined by a Final Order; (b) any Claim scheduled by a Debtor as contingent, unliquidated, or disputed; (c) any Claim on the Schedules amended by a Debtor to be designated contingent, unliquidated, or disputed; or (d) any Claim prior to it having become an Allowed Claim.

1.41. "Disputed Reserve" means the aggregate amount of Cash that would have been distributed on a Distribution Date to the Holders of Disputed Claims if such Disputed Claims had in fact been Allowed on such date: (a) for liquidated Claims, in the amount asserted in a filed Proof of Claim or Administrative Claim; and (b) for unliquidated Claims, the amount asserted in a filed Proof of Claim or Administrative Claim, or, if an estimation proceeding has taken place, the amount estimated by the Court.

1.42. "Distribution" means a distribution of Cash or other Assets of the Estates made in accordance with the Plan.

1.43. "Distribution Date" means the date or dates selected by the Reorganized Debtor, in its sole discretion but in accordance with the Plan, upon which Distributions to Holders of Allowed Claims and Interests entitled to receive Distributions under this Plan shall occur.

1.44. "Distribution Record Date" means the date for determining which Holders of Allowed Claims and Interests are eligible to receive the given Distribution under the Plan. The Initial Distribution Record Date shall be fifteen (15) Business Days after entry of the Confirmation Order or such other date as designated by an order of the Bankruptcy Court. For each subsequent distribution, the Distribution Record Date shall be no less than ten (10) business days prior to the scheduled Distribution Date.

1.45. "Effective Date" means the date on which this Plan shall take effect, which date shall be a Business Day on or after the Confirmation Date on which: (a) no stay of the Confirmation Order is in effect; and (b) all conditions precedent to the effectiveness of this Plan specified in Article 6 have been satisfied, or, if capable of being waived in accordance with the terms herein, waived, which date shall be specified in a notice filed by the Reorganized Debtor with the Bankruptcy Court.

1.46. "Entity" means an entity as defined in Section 101(15) of the Bankruptcy Code.

1.47. "Equity Interest, or Interest" means the legal, equitable, contractual, and other rights of any Person with respect to existing membership units or other equity interest, or any other equity securities of, or ownership interests in, the Debtors, and, where the context is appropriate, in the Reorganized Debtor.

1.48. "Estates" means the Debtors' chapter 11 estates, individually or collectively, as is appropriate in context, created by the commencement of and in the Chapter 11 Cases pursuant to Section 541 of the Bankruptcy Code.

1.49. "Estate Litigation" means all proceedings arising from or relating to: (i) all Claims, (ii) objections to Claims, (iii) Causes of Action, including but not limited to, any litigation or claims that can be instituted or asserted by the Estates, the Debtors, or by any party on behalf of or for the benefit of the Estates.

1.50. "Exculpated Claim" means any claim (as defined in Section 101(5) of the Bankruptcy Code) or Cause of Action whatsoever related to any act taken or omitted after the Commencement Date arising out of the Chapter 11 Cases related to any of the Debtors, including, without limitation, (i) the negotiation of any settlements entered into, with, or by any of the Debtors or any other estate representatives, (ii) the formulation, preparation, dissemination, negotiation, filing, prosecution, approval or administration of the Plan and Disclosure Statement and/or any financing agreement, and/or (iii) any contract, instrument, release, assignment, or other agreement or document created or entered into in connection with any such negotiations or settlements of these Chapter 11 Cases, or any financing agreement or settlement in connection there with, the filing of the Chapter 11 Cases, the pursuit of Confirmation, and the administration and implementation of the Plan.

1.51. "Exculpated Party" shall have the meaning ascribed to it in Article 11 of the Plan.

1.52. "Executory Contract" means a contract or unexpired lease (including amendments thereto) to which a Debtor is a party that is or previously was subject to assumption or rejection under Sections 365 or 1123 of the Bankruptcy Code.

1.53. "Exit Financing" means the loan of a minimum of $1,250,000 from Leaven Corporation which is being provided to finance the Plan in exchange for a senior secured note from the Reorganized Debtor which will be secured by all of the assets of the Reorganized Debtor, subject to the liens provided for in this Plan, as described more fully in Section 6.7. of this Plan.

1.54. "Face Amount" means (a) when used in reference to a Disputed Claim or Disallowed Claim, the full stated liquidated amount claimed by the Holder of a Claim in any proof of Claim, or amendment thereof, in accordance with any applicable law, timely filed with the Bankruptcy Court or otherwise deem timely filed by any Final Order of the Bankruptcy Court or other applicable bankruptcy law, or the amount estimated for such Claim in an order of the Bankruptcy Court, and (b) when used in reference to an Allowed Claim or Allowed Interest, the Allowed amount of such Claim or Interest. If none of the foregoing applies, the Face Amount of the Claim shall be zero ($0) dollars.

1.55. "File" or **"Filed"** means, with respect to any pleading, entered on the docket of the Chapter 11 Cases and properly served in accordance with the Bankruptcy Rules.

1.56. "Final Order" means an order or judgment of the Court as to which the time to appeal, petition for certiorari, seek mandamus, or move for reargument, reconsideration, or rehearing has expired, and as to which no appeal, petition for certiorari, or other proceedings for reargument, reconsideration, or rehearing is pending; or, if an appeal, writ of certiorari, or petition

for mandamus, reargument, reconsideration, or rehearing has been Filed or sought with respect to any order or judgments of the Court, that order or judgment has been affirmed by the highest court to which it was appealed, or certiorari has been denied, or mandamus, reargument, reconsideration, or rehearing has been denied or resulted in no modification thereof, and the time to take any further appeal, petition for certiorari, or move for mandamus, reargument, reconsideration, or rehearing shall have expired; provided, however, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure (or any analogous motion under the Bankruptcy Rules) may be Filed with respect to an order or judgment shall not cause such order or judgment not to be a Final Order.

1.57. "FS Lender" means FS Lender 2015 LLC, the DIP Lender in these Chapter 11 Cases.

1.58. "General Claims Bar Date" means December 9, 2020.

1.59. "General Claims Bar Date Order" means the order entered by the Court on October 29, 2020 [Docket No. 98], which established the General Claims Bar Date.

1.60. "General Unsecured Claim" means any Claim against a Debtor that is not (i) a Secured Claim; (ii) entitled to priority under Sections 503 or 507 of the Bankruptcy Code; (iii) an Administrative Expense Claim, Priority Tax Claim, or a Priority Non-Tax Claim, or (iv) a subordinated Claim.

1.61. "Holder" means the beneficial holder of any Claim or Equity Interest in a Debtor, in its capacity as such.

1.62. "GSB" means GSB Industries LLC, the successor to Mayrich which has purchased the Mayrich loan and security interest.

1.63. "Initial Distribution Date" means the date selected by the Reorganized Debtor, in its sole discretion, upon which distributions to Holders of Allowed Claims and Interests of Assets due to be distributed when the Plan becomes Effective are distributed, which date cannot be more than ten (10) business days after the Effective Date.

1.64. "Intercompany Claim" means a Claim or a Cause of Action by one Debtor against the other Debtor.

1.65. "Impaired" shall have the meaning ascribed to it in Section 1124 of the Bankruptcy Code.

1.66. "Insiders" shall have the meaning ascribed to it in Section 101(31) of the Bankruptcy Code, plus all entities under common control with the Debtors as of the Petition Date.

1.67. "KI 27323" means Kuzari Investor 27323 LLC, the current managing member of BKD. Upon Confirmation, it will no longer be the managing member.

1.68. "Kuzari Manager" means Kuzari Manager 94647 LLC, an insider which has purchased the claims of KI 27323.

1.69. "Liabilities" means the liabilities of the Estates, whether or not reflected in the financial records of the Debtors.

1.70. "Leaven" means Leaven Corporation, a Delaware corporation which is providing the Exit Financing.

1.71. "Lien" shall have the meaning ascribed to it in Section 101(37) of the Bankruptcy Code, except that a lien that has been or may be avoided or void shall not constitute a Lien for the purposes of the Plan.

1.72. "Mayrich" means Mayrich Capital LLC, a secured lender to the Debtors on the Petition Date, which subsequently sold its Claims to GSB.

1.73. "Net Profits" means gross revenue from operations minus the cost of reasonable and ordinary operating expenses, including, ordinary and customary cost of goods sold, all discounts and credits, depreciation, financing expenses including interest, taxes, payroll, and any other operating expenses, as well as all payments made pursuant to the Plan.

1.74. "New Equity Units" means membership units in the Reorganized Debtor issued pursuant to the Plan.

1.75. "NLRB" means the National Labor Relations Board.

1.76. "Pac West" means Pacific Western Bank, a secured lender to the Debtors.

1.77. "Pac West Loan" means that certain credit facility entered into between RMB and Pac West as successor-in-interest to Square 1 Bank, as approved and authorized by the SBA and bearing SBA Loan # PLP6107185007, and all security agreements, guarantees thereof and subordination agreements related thereto.

1.78. "Person" means a person as defined in Section 101(41) of the Bankruptcy Code.

1.79. "Petition Date" means June 15, 2020, the date these Chapter 11 Cases were commenced. "Petition Date" is used interchangeably with "Commencement Date", and means the same thing.

1.80. "Plan" means this Third Amended Joint Plan of Reorganization for the resolution of outstanding Claims and Interests in the Chapter 11 Cases, as may be modified, amended or supplemented at any time in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the terms hereof, including the Plan Supplement and Exhibits, supplements, appendices, and schedules.

1.81. "Plan Proponents" means the Debtors.

1.82. "Plan Supplement" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan, to be Filed at least twenty-one (21) calendar days before the Confirmation Hearing, and any additional documents or schedules Filed before the Effective Date

as supplements or amendments to the Plan Supplement. The Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date.

1.83. "Prepetition Obligations" means all of Debtors' obligations, indebtedness, and liabilities arising prior to or existing as of the Petition Date.

1.84. "Priority Non-Tax Claim" means any Claim accorded priority in right of payment under Section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim or an Administrative Claim.

1.85. "Priority Tax Claim" means any Claim of a governmental unit (as that term is defined in the Bankruptcy Code) of the kind entitled to priority in payment as specified in Sections 502(i) and 507(a)(8) of the Bankruptcy Code.

1.86. "Professional" means any person or Entity employed by the Debtors in accordance with Sections 327, 328, or 1103 of the Bankruptcy Code, and who shall be compensated for services rendered prior to the Effective Date pursuant to Sections 327, 328, 329, 330, or 331 of the Bankruptcy Code.

1.87. "Professional Fee Bar Date" shall apply to Professional Fee Claims and means the first Business Day that is sixty (60) days after the Effective Date or such other date established by Final Order of the Bankruptcy Court.

1.88. "Professional Fee Claims" means an Administrative Claim for reasonable compensation of a Professional for services rendered or expenses incurred in the Chapter 11 Cases on or prior to the Confirmation Date.

1.89. "Pro Rata" means, with reference to any Distribution on account of any Allowed Claim in any Class, the ratio (expressed as a percentage) that the amount of the Allowed Claim bears to the aggregate amount of all Allowed Claims in that Class. Until all Disputed Claims are Resolved, the Face Amount of Disputed Claims shall be treated as Allowed Claims in the amount used for calculation of the Disputed Reserve for the purpose of calculating Pro Rata Distributions of the Assets.

1.90. "Proof of Claim" means a Claim Filed against a Debtor in either of the Chapter 11 Cases.

1.91. "Record Date for Voting" means the record date for determining the entitlement to vote then Allowed Claims and Interests, which date is the date of the hearing on the adequacy of the Disclosure Statement, which is currently scheduled for _____, 2024

1.92. "Rejected Contract" means an Executory Contract deemed rejected effective as of the Effective Date or such other date as may be agreed to by the parties to the Executory Contract or as ordered by the Bankruptcy Court.

1.93. "Rejection Claim" means any Claim arising from a Rejected Contract, including any Claim of (a) a lessor for damages resulting from the rejection of a lease of real property as any such Claim shall be calculated in accordance with Section 502(b)(6) of the Bankruptcy Code, or

(b) an employee for damages resulting from the rejection of an employment agreement as any such Claim shall be calculated in accordance with Section 502(b)(7) of the Bankruptcy Code. A Rejection Claim shall constitute a General Unsecured Claim.

1.94. "Rejection Claims Bar Date" means the deadline to File a Proof of Claim for damages under a Rejected Contract and such deadline is thirty (30) days after the entry of an order by the Bankruptcy Court rejecting such contract or thirty (30) days after entry of the Confirmation Order (in the event the Rejected Contract was rejected pursuant to the Plan), whichever occurs first.

1.95. "Representatives" means, without limitation, any existing or former affiliate, subsidiary, member, officer, director, partner, stockholder, trustee, member, representative, employee, agent, attorney, business advisor, financial advisor, accountant, other Professional, their successors or assigns, or any Person who is or was in control of any of the foregoing.

1.96. "Reorganized Debtor" means the Entity which is the substantively consolidated Debtors, or any successor thereto, from and after the Effective Date. Where the context requires, the term "Debtors" will mean the Reorganized Debtor.

1.97. "RMB" means RM Bakery, LLC, a Debtor and debtor-in-possession in this Chapter 11 Case.

1.98. "RMB 2023 Manager, LLC" means that certain Delaware limited liability company which will serve as the non-member Manager of the Reorganized Debtor.

1.99. "SBA" means the Small Business Administration.

1.100. "Schedules" means the schedules of assets and liabilities and the statements of financial affairs Filed by the Debtors pursuant to Section 521 of the Bankruptcy Code, and as such schedules and statements have been or may be supplemented or amended from time to time.

1.101. "Section 503(b)(9) Claim" means any Claim asserted under Section 503(b)(9) of the Bankruptcy Code equal to the value of any goods received by the Debtors within twenty (20) days before the Petition Date which have been sold to the Debtors in the Debtors' ordinary course of business.

1.102. "Secured Claim" means an Allowed Claim that is secured by a Lien (which is valid, perfected and enforceable under applicable law or by reason of a Final Order) on property in which the Estate has an interest or that is subject to a setoff under Section 553 of the Bankruptcy Code, to the extent of the value of the Collateral, as determined in accordance with Section 506(a) of the Bankruptcy Code, or to the extent of the amount subject to the setoff.

1.103. "Unclaimed Property" means any Distributions that are returned to the Debtors or the Reorganized Debtor as: (i) undeliverable to a Holder and Allowed Claim or Interest, or (ii) unclaimed by a Holder of an Allowed Claim or Interest, as further described in Article 7 herein.

1.104. "Unimpaired" means an Allowed Claim or Equity Interest that is not "impaired" within the meaning of Section 1124 of the Bankruptcy Code.

1.105. "United States Trustee" or **"U.S. Trustee"** means the United States Trustee appointed under Section 591 of title 28 of the United States Code to serve in the Southern District of New York.

1.106. "United States Trustee Fees" means all fees payable to the United States Trustee, including pursuant to 28 U.S.C. § 1980, together with interest, if any, pursuant to 31 U.S.C. § 3717.

1.107. "Voting Deadline" means _____, 2024, at 5 PM prevailing Eastern time.

C. Rules of Construction

Wherever 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. For purposes of the Plan: (a) any reference in the Plan to a contract, instrument, release, or other agreement or document being in a particular form or on particular terms and conditions means that the document shall be substantially in that form or substantially on those terms and conditions; (b) any reference in the Plan to an existing document or exhibit Filed or to be Filed means the document or exhibit as it may have been or may be amended, modified, or supplemented; and (c) unless otherwise specified, all references in the Plan to Articles, Schedules, and Exhibits are references to articles, schedules, and exhibits of or to the Plan. Unless otherwise specified, the words "herein," "hereof," "hereto," "hereunder," and other words of similar meaning refer to the Plan as a whole and not to any particular article, section, subsection, or clause contained in the Plan. A capitalized term used but not defined herein shall have the meaning given to that term in the Bankruptcy Code. The rules of construction contained in Section 102 of the Bankruptcy Code shall apply to the construction of the Plan.

The headings in the Plan are for convenience of reference only and shall not expand, limit, or otherwise affect the provisions of the Plan. Unless otherwise indicated herein, all references to dollars are to United States dollars.

D. Computation of Time.

Unless otherwise expressly provided herein, in computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply. If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

ARTICLE 2
TREATMENT OF UNCLASSIFIED CLAIMS

In accordance with Section 1123(a)(l) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims have not been classified and thus are excluded from the Classes

of Claims and Equity Interests set forth in Article 4 hereof. These unclassified Claims are treated as follows:

2.1. Administrative Expense Claims.

(a) Administrative Expenses. Each Holder of an Allowed Administrative Expense Claim other than Professional Fee Claims, United States Trustee Fees, and Section 503(b)(9) claims will be paid in the ordinary course unless the Holder of the Claim has agreed to a different treatment. If such Claim is Allowed after the Effective Date, such Claim will be paid when it is Allowed or as soon as practicable thereafter. The NLRB has agreed to a different treatment for its administrative expense, and that treatment, as approved by the Bankruptcy Court [Docket No. 166] is hereby incorporated by reference. A detailed description of the NLRB Settlement is in the Disclosure Statement. The Debtor is proposing a different treatment for the administrative claim of The Hartford arising from it insurance policies. Treatment of the Hartford's claims is described below. The Debtor and Consolidated Edison ("**Con Ed**") have agreed to a different treatment for the administrative Claim of Con Ed, which treatment is set forth below. The Debtor has reached a settlement concerning fees owed to its Claims and Solicitation Agent, and such settlement is set forth below.

(b) Pac West Adequate Protection Payments. The Debtors shall continue to pay Pac West adequate protection payments of $2,500 per month through the Effective Date. Any unpaid and outstanding adequate protection payments owed to Pac West on the Effective Date shall constitute an Allowed Administrative Expense Claim and shall be paid on the Initial Distribution Date.

(c) Statutory Fees. All U.S. Trustee Fees of the Debtors payable pursuant to Section 1930 of title 28 of the United States Code shall be paid (i) if due and owing on the Effective Date, on or prior to the Initial Distribution Date by the Debtors, and (ii) if due and owing after the Effective Date, as and when due.

(d) Professional Fee Claims. Each Professional who holds a Professional Fee Claim shall be required to File with the Bankruptcy Court, and to serve on all parties required to receive notice, a final Fee Application on or before the Professional Fee Bar Date. The failure to timely File the Fee Application shall result in the Professional Fee Claim being forever barred and discharged. A Professional Fee Claim with respect to which a fee application has been properly and timely filed pursuant to this Article 2 shall be treated and paid only to the extent Allowed by a Final Order. No Professional Fee Claims shall be Allowed on account of any services rendered by a Professional whose retention with respect to the Chapter 11 Cases has not been approved by the Bankruptcy Court.

(e) Section 503(b)(9) Claims. Allowed Section 503(b)(9) Claims, if any, will be paid in full within thirty (30) days of the Effective Date of the Plan, unless the holder thereof agrees to a different treatment.

(f) Administrative Expense Bar Date. Requests for payment of Administrative Expense Claims other than Professional Fees must be filed by the Administrative Expense Bar Date. Holders of Administrative Expense Claims that do not File such requests by the Administrative Expense Bar Date shall be forever barred from asserting such Administrative

Expenses against the Debtors, the Reorganized Debtor, or any of their Assets; provided, however, if the Holder of an Administrative Claim has executed a Critical Vendor Agreement, such Holder does not need to file any request for payment in order to be paid in accordance with such Critical Vendor Agreement.

(g) Administrative Claims of The Hartford. The Hartford has Allowed Administrative Claims against the Debtors, but the Debtors are entitled to certain credits from The Hartford for dividends under the policies over time. Accordingly, the Debtors and The Hartford have agreed that all existing contracts with The Hartford are assumed at Confirmation, and the Confirmation Order will so provide. The Debtors will pay The Hartford $26,263.11 on the Initial Distribution Date, which the parties estimate will be the approximate amount of the Allowed Administrative Claim after application of the dividend credits. Thereafter, upon the final dividend calculations, the Debtors will promptly pay The Hartford any further amounts it owes, or The Hartford will promptly pay the Reorganized Debtor any amounts which it owes.

(h) Administrative Claims of Con Ed. Con Ed has an Allowed Administrative Claim in the amount of $510,531.80 through June 14, 2024, which includes $21,590 for a security deposit. Con Ed and the Debtors have agreed to discharge such claim as follows:

i. All new bills rendered after June 14, 2024, will be paid timely.

ii. $100,000 of the Administrative Claim will be paid by July 15, 2024.

iii. $125,000 will be paid on the Initial Distribution Date, which shall include the $21,590 security deposit. Since the existing segregated account of $20,000 as additional security for all utilities will be released on the Effective Date, a portion of this payment will be made by transferring the amounts in said account to Con Ed.

iv. The Reorganized Debtor will pay Con Ed monthly payments of $10,000 each by the 15th of each month for 28 months commencing with the month following the Initial Distribution Date.

v. A final installment of $5,531.80 will be paid in the 29th month by the 15th of the month.

vi. No additional late fees, interest or penalties will be added to the $510,531.80 Administrative Claim, so long as, the above payments are made timely.

vii. Con Ed will not discontinue services for late payment of the $510,531.80, so long as, the above payments are made timely.

viii. Alternatively, if, after making the first $100,000 payment, Debtor pays $326,182.28 on or before the Initial Distribution Date, the entire Administrative Claim will be deemed discharged.

(i) Administrative Claims of Claims and Solicitation Agent.

Epiq, the Debtors' Claims and Solicitation Agent, has filed a motion for immediate payment of its Administrative Claims. The Debtors contest the amount of the Administrative Claims, and the parties are engaged in good faith negotiations. The Debtors expect to reach a settlement reducing the fees (but not the expenses) by at least 20% and capping the Administrative Claims throughout the rest of the Chapter 11 Case. The Debtors hope to reach an agreement to pay a portion of the Allowed Administrative Claim over time. Once agreement is reached, the Debtors will update this Plan accordingly.

(j) Administrative Tax Claims.

Administrative Tax Claims are discussed below.

(k) Administrative Claims of Landlord.

Any Allowed Administrative Claims of the Landlord will be paid in accordance with stipulations previously approved by the Bankruptcy Court.

2.2. Administrative and Priority Tax Claims.

The holders of Allowed Administrative and Priority Tax Claims will be paid as follows**:**

i. Administrative Claims, minus any postpetition penalties and interest, will be paid in full on the Initial Distribution Date.

ii. The Remaining Allowed Administrative and Priority Tax Claims will be paid, with statutory interest, in monthly payments over three years from that date which is six months from the Initial Distribution Date. With respect to the IRS, the monthly payments will be in the amount of $3,998.08. The first such monthly payment will be due six months after the Initial Distribution Date. If, for any reason, the monthly payments over three years have not paid the Administrative and Priority Tax Claim in full, the Reorganized Debtor will keep making monthly payments until the Allowed Claim is paid in full.

iii. Debtors are unaware of any Administrative or Priority tax claims of to any taxing authorities other than the IRS and the State of New York, and are seeking the approval of such authorities to the above treatment. To the extent there are Allowed Priority Tax Claims other than such Claims, unless the Holder of such Claim agrees to a different treatment, the Holders of such Allowed Claims will receive on account of such Allowed Claims regular installments on a quarterly basis beginning the first full calendar quarter after the Initial Distribution Date in Cash:

(A) of a total value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim;

(B) over a period ending not later than June 14, 2025; and

(C) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by this Plan;

provided, however, that the Debtors may pay any Allowed Administrative and Priority Tax Claims in full at any time without premium or penalty. Nothing herein shall prevent the Debtors from utilizing any settlements they may have against Allowed Priority Tax Claims.

Notwithstanding the foregoing:

(a) The Debtor is entitled to certain post-petition Employee Retention Credits ("ERC") from the IRS in the following amounts:

(i) a credit of $111,016 for the fourth quarter of 2020;

(ii) a credit of $105,807.24 for the first quarter of 2021; and

(iii) a credit of $113,263.18 for the second quarter of 2021.

Upon Confirmation, the IRS shall apply these ERC credits, which total $330,086.42, first to its Allowed Administrative Claim, and thereafter to its Allowed Priority Tax Claims. Any remaining amount owed for Allowed Priority Tax Claims after the application of such ERC credits will be paid as set forth above.

ARTICLE 3
CLASSIFICATION OF CLAIMS AND INTERESTS

Pursuant to Section 1122 of the Bankruptcy Code, set forth below is a designation of classes of Claims against and Equity Interests in the Debtors. There has been no differentiation between Claims and Equity Interests in the two Debtors, as, it is anticipated that the Debtors will be substantively consolidated upon Confirmation. See Article 6 below. A Claim or Equity Interest is placed in a particular Class for the purposes of voting on this Plan and/or receiving Distributions pursuant to this Plan only to the extent that such Claim or Interest is an Allowed Claim or an Allowed Equity Interest in that Class, and such Claim or Equity Interest has not been paid, released, or otherwise settled prior to the Distribution Date for such Claim or Equity Interest. In accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, and Priority Tax Claims of the kinds specified in sections 507(a)(1) and 507(a)(8) of the Bankruptcy Code, respectively, have not been classified, and their treatment is set forth in Article 2 above.

The classification of Claims against and Equity Interests in the Debtors pursuant to the Plan are as follows:

Class	Proposed Recovery	Claims/Interests	Status	Entitled to Vote
1	Paid in Full over time	Priority Non-Tax Claims	Impaired	Yes
2	$300,000, plus deficiency claim and catch up of any past due adequate protection payments	Secured Claim of Pac West	Impaired	Yes
3	The Value of Collateral ($750,000) will "ride through" bankruptcy on existing terms of credit line; any amount over $750,000 will be canceled; the amount of the deficiency claim will convert to equity in the Reorganized Debtor at the rate of four membership units for each dollar of debt	Secured Claim of GSB, formerly belonging to Mayrich	Impaired	Yes
4	Conversion to equity at the rate of four membership units for each dollar of debt, plus payment of professional fees	Allowed Secured Claims of FS Lender	Impaired	Yes

5	At the Debtor's option, Payment up to the Allowed Amount of the Secured Claim (the value of Collateral) in quarterly installments over 36 months or the return of the Collateral plus any deficiency claim becomes a general unsecured claim, unless Holder agrees otherwise	Other Secured Claims	Impaired	Yes
6	Pro Rata share of $50,000 at confirmation and 25% of the net profits of the Reorganized Debtor for a three-year period beginning with the first full fiscal year after the Effective Date	Non-insider General Unsecured Claims	Impaired	Yes
7	Pro Rata share of $20,000	Convenience Class for Claims of $15,000 or less	Impaired	Yes
8	Conversion to equity	Insider General Unsecured Claims	Impaired	Yes
9	Equity canceled; no distribution	Equity Interests	Impaired	No-- Deemed to have ejected Plan

ARTICLE 4
TREATMENT OF CLASSES OF CLAIMS AND INTERESTS UNDER THE PLAN

The following treatment set forth in this Article 4 shall be accorded to Allowed Claims against the Debtors and Interests in the Debtors:

4.1. Class 1: Priority Non-Tax Claims.

Class 1 consists of Allowed Priority Non-Tax Claims held against Debtors, other than Professional Fee Claims. Unless otherwise agreed by a Holder of a Priority Non-Tax Claim, each Holder of a Priority Non-Tax Claim shall be entitled to receive six equal semi-annual payments aggregating (i) the Face Amount of the Claim, plus (ii) interest on the unpaid amounts over three years at the prime rate of interest in effect at Citibank, N.A., on the Effective Date. The initial payment will occur on the Initial Distribution Date, and the subsequent payments will occur approximately every six months thereafter on a Distribution Date designated by the Debtor. The Debtor may pre-pay the Class 1 Allowed Claims at any time without penalty or premium. In such case, interest will only be paid from the Effective Date through the date of final payment.

4.2. Class 2: Secured Claim of Pac West.

Class 2 consists of the Allowed Secured Claim of Pac West. Pac West is deemed to have an Allowed Secured Claim in the aggregate against both Debtors in the amount of $300,000 plus its adequate protection payments. The remainder of the Pac West claim evidenced by its proof of Claim will be deemed a Class 6 Non-insider Allowed General Unsecured Claim. The Pac West Allowed Secured Claim will be paid $125,000 plus any accrued but unpaid Adequate Protection Payments through the Effective Date on the Initial Distribution Date, with the remainder paid in equal quarterly installments over the next four years with interest on the outstanding amounts at the prime rate of interest of Citibank, N.A., in effect on the Effective Date, but not to exceed 6% per annum.

Assuming a Confirmation Date of September 1, 2024, and an Effective Date of October 1, 2024, and assuming the maximum interest rate of 6%, the Pac West Allowed Secured Claim would be paid as follows:

$72,500	Adequate Protection Payments due on the Initial Distribution Date (assuming no further payments prior to the Effective Date
$125,000	On Initial Distribution Date
$4,109.88	Each month for 48 months commencing the first month following the month in which the Initial Distribution Date occurs

Should there be a change of control after the Initial Distribution Date and during the following four years through a sale, merger, or significant investment into the Reorganized Debtor, other than as sale to Leaven, the Reorganized Debtor shall provide notice to Pac West and its counsel, and Pac West, at its sole option, can elect to be paid the remainder due immediately at a 15% discount on the remaining balance of the Pac West Allowed Secured Claim. Other than a sale to Leaven, such that the Reorganized Debtor is a wholly-owned subsidiary of Leaven, The Reorganized Debtor is prohibited from selling more than 50% of its Equity or Assets to a third-party unless such party assumes the Reorganized Debtor's obligations to Pac West. Pac West is

entitled to keep all of its adequate protection payments received during the Chapter 11 Cases, which amounts will be deemed payments on its secured claim in addition to the $300,000, thus reducing the amount of the remaining Allowed Non-insider General Unsecured Claim. To secure payment of its Allowed Secured Claim in accordance with this Plan, Pac West shall be deemed to have a valid, perfected first priority security interest in the Debtors' and the Reorganized Debtor's machinery and equipment, subject to all pre-existing liens on same. Provided Pac West votes to accept the Plan, the Debtors release any and all claims against Pac West, including any avoidance or fraudulent conveyance claims, and Pac West will exchange mutual releases with the Debtors as described more fully in Section 11.2.

4.3. Class 3: Secured Claim of GSB, formerly the claims of Mayrich.

Class 3 consists of the Allowed Secured Claim of GSB. GSB is deemed to have an Allowed Secured Claim in the amount of $750,000, which Debtors submit is the fair market value of the GSB collateral on the Petition Date. The GSB Allowed Secured Claim will "ride through" the Chapter 11 Case, and the $750,000 will be paid in the ordinary course pursuant to the terms of the current credit line with GSB. All the terms of the current credit line, including security therefor, will stay in place; provided, however, that the liens held by GSB will be subordinate to the equipment lien granted to Pac West in Section 4.2 above, and the amount owed to will be capped at $750,000. This leaves GSB with an Allowed deficiency claim of approximately $630,000. In full discharge of its deficiency Claim, GSB has agreed to convert its Allowed Unsecured deficiency Claim to New Equity Units at the rate of four New Equity Units per one dollar of Face Amount of Allowed Unsecured Claim.

4.4. Class 4: Allowed Claims of FS Lender.

Class 4 consists of the Allowed Claims of FS Lender pursuant to the DIP Facility. FS Lender has agreed that in full discharge of its Allowed Claims, the Face Amount of its Allowed Claims, other than its Claims for Professional Fees, will be converted to New Equity Units at the rate of four New Equity Units per one dollar of Face Amount of Allowed Claim. In addition, with respect to its Claim for Professional Fees, the proposed Professional Fees will be circulated to the appropriate notice parties as provided in the DIP Facility prior to the Confirmation Hearing and will be paid in full by the Debtors on the Initial Distribution Date.

4.5. Class 5: Other Secured Claims.

Class 5 consists of the Allowed Other Secured Claims, all of which arise from certain equipment finance agreements with RMB. At the sole option of the Debtors, the Holders of Allowed Other Secured Claims, unless they agreed to a different treatment, will either (i) be paid the value of their collateral up to the Face Amount of their Allowed Other Secured Claim in quarterly installments over 36 months beginning with the Initial Distribution Date, and will be entitled to a deficiency General Unsecured Claim by any amount by which their Allowed Claim exceeds the value of the collateral, or (ii) be given their collateral. As part of the Plan Supplement, the Debtor will file a list of the proposed collateral values to be determined by an independent party, which list will also be served on each holder of an Allowed Other Secured Claim, and each Holder of an Allowed Other Secured Claim will have two weeks to object to such amount, after which the amount proposed in the Plan Supplement will be deemed definitive. The Plan

Supplement will also designate which Secured Creditors are being paid the value of their Collateral, and which Secured Creditors are being given back there Collateral. With respect to the latter, Secured Creditors will have thirty (30) days from entry of the Confirmation Order to pick up their Collateral from the Debtors. After such time, unless the Secured Creditors has made other arrangements with the Reorganized Debtor, the Reorganized Debtor is free to dispose of the Collateral. To the extent the Holders of Allowed Class 5 Claims are being paid the value of their collateral, they will retain their liens on the collateral until such time as the payments pursuant to this Plan have been made.

The following Holders of Other Secured Claims have agreed to the following different treatments:

(a) **Ascentium.** Ascentium has a perfected security interest in certain equipment that is the subject of an equipment finance agreement. Prior to the Commencement Date, Ascentium, RMB, and certain guarantors of the RMB debt to Ascentium, including BKD, entered into a settlement agreement with Ascentium requiring certain monthly payments, with a balloon payment of the entire settlement amount on November 15, 2020. A non-Debtor guarantor has been making the monthly payments throughout the pendency of these Chapter 11 Cases, but the final balloon payment is past due. As of June 26, 2024, $14,451 is owed and past due on Ascentium's Secured Claim. The non-Debtor guarantors, therefore, entered into an addendum to the settlement agreement requiring the non-Debtor guarantors to pay $2,500 a month to Ascentium until Confirmation. If they fail to make the payments, Ascentium can file a confession of judgment against the non-Debtor guarantors for the full amount owed. In settlement of the Allowed Secured Claims of Ascentium, the Debtors will allow the equipment financing agreements and the Ascentium settlement agreement, as amended, to "ride through" the Chapter 11 Cases and continue as obligations of the Reorganized Debtor; provided, however, that the settlement agreement will be deemed amended to provide that the final payment is due 120 days after the Effective Date of the Plan. Ascentium will maintain its perfected security interest in its collateral until all payments required to be made to it under the Plan have been made. As the Debtors believe they have equity in the Ascentium collateral, they intend to auction the collateral promptly after Confirmation in order to pay Ascentium in full the amount then owed and retain any equity.

(b) **m2 Lease Funds.** m2 Lease Funds LLC ("**M2**") has made multiple loans to Debtor RMB to finance the purchase of multiple pieces of equipment. They have maintained a purchase money security interest in each piece of equipment. M2 filed Proofs of Claim Nos. 35, 38, 39, 40, 41, 42 and 43 against RMB alleging secured claims aggregating $46,071.04. M2 has agreed to compromise all seven proofs of claim for the sum of $24,000 paid in 24 monthly installments of $1,000.00 each month, with the first payment due on the Initial Distribution Date, and the subsequent payments due thereafter on the second day of each month. M2 will maintain its perfected security interest in its collateral until all payments required to be made to it under the Plan have been made.

(c) **Mintaka.** Prepetition, RMB entered into an equipment financing agreement for walk-in freezer equipment with Mintaka. As of June 13, 2024, RM the owed Mintaka $60,589.89, which includes certain post-petition interest and penalties; as, Mintaka is oversecured. Payments to Mintaka are personally guaranteed by Mr. Mark Rimer, who has made certain post-petition payments. RMB has been making and shall continue to make monthly adequate protection payments to Mintaka of $1500 per month, due by the last day of each month, beginning February 28, 2023, and ending on the Effective Date. RMB shall make a lump sum payment to Mintaka of $15,000 on the earlier of December 31, 2024, or seven days after the Confirmation Date. Beginning on the Initial Distribution Date, RMB shall pay the balance owed to Mintaka on the Initial Distribution Date *(i.e.,* $60,589.89, minus the $15,000 lump sum payment and the monthly payments of $1500 each paid since June 13, 2024) in 36 equal monthly payments with interest at 6% per annum which commences accruing on the Confirmation Date. Such payments must be received by the last day of each month and shall commence not later than December 31, 2024. Mintaka shall retain its perfected security interest in its collateral and all rights and remedies pursuant to the Equipment Finance Agreement executed on March 28, 2019, consistent with this subparagraph of this Plan . Should the Debtor fail to timely make any of the above payments, they may be made instead by the guarantor, Mr. Rimer. As long as the above payments are made when due, Mintaka shall not file suit against the Guarantor. Mintaka shall retain all rights and remedies against both the Debtor and the Guarantor set forth in the Equipment Finance Agreement executed on March 28, 2019 until all of the above payments have been made. Notwithstanding anything to the contrary in this Plan, the automatic stay terminates as to Mintaka with respect to its collateral on the Effective Date of the Plan.

(d) **Others.** To the extent that the Debtors are able to make agreements with any other Holders of Class 5 Claims, such agreements will be disclosed in the Plan Supplement.

4.6. Class 6: Non-insider General Unsecured Claims.

Class 6 consists of the Allowed Non-insider General Unsecured Claims of more than $15,000 each. Unless a Holder of an Allowed Class 6 Claim agrees to a different treatment, the Holders of Allowed Class 6 Claims will each receive their Pro Rata share of $50,000 Cash on the Initial Distribution Date. In addition, each such Holder will receive its Pro Rata share of twenty-five percent (25%) of the Net Profits of the Reorganized Debtor for a three-year period commencing with the first full fiscal year after the Effective Date. The profit participation will be paid once annually on a Distribution Date determined by the Reorganized Debtor, but no later than 150 days after the close of the Debtor's fiscal year. It is anticipated that the last payment will be for the fiscal year ending December 31, 2027. At any time prior to December 31, 2027, the Reorganized Debtor, at its sole option, can elect to make a one-time payment to the Holders of Allowed Class 6 Claims in full discharge of its remaining obligations to the Holders of Allowed Class 6 Claims as follows: if the election occurs prior to the Initial Distribution Date, a one-time payment of $350,000 (in addition to the $50,000 already being paid to Class 6 on the Initial Distribution Date) to be distributed Pro Rata to the Holders of Allowed Class 6 Claims; if the

election occurs between the Initial Distribution Date and December 31, 2025, a one-time payment of $300,000 in addition to any amounts already received, to be distributed Pro Rata to the Holders of Allowed Class 6 Claims; if the election occurs between January 1, 2026, and December 31, 2026, a one-time payment of $200,000, to be distributed Pro Rata to the Holders of Allowed Class 6 Claims in addition to the amounts already received and/or due; and if the election occurs between January 1, 2027, and December 31, 2027, a one-time payment of $100,000 to be distributed Pro Rata to the Holders of Allowed Class 6 Claims in addition to the amounts already received. In addition to the amounts already received and/or due. If prior to December 31, 2027, there is a change in control of the Reorganized Debtor other than of purchase of the Reorganized Debtor's equity by Leaven, and the Reorganized Debtor does not elect to utilize the one-time payment option, then the Reorganized Debtor is prohibited from selling more than 50% of its Equity or Assets to a third-party unless such party assumes the obligation to the Holders of Class 6 Allowed Claims.

So long as payments are owed to Class 6 Claimants, the Debtor will provide annual financial statements to the Holders of Allowed Class 6 Claims. In addition, at least 45 days before a distribution of Net Profits is due, the Debtor will provide the Holders of Allowed Class 6 Claims the calculation of the Net Profits, detailing its revenue and operating expenses. Holders will have 15 days from service of the Net Profits calculation to object in writing to the calculation of Net Profits by emailing mark.rimer@bkd.group, with a copy to sandy@mhlaw-ny.com, and stating the basis for their objection. Thereafter, the Reorganized Debtor and the objecting party will have 20 days to try to resolve their differences. At the end of 20 days, if they are unable to resolve their differences, the objecting party may seek court intervention as to the calculation of Net Profits on shortened notice. If the objecting party does not get a stay of the distribution, the distribution will go forward as calculated by the Reorganized Debtor. If no objections are made to the calculation of Net Profits in a timely manner in accordance with this Section 4.6, the calculation as served upon the Holders of Allowed Class 6 Claims will be deemed conclusive for all purposes.

4.7. Class 7: Convenience Class.

Class 7 consists of Allowed Non-insider General Unsecured Claims in the amount of $15,000 or less, including any Allowed Non-insider General Unsecured Claims which have been voluntarily reduced by their Holder to $15,000. Unless a Holder of an Allowed Class 7 Claim agrees to a different treatment, Holders of Allowed Class 7 Claims will receive their Pro Rata share of $20,000 Cash on the Initial Distribution Date.

4.8. Class 8: Insider General Unsecured Claims.

Class 8 consists of Allowed General Unsecured Claims owed to an Insider. All such claims will be converted into equity in the Reorganized Debtor as follows:

(a) Class 8A.
Class 8A consists of insider claims for management fees. These are held by Kuzari Manager and Pequot Investments LLC. Each Allowed Claim will receive 0.6 New

Equity Units in the Reorganized Debtor for each one dollar of Face Amount of its Allowed Class 8A Claim.

(b) Class 8B.
Class 8B consists of insider claims for loans to the Debtors made by such insiders. These are held by Kuzari Manager. Each Allowed Claim will receive two (2) New Equity Units in the Reorganized Debtor for each one dollar of Face Amount of its Allowed Class 8B Claim.

If an Insider transfers its Claim to a non-Insider, the Claim will still be treated as an Insider General Unsecured Claim. Insider status will be determined by the Holder of the Claim on the Petition Date.

4.9. Class 9: Equity Interests.

Class 9 consists of the Allowed Equity Interests in the Debtors. The ownership by BKD of RMB will be eliminated through substantive consolidation. All other Equity Interests will be canceled and extinguished on the Effective Date, and there will be no distribution on account of Equity Interests. Outside of the Plan, all Holders of Equity Interests have been, or will be, offered an opportunity to invest in Leaven Corporation, which is the entity providing the Exit Financing.

ARTICLE 5
ACCEPTANCE OR REJECTION OF THE PLAN

5.1 Voting Classes.

Classes 1 through 9 are Impaired under the Plan. The Holders of Classes 1 through 8 Allowed Claims as of the Record Date for Voting shall be entitled to vote to accept or reject the Plan. Voting will be tabulated on a substantively consolidated basis by the Claims and Solicitation Agent. Holders of Equity Interests in Class 9 will not receive a ballot and will not be entitled to vote; as, they are deemed to have rejected the Plan.

5.2. Acceptance by Impaired Classes of Claims.

Pursuant to Section 1126(c) of the Bankruptcy Code, and except as otherwise provided in Section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims entitled to vote to accept or reject the Plan has accepted the Plan if the Holders of at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims in such Class actually voting have voted to accept the Plan. If all of the Holders of Claims in an Impaired Class do not vote at all, such Class will be deemed to have accepted the Plan. For purposes of such calculation, all of the subclasses in Class 8 will be counted together as one Class, rather than each subclass being tested for this requirement.

Pursuant to Section 1126(d) of the Bankruptcy Code, and except as otherwise provided in Section 1126(e) of the Bankruptcy Code, an Impaired Class of Interests entitled to vote to accept or reject the Plan has accepted the Plan if the Holders of at least two-thirds in amount of the Allowed Interests of such class actually voting have voted to accept the Plan. In this case, however, the Interests are not entitled to vote because they are deemed to have rejected the Plan.

ARTICLE 6
MEANS OF IMPLEMENTATION OF THE PLAN

6.1. Substantive Consolidation.

The Plan constitutes the Plan Proponents' requests that the Bankruptcy Court authorize and approve substantive consolidation of the Debtors. The Debtors operated one business. Originally, BKD was set up as a holding company of RMB because it was anticipated that there would be further acquisitions of businesses complementary to RMB. This has not happened, and there is no reason to continue to have a buffer between RMB and its equity Holders. Presently, BKD is serving no purpose. Its only asset is its equity interest in RMB, so, it is completely dependent upon the value of RMB to have any value. The majority of its debts are its guarantees of RMB debt. Such underlying debt will continue to be a claim against the substantively consolidated entity. Furthermore, the overwhelming majority of such debt has been compromised pursuant to agreed-upon settlements. Accordingly, the Debtor submits the creditors are not harmed, and indeed are benefited, by substantive consolidation.

Entry of the Confirmation Order will constitute approval, pursuant to Sections 105(a) and 1123(a)(5) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of the estates of RMB and BKD for the purposes of confirming and consummating the Plan, including but not limited to voting, Confirmation and Distribution. Accordingly, (a) the assets and liabilities of both RMB and BKD will be deemed to be the assets and liabilities of a single, consolidated entity; (b) each and every Claim listed on the Schedules and/or filed in the Chapter 11 Cases against either Debtor will be considered filed against the consolidated Debtor and will be considered one Claim against and an obligation of the consolidated Debtor on and after the Effective Date; (c) all joint obligations of RMB and BKD, if any, and all multiple Claims against both entities on account of such joint obligations, will be considered a single Claim against the consolidated Debtor; (d) all intercompany Claims and Equity Interests between RMB and BKD will be canceled and extinguished on the Effective Date; and (e) the consolidated Reorganized Debtor will take the name of RMB.

6.2. Vesting of Assets of the Estate.

On the Effective Date, subject only to the terms of this Plan, all Assets of the Debtors and the Estates, wherever situated, shall vest in the Reorganized Debtor, free and clear of all Liens, Claims, encumbrances, and interests except as otherwise provided in the Plan.

6.3. Mergers.

RMB has two wholly-owned subsidiaries: RM BONY LLC and Baked Wholesale LLC. Both subsidiaries utilize the RMB facilities, and use certain perishable inventory of RMB. RM BONY is profitable; while Baked Wholesale LLC is not currently operating but was profitable when it operated. Accordingly, RMB wishes to take the income of such subsidiaries into its income. Following the Effective Date of the Plan, RMB intends to, but is not required to, merge both RM BONY LLC and Baked Wholesale LLC into the Reorganized Debtor ; provided, it can do so tax effectively. The consolidation of these two subsidiaries directly into the Reorganized

Debtor will contribute to an increase in profits for the Reorganized Debtor and help enable the Reorganized Debtor to meet its projections.

6.4. New Equity Units.

(a) Cancellation of Existing Equity Interests. On the Effective Date, except to any extent otherwise provided in this Plan, all notes, instruments, certificates, book entries, old securities, and any other documents whatsoever evidencing or creating ownership or a right to invest or own an Interest in the Debtors shall be canceled, voided, and of no effect, and the obligations in any way related thereto shall be fully satisfied, released, and discharged. On the Effective Date, Equity Interests in the Debtors shall be canceled, the obligations in any way related thereto shall be deemed fully satisfied, released, and discharged; and the books and records of the Debtors will be marked to indicate that all Equity Interests are null, void, and of no effect.

(b) Issuance of New Equity Units and Operating Agreement. The Operating Agreement of the Reorganized Debtor will be revised and amended to provide that the Reorganized Debtor is authorized to issue up to thirty million (30,000,000) New Equity Units. Debtor expects to issue between fifteen million eight hundred thousand (15,800,000) and eighteen million eight hundred thousand (18,800,000) New Equity Units on the Initial Distribution Date in accordance with the Plan. The amendments to the Operating Agreement will also prohibit the Reorganized Debtor from issuing non-voting securities, will restrictions on the transfer of the New Equity Units, and will appoint RMB 2023 Manager, LLC as the Reorganized Debtor's nonmember manager. A copy of the Amended Operating Agreement will be included in the Plan Supplement filed with this Bankruptcy Court, and all recipients of New Equity Units will be deemed to have become a party to the revised Operating Agreement. On the Initial Distribution Date, the Reorganized Debtor shall issue and deliver all notes, instruments, certificates and other documents necessary to evidence the New Equity Units to the parties entitled to receive the New Equity Units as provided in this Plan.

(c) Exemption from Securities Act Registration Requirements. To the extent, if any, that the issuance of the New Equity Units would otherwise require registration under any federal, state, or local law, the New Equity Units will be issued without registration under the federal Securities Act or any similar federal, state, or local law in reliance upon Section 1145 of the Bankruptcy Code.

6.5. Corporate Governance

(a) Managing Member.

As of the Effective Date , KI 27323 is resigning as the managing member of the Reorganized Debtor. RMB 2023 Manager, LLC, a special-purpose Delaware LLC formed by certain current members of the Debtor for the purpose of managing the Reorganized Debtor, will be the new non-member manager. It will be entitled to receive the same compensation that has always been provided in the Debtor's Operating Agreement for its Managing Member for its services, to wit: the lesser of (a) two and twenty-five hundredths percent (2.25%) of the gross revenue of the Business, and (b) 15% of EBITDA, up to $3 million of EBITDA plus ten percent

(10%) of EBITDA where EBITDA is above $3 million and up to $6 million, plus five percent (5%) of EBITDA where EBITDA is above $6 million; provided, however, that in no event shall the Asset Management Fee be less than one hundred eighty thousand dollars ($180,000) per annum.

(b) Officers.

After the Effective Date, the Reorganized Debtor will have two officers: Mark Rimer will continue to serve as the Chief Executive Officer at an annual salary of $165,000, and Dan Wilczynski will continue to serve as the Executive Vice President of Operations at an annual salary of $165,000. The officers receive no benefits other than their salaries. During the pendency of the Chapter 11 Cases, Mr. Rimer has forgone receiving any salary in order to facilitate the reorganization, and he will continue to do so until the Effective Date. Mr. Wilczynski has been providing services pursuant to a consulting agreement with the Debtors, and will continue such arrangement unchanged.

Both Mr. Rimer and Mr. Wilczynski are at will employees without an employment contract. Each of Mr. Rimer and Mr. Wilczynski will be reviewed at the end of each fiscal year and be eligible for an increase in salary, not to exceed 10 % of their then annual salary.

(c) Payments to Insiders.

This Plan sets forth all intended compensation to Insiders, including the Manager, other than dividends on any equity which they may own, which dividends will only be paid as permitted by law. Any other payments to Insiders will require the prior approval of Pac West so long as there are payments outstanding due to Class 6 General Unsecured Creditors. Furthermore, other than payments on Allowed Claims as required by this Plan and dividends issued in the ordinary course on the New Equity Units, there will be no payments by the Debtors to guarantors of the Pac West/SBA debt so long as there are payments outstanding due to Class 6 General Unsecured Creditors

6.6. Sources of Cash for Plan Distributions.

All Cash required for payments to be made under the Plan on the Effective Date shall be obtained as follows:

(a) First, from cash on hand on the Effective Date; and

(b) Second, converting the DIP Loan, Allowed General Unsecured Insider Claims, and the GSB deficiency claim to equity will provide additional liquidity; and

(c) Third, from the Exit Financing described below.

Future distributions will come from operations of the Reorganized Debtor. The Reorganized Debtor is seeking to expand the Debtors' business, and will also consider potential mergers and acquisitions which allow it to more fully utilize its existing premises. This, in turn, should lead to greater profitability and net operating income.

6.7. **Exit Financing and Potential Exchange.** Leaven Corporation is a newly formed Delaware Corporation formed by Mark Rimer to provide the exit financing necessary to fund this Plan. Approximately 35-50%of the equity interests of Leaven may be beneficially owned by Mr. Rimer or an affiliate of his. Prior to Confirmation, Leaven intends to give all existing beneficial holders of equity interests in BKD an opportunity to invest in Leaven; however, the commitment of Leaven to the Debtors is not dependent on any such equity holders making an investment.

On the Effective Date, Leaven will loan the Reorganized Debtor a minimum of $1,250,000, with the option to loan up to an additional $1,250,000 over the next year. OThe Reorganized Debtor will issue a note to Leaven for the principal amount of the loan, which note will be secured by a first priority perfected security interest in all of the assets of the Reorganized Debtor, subject only to the liens provided in this Plan to Pac West, GSB, and Class 5 Other Secured Lenders. The note will have a term of ten (10) years from its date of issuance and will bear interest at the rate of 7% per annum, payable quarterly. Repayments will be interest only for the first 24 months that the loan is outstanding, with PIK interest for the first six months. Thereafter, the loan will amortize evenly over the remaining quarterly payments, which shall be made up of principal and interest. The Leaven loan documents for the Exit Financing will be included in the Plan Supplement.

Once the Debtors file a notice of substantial consummation, Leaven expects to offer the Holders of New Equity Units an opportunity to exchange their New Equity Units for equity in Leaven upon such terms as the parties may mutually agree., If this happens, the Reorganized Debtor will become a subsidiary of Leaven. The purpose of such an exchange would be to provide the holders of equity in the Reorganized Debtor and Leaven, who for the most part are the same parties, with the more efficient tax treatment. Such an exchange is not required by the Plan and will be accomplished in accordance with non-bankruptcy law outside of the Plan after its substantial consummation. Such an exchange will not affect any of the Reorganized Debtor's obligations pursuant to this Plan, and such an exchange will be deemed not to constitute a change of control for the purposes of triggering the various provisions of this Plan which are triggered upon a change of control.

6.8. **Settlement of Claims and Interests**.

(a) General Settlement. Pursuant to Section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall constitute good-faith compromise and settlement of all Claims and Interests and controversies relating to the contractual, legal, and subordination rights that any Holder of a Claim or Interest may have with respect to any Claim or Interest or any distribution to be made on account of such Claim or Interest.

(b) Other Settlements. Numerous other settlements and agreements on how to treat Claims are vital to the implementation of the Plan. The most significant ones are described in more detail in the Disclosure Statement.

6.9. Preservation of Causes of Action

(a) Except as expressly provided in the Plan and in any releases granted pursuant to the Plan, including, without limitation, any release of Pac West, and unless expressly waived, relinquished, exculpated, released, compromised or settled in the Plan, the Confirmation Order, any Final Order, or in any contract, instrument, release or other agreement entered into or delivered in connection with the Plan, the Reorganized Debtor shall exclusively retain and may enforce, as the representative of the Estates under Section 1123(b)(3)(B), and the Debtors expressly reserve and preserve for these purposes, in accordance with sections 1123(a)(5)(B) and 1123(b)(3) of the Bankruptcy Code, any claims, demands, rights, and Causes of Action that the Debtors or the Estates may hold against any Person or Entity, including Avoidance Actions, which shall vest in the Reorganized Debtor. Accordingly, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches shall apply to such Causes of Action by virtue of, or in connection with, the Confirmation, consummation, or effectiveness of this Plan. The Reorganized Debtor or its successors or assigns exclusively may pursue such retained claims, demands, rights, and Causes of Action.

i. Except as expressly provided in the Plan and in any releases granted pursuant to the Plan, including, without limitation, any release of Pac West, with respect to any Avoidance Action that the Debtors or Reorganized Debtor abandon or choose not to pursue, the Reorganized Debtor reserves all rights including the right under Section 502(d) of the Bankruptcy Code to use defensively any Avoidance Claim, including abandoned Avoidance Claims, as a basis to object to all or any part of a Claim against the Estate asserted by a creditor which remains in possession of, or otherwise obtains the benefit of, the avoidable transfer.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Reorganized Debtor will not pursue any and all available Causes of Action against them. The Debtors and the Reorganized Debtor expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise provided in the Plan.

6.10. Exemption from Certain Transfer Taxes and Recording Fees.

Pursuant to Section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp tax, real estate transfer tax, mortgage recording tax, sales tax, use tax, or other similar tax or governmental assessment to the fullest extent contemplated by Section 1146(a) of the Bankruptcy Code, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents are instructed to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment. A copy of the Confirmation Order shall serve as evidence that the Debtors are not required to pay any such governmental assessments.

6.11. Conditions Precedent to the Effective Date.

The following are conditions precedent to the Effective Date that must be satisfied or waived by the Plan Proponents:

(a). Entry of the Confirmation Order and the Confirmation Order having become a Final Order.

(b). No request for revocation of the Confirmation Order under Section 1144 of the Bankruptcy Code shall be pending.

(c) The Debtors shall have been substantively consolidated pursuant to the Confirmation Order.

(d) The Debtors shall have sufficient funds on hand to make all Cash distributions required to be made on the Initial Distribution Date and fund operations.

(e) The Debtors have obtained agreement from the IRS and New York State as to the treatment of their Administrative and Priority tax claims which is satisfactory to the Debtors in their sole discretion.

(f) The Debtors and Leaven have executed the loan documents for the Exit Financing, and Leaven is prepared to fund.

(g) Payments with respect to Allowed Administrative Claims due on the Initial Distribution Date shall not exceed $650,000.

6.12. Nonconsensual Confirmation.

If any Impaired Class of Claims or Interests entitled to vote does not accept the Plan by the requisite statutory majority provided in Section 1126 of the Bankruptcy Code, the Plan Proponents reserve the right to amend the Plan or undertake to have the Court confirm the Plan under Section 1129(b) of the Bankruptcy Code, or both. With respect to the Class 9 Interest that are deemed to reject the Plan, the Debtors intend to proceed with confirmation pursuant to Section 1129 (b) of the Bankruptcy Code and submit that the Plan meets the necessary requirements thereof.

6.13. Closing of Chapter 11 Cases.

At any time after each Disputed Claim filed against the Debtors has become an Allowed Claim or a disallowed Claim, all Final Fee Applications have been adjudicated, and all Causes of Action brought by the Debtors or Reorganized Debtor have been finally resolved, the Reorganized Debtor may seek authority from the Bankruptcy Court to close the Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules and to request the Bankruptcy Court to enter the Final Decree. If not done earlier, once all Cash has been distributed in accordance with the terms of the Plan, the Reorganized Debtor must seek authority from the Bankruptcy Court to close the Chapter 11 Cases and enter the Final Decree.

ARTICLE 7
DISTRIBUTIONS

7.1. Payment Up to Allowed Claim.

Except as otherwise specifically provided in the Plan, no Holder of a Claim shall be entitled to receive Distributions aggregating more than its Allowed Claim, nor shall any Holder of a Claim receive any Distributions under the Plan until its Claim has been Allowed.

7.2. Distributions.

Distributions to Holders of Allowed Claims shall be made by the Debtors: (a) at the addresses set forth on the Proofs of Claim filed by such Holders (or at the last known addresses of such Holders if no Proof of Claim is filed or if the Debtors have been notified of a change of address), (b) at the addresses set forth in any written notices of address changes delivered to the Debtors after the date of any related Proof of Claim, or (c) at the addresses reflected on the Schedules if no Proof of Claim has been filed, and the Debtors have not received a written notice of a change of address. If any Distribution to a Holder of an Allowed Claim is returned as undeliverable, no further Distributions to such Holder shall be made unless and until the Debtors are notified in writing of such Holder's then current address, at which time all missed Distributions made within the last ninety (90) days shall be made to such Holder without interest. Any undeliverable distribution made shall be held by the Reorganized Debtor distribution as set forth herein. All Claims for undeliverable Distributions must be made no later than 90 days after the Distribution is made, after which date all Unclaimed Property and uncashed checks for any reason shall revert to the Debtor free of any restrictions thereon, and the Claim of any Holder or successor to such Holder with respect to such property shall be discharged and forever barred notwithstanding any federal or state escheat laws to the contrary; provided, however, that with respect to any returned Distributions to Holders of Allowed Class 6 Claims or Allowed Class 7 Claims, the Debtor will be required to redistribute the unclaimed amounts to the remaining Claimants in that Class in accordance with the Plan. Nothing contained in the Plan shall require the Debtors or any professional retained by the Debtors to attempt to locate any Holder of an Allowed Claim.

No payments will be made by the Debtors to the SBA under the Plan on account of the Pac West Loan; all payments will be made directly to Pac West, and notices shall be sent to Pac West's counsel.

7.3. Time of Payment.

Except as may be provided otherwise in the Plan, all Distributions provided for by the Plan will be made as soon as it is feasible in the reasonable discretion of the Debtors or the Reorganized Debtor, and the Reorganized Debtor will determine the Distribution Dates in its sole discretion.

7.4. Disputed Claims Reserves.

On any Distribution Date, and after making all Distributions to be made on any such Distribution Date pursuant to the Plan, the Debtors shall make a reasonable reserve on account of

Disputed Claims and shall adjust the reserve periodically, which shall be no less than the amount of the Disputed Claims multiplied by the Pro Rata Distribution that have been made on account of Allowed Claims as of such date. Such Disputed Claim reserve shall be administered by the Reorganized Debtor. The reserve shall be closed and extinguished by the Reorganized Debtor upon the determination that all Distributions and other dispositions of Cash, or other Distributions required to be made under the Plan have been made in accordance with the terms of the Plan, and all Claims have either been Allowed, Disallowed, or withdrawn. Upon closure of a Disputed Claim reserve, all Cash attributable to Class 6 Claims and Class 7 Claims shall be subject to redistribution within said Class, in accordance with the provisions of the Plan, and all other Cash shall revert to the Reorganized Debtor without restriction.

7.5. Estimation of Claims.

The Debtors, or the Reorganized Debtor, may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claims, including any Claim for taxes, to the extent permitted by Section 502(c) of the Bankruptcy Code regardless of whether the Debtors or the Reorganized Debtor, as the case may be, has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtors or Reorganized Debtor may elect to pursue supplemental proceedings to object to any ultimate allowance of such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

7.6. Objections.

Prior to the Effective Date, the Debtors shall have the right to make and File objections to Claims; provided, however, to the extent that the Objection is not finally determined prior to the Effective Date, the Objection will be a Cause of Action that vests with the Reorganized Debtor, and may continue to be pursued only by the Reorganized Debtor. The Reorganized Debtor shall have the right to make and to File objections at any time prior to that date which is one hundred twenty (120) days after the Effective Date (the "**Objection Deadline**"). All objections shall be litigated to Final Order unless approval of a settlement or compromise of a Claim objection is obtained pursuant to Bankruptcy Rule 9019.

7.7. Updates to Claim Register Without Objection.

Any Proof of Claim that has been paid or satisfied, in whole or in part, or any Proof of Claim that has been amended or superseded, may be marked as satisfied, in whole or in part, or amended (as applicable) on the Claims Register at the directions of the Debtors or Reorganized Debtor, as applicable, without a Claims Objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court; *provided,* that the Debtors or the

Reorganized Debtor, as applicable, shall provide 30 days' notice of any of the foregoing modifications to the Claims Register to the Holder of any affected Claims during which period the Holder may object thereto. Upon Confirmation, the Claims Register may be updated without further notice to eliminate intercompany claims which are eliminated as a result of substantive consolidation.

7.8. Fractional Cents.

Notwithstanding any other provision of the Plan to the contrary, no payment of fractional cents shall be made pursuant to the Plan. Whenever any payment of a fraction of a cent under the Plan would otherwise be required, the actual Distribution made shall reflect a rounding of such fraction to the nearest whole penny (up or down), with half cents or more being rounded up and fractions less than half of a cent being rounded down. No distributions of less than $15.00 will be made on account of Allowed Claims and Interests.

7.9. Setoffs.

Except as otherwise provided in the Plan, the Debtors and/or the Reorganized Debtor may set off against any Claim and the Distributions to be made pursuant to the Plan in respect of such Claim, any claims of any nature whatsoever that the Debtors may have against the Holder of such Claim, but neither the failure to do so nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtors and or the Reorganized Debtor of any right of setoff against the Holder of such Claim. Any set off to be imposed must be on notice to the party against whom the setoff is proposed to be imposed, and such party must have an opportunity to object to the setoff. If the parties cannot resolve the setoff consensually, jurisdiction is reserved to the Bankruptcy Court to hear the setoff matter.

7.10. Time Bar to Cash Payments by Check.

Checks issued by the Debtors or the Reorganized Debtor on account of Allowed Claims shall be null and void if not negotiated within one hundred eighty (180) days after the date of issuance thereof, except those returned as undeliverable which shall be dealt with in accordance with Section 7.2. of the Plan. After such date, all Claims in respect of void checks shall be forever barred, and the proceeds of such checks shall revest in the Reorganized Debtor, and be subject to redistribution, if appropriate, in accordance with the provisions of the Plan.

ARTICLE 8
EXECUTORY CONTRACTS UNDER THE PLAN

8.1 Rejection of Executory Contracts.

(a) Rejection of Executory Contracts. All Executory Contracts (other than those previously rejected, or assumed and/or assigned pursuant to an order of the Bankruptcy Court), or assumed by this Plan, shall be deemed rejected on the Effective Date or such other date as may be agreed to by the Debtors and the counterparties thereto, or ordered by the Bankruptcy Court, and the Debtors and respective counterparties shall be relieved of any further obligation to perform under such agreements. Rejected Contract counterparties who do not oppose this proposed treatment by

opposing Confirmation of the Plan by filing and serving a written objection with the Bankruptcy Court in accordance with the Bankruptcy Code and Bankruptcy Rules shall be deemed to have consented to rejection of such Executory Contract. This Plan shall constitute a request pursuant to Bankruptcy Code Sections 1123(b)(2) and 365(a) that the Confirmation Order (except as otherwise provided therein) shall constitute an order of the Bankruptcy Court approving the rejection by the Debtors of all Executory Contracts that have not otherwise been rejected or assumed by order of the Bankruptcy Court.

(b) The Debtors have reached an agreement with Polar Leasing to reject all lease contracts with Polar Leasing, effective the 30th day after entry of the Confirmation Order. Polar Leasing has agreed to pick up its equipment which was being leased by the Debtors promptly after such date. Both the Debtors and Polar Leasing agree that the contract between them is a true lease, and otherwise, the parties reserve all rights with respect to any Claims of Polar Leasing.

8.2. Rejection Claims.

If the rejection of a Rejected Contract gives rise to a Claim by the counterparty or parties to such contract or lease, such Claim shall be classified as a Class 6 General Unsecured Claim; provided, however, that any Claim arising from the rejection of a Rejected Contract pursuant to this Article 8 shall be forever barred and shall not be enforceable against the Debtors, the Estates, the Reorganized Debtor, or their properties, unless a Proof of Claim is Filed and served on the Debtors by the Rejection Claims Bar Date.

8.3. Assumption Prior to Entry of the Confirmation Order.

Prior to the Confirmation Hearing, the Debtors may designate certain executory contracts and unexpired leases which it wishes to assume at Confirmation, rather than reject. The Plan Supplement will contain a Cure Notice listing all such executory contracts and unexpired leases which the Debtors wish to assume at Confirmation, along with the proposed Cure. Such Cure Notice will be served by the Debtors on all counterparties to the executory contracts and unexpired leases which the Debtor wishes to assume. Counterparties who oppose the assumption may do so by opposing Confirmation of the Plan by filing and serving a written objection with the Bankruptcy Court in accordance with the Bankruptcy Code and Bankruptcy Rules. Failure to file such an objection shall be deemed consent to assumption of such Executory Contract. With respect to the Cure, counterparties shall have fourteen (14) days from service of the Cure Notice to file any objection to the Cure Amount, whether or not they have previously filed an objection to assumption of the contract.

Notwithstanding the foregoing, entry of the Confirmation Order shall constitute the assumption of the following contracts under the following terms:

(a) **Landlord**. The Debtors have previously entered into two Stipulations of Settlement among themselves, 220 Coster, LLC (the "Landlord"), and KI27323, which have been approved by the Bankruptcy Court and which anticipate the Reorganized Debtor will assume the lease for the Debtors' primary facility at 220 Coster Street, The Bronx. Currently, KIA 27323 has entered into the Lease and a Lease Modification for such

premises, and RMB subleases the premises from KI 27323. The assumption will be accomplished as follows:

(i) All payments owed to the Landlord pursuant to the final Stipulation must be current as of the Effective Date, and there must be no further outstanding defaults under the Lease since the date of said Stipulation, in order for the assumption to take place. Currently, there is a dispute between RMB and the Landlord as to the amount of certain rate please and penalties which the Landlord claims are owed. If this cannot be resolved prior to Confirmation, the amounts alleged by the Landlord will be set aside in a segregated account until such dispute is resolved by the Court.

(ii) KI 27323 will assign the Lease and the Lease Modification to RMB at Confirmation in consideration of RMB's assumption of the liabilities thereunder.

(iii) Upon such assignment, RMB will be in privity of contract with the Landlord, and the Sublease will be terminated and deemed rejected, while the Lease and the Lease Modification will be deemed assumed, and RMB will be deemed the Tenant pursuant to the Lease and Lease modification for all purposes.

(iv) The payments required by ¶ ¶4 and 5 of the final stipulation constitute the necessary cure for assumption of the Lease/Sublease.

(b) **The Hartford.** Debtors will assume all outstanding insurance policies with the Hartford as set forth with more specificity in Section 2.1(g) above.

ARTICLE 9
RETENTION OF SUBJECT MATTER JURISDICTION AND CAUSES OF ACTION

9.1. Retention of Subject Matter Jurisdiction.

The Bankruptcy Court shall continue to have subject matter jurisdiction of all matters, and over all Persons, arising out of, and relating to, the Chapter 11 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

a. To consider and rule on the compromise and settlement of any Claim against or Causes of Action on behalf of the Debtors or the Estates;

b. To ensure that distributions to Holders of Allowed Claims are accomplished as provided in the Plan, including to determine Profits in the event there is an objection to Debtor's calculation of same;

c. To hear and determine any timely objections to Administrative Expense Claims or to Proofs of Claim filed, both before and after the Effective Date, including any objections to the classification of any Claim or Equity Interest, and to allow or disallow any Claim, in whole or in part;

d. To hear and determine any and all applications for the allowance of Professional Fees accrued prior to the Effective Date as provided for in the Plan;

e. To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

f. To issue such orders in aid of execution of the Plan, in accordance with Section 1142 of the Bankruptcy Code;

g. To estimate Claims for all purposes under the Plan;

h. To consider any modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in the Plan, including any exhibit thereto, or in any order of the Bankruptcy Court, including the Confirmation Order, as may be necessary to carry out the purposes and intent of the Plan and to implement and effectuate the Plan;

i. To hear and determine matters concerning state, local and federal taxes, including but not limited to those in accordance with sections 346, 505 and 1146 of the Bankruptcy Code, with respect to the Debtor or any Person;

j. To compel the conveyance of property and other performance contemplated under the Plan and documents executed in connection herewith;

k. To enforce remedies upon any default under the Plan;

l. To enforce, interpret and determine any disputes arising in connection with any orders, stipulations, judgments and rulings entered in connection with the Chapter 11 Cases (whether or not the Chapter 11 Cases have been closed);

m. To resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Plan and the documents ancillary thereto, or any Person's obligations incurred in connection therewith;

n. To determine any other matters that may arise in connection with or relate to the Plan and Disclosure Statement, the Confirmation Order, the Plan Supplement, or any contract, instrument, release, or other agreement or document created in connection with the Plan or Disclosure Statement;

o. To issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person with the occurrence of the Effective Date or enforcement of the Plan;

p. To issue such orders as may be necessary or appropriate in aid of Confirmation and/or to facilitate consummation of the Plan;

q. To determine such other matters as may be provided for in the Confirmation Order or other orders of the Bankruptcy Court as may be authorized under the provisions of the Bankruptcy Code or any other applicable law;

r. To hear and determine (a) all motions, applications, adversary proceedings, and contested and litigated matters pending on the Effective Date, and (b) all Claims by or against the Debtors arising under the Bankruptcy Code or non-bankruptcy law, if made applicable by the Bankruptcy Code, whether such Claims are commenced before or after the Effective Date, including, but not limited to, Causes of Action and the Avoidance Actions;

s. To hear and determine all Causes of Action, to the extent not described above;

t. To hear and determine any Claims asserted by: (i) suppliers of goods or services to any of the Debtors; and (ii) any equity holder, insider or affiliate of any of the Debtors, for any actions or omissions prior to the Commencement Date;

u. To hear and determine any other matter authorized by applicable law; and

v. To enter a Final Decree.

9.2. Retention of Causes of Action.

Except as otherwise provided in the Plan or in any releases issued pursuant to the Plan, including, without limitation, any releases issued to Pac West, the Plan preserves all Causes of Action, and provides for them to be transferred to the Reorganized Debtor on the Effective Date of the Plan.

Except as otherwise provided in the Plan or in any releases issued pursuant to the Plan, including, without limitation, any releases issued to Pac West, pursuant to Section 1123(b)(3) of the Bankruptcy Code, the Reorganized Debtor (as successor to the Debtors and the Estates) shall retain and have the exclusive right to enforce against any Entity any and all Causes of Action of the Debtors or their Estates, including, without limitation, all Avoidance Actions.

ARTICLE 10
MODIFICATION OF PLAN

10.1. Prior to the Confirmation Order.

The Plan Proponents may alter, amend, or modify the Plan or any exhibits thereto under Section 1127(a) of the Bankruptcy Code at any time prior to entry of the Confirmation Order. The Plan Proponents shall provide parties-in-interest with notice of such amendments or modifications as may be required by the Bankruptcy Code or Bankruptcy Rules or order of the Bankruptcy Court. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as

altered, amended, modified or clarified, if the proposed alteration, amendment, modification or clarification does not materially and adversely change the treatment of the Claim of such Holder.

10.2. After the Confirmation Order.

After the entry of the Confirmation Order and prior to substantial consummation (as defined in Section 1101(2) of the Bankruptcy Code) of the Plan, the Plan Proponents may, under Section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or omission or to reconcile any inconsistencies in the Plan or the Confirmation Order, and such matters as may be necessary to carry out the purpose and effect of the Plan, so long as, such proceedings do not materially and adversely affect the treatment of Holders of Claims or Interests under the Plan; provided, however, that, to the extent required, prior notice of such proceedings shall be served in accordance with the Bankruptcy Code or Bankruptcy Rules or an order of the Bankruptcy Court. A Holder of a Claim or Interest that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, modified or clarified, if the proposed alteration, amendment, modification or clarification does not materially and adversely change the treatment of the Claim or Interest of such Holder.

ARTICLE 11
PROVISIONS REGARDING INJUNCTIONS, EXCULPATION AND THIRD-PARTY RELEASES

11.1. Injunction Relating to the Plan.

To the fullest extent provided in Section 1141 of the Bankruptcy Code, as of the Effective Date, all Persons that have held, currently hold or may hold a Claim or other debt or Liability or interest that is addressed in the Plan are permanently enjoined from taking any action on account of such Claims, debts, Liabilities, or interest, other than actions brought to enforce any rights or obligations under the Plan.

11.2. Releases.

a. *Debtors' Release of Claims Against Officers, Directors, Managing Members, and Professionals of the Debtors*. As of the Effective Date, Debtors shall be deemed to have released all claims and Causes of Action in connection with or related to any action or omission taking place after the Commencement Date and prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, and/or the Plan, against the Debtors' present directors, officers, Managing Members, all personnel of corporate Managing Members, financial advisors, attorneys and professionals; provided, however, the foregoing shall not waive or release any Causes of Action arising out of (i) any contractual obligations owing by any such party, (ii) any Avoidance Actions, or (iii) the fraud, willful misconduct, gross negligence, ultra vires acts, malpractice, or misuse of confidential information that causes damages, or criminal conduct of any such party.

b. *No Release Prior to Petition Date*. For the avoidance of doubt and notwithstanding anything to the contrary in this Plan or otherwise, nothing herein shall release any claims that arose prior to the Petition Date against the Debtors' Principals or any related parties, or affiliates of the Debtors.

c. *Releases with Pac West.* Provided that Pac West votes to accept the Plan, the Debtors will exchange broad releases with Pac West upon Confirmation. A copy of the proposed releases will be included in the Plan Supplement. The Debtors will release any claims, demands, rights, defenses, objections, setoffs, and Causes of Action that the Debtors or their Estates may hold against Pac West, including, but not limited to, any Avoidance Actions or fraudulent conveyance claims. The provisions of Section 6.9 and Section 9.2 of this Plan, and the Debtors' or Reorganized Debtor's preservation of Causes of Actions and defenses under this Plan will not apply to Pac West once such releases are exchanged. The Debtors and their affiliates will be released from all claims of Pac West other than their ongoing obligations under the Plan. Notwithstanding the foregoing, any claims of Pac West and the SBA against any guarantors other than the Debtors themselves will not be affected by the releases.

11.3. Exculpation.

To the extent permitted by Section 1125 (e) of the Bankruptcy Code, as of the Effective Date, each (i) Debtor, (ii) each director, officer, managing member, personnel of corporate managing members, and holders of equity interests of a Debtor, and (iii) each of the respective financial advisors, attorneys, accountants, consultants, liquidators, and other professionals of each such party (each an "Exculpated Party") shall neither have nor incur, and each Exculpated Party is hereby released and exculpated from, any Exculpated Claim or obligation, cause of action or liability for any Exculpated Claim, except for acts undertaken in bad faith, fraud, gross negligence, willful misconduct, ultra vires acts, malpractice, misuse of confidential information that causes damages, or criminal conduct; but in all respects each Exculpated Party shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under this Plan in their dealings with a Debtor, or in the context of each Debtor's Chapter 11 Case. No Holder of a Claim or Equity Interest or any other party-in-interest, including their respective agents, employees, representatives, financial advisors, attorneys, or affiliates, shall have any right of action against any Exculpated Party relating to, or arising out of the Exculpated Claims, except for such Exculpated Party's own willful misconduct or gross negligence; provided, however, that nothing in the Plan shall, or shall be deemed to, release or exculpate the Exculpated Parties with respect to their obligation or covenants arising pursuant to the Plan. Nothing herein shall abrogate the provisions of any disciplinary code.

ARTICLE 12
MISCELLANEOUS PROVISIONS

12.1. Governing Law.

EXCEPT TO THE EXTENT THAT THE BANKRUPTCY CODE OR OTHER FEDERAL LAW IS APPLICABLE, OR TO THE EXTENT A SCHEDULE OR EXHIBIT HERETO OR INSTRUMENT, AGREEMENT OR OTHER DOCUMENT EXECUTED UNDER THE PLAN PROVIDES OTHERWISE, THIS PLAN, THE RIGHTS, DUTIES AND OBLIGATIONS ARISING UNDER THIS PLAN, AND ANY CLAIM OR CONTROVERSY DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS PLAN, AND THE TRANSACTIONS CONTEMPLATED BY THIS PLAN (WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER THEORY), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND

PERFORMANCE, SHALL IN ALL RESPECTS BE GOVERNED BY AND INTERPRETED, CONSTRUED AND DETERMINED IN ACCORDANCE WITH, THE INTERNAL LAWS OF NEW YORK WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISION THAT WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION.

12.2. Notices.

All notices, requests and demands to be effective shall be in writing (including by facsimile transmission and email) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

To the Debtors:

Mayerson & Hartheimer, PLLC.
845 Third Ave., 11th floor
New York, NY 10022
Attn: Sandra E. Mayerson, Esq.
David H. Hartheimer, Esq.
Email: sandy@mhlaw-ny.com
david@mhlaw-ny.com

with a copy to their temporary address:
48 Seneca St.,
Dobbs Ferry, NY 10522

12.3. Reservation of Rights.

If the Plan is not confirmed by a Final Order, or if the Plan is confirmed and does not become effective, the rights of all parties in interest in the Bankruptcy Case are and shall be reserved in full. Any concessions or settlements reflected herein, if any, are made for purposes of the Plan only, and if the Plan does not become effective, no party in interest in the Bankruptcy Case shall be bound or deemed prejudiced by any such concession or settlement.

12.4. Binding Effect.

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

12.5. Discharge of Debtors.

Except as otherwise specifically provided in Section 1141(d) of the Bankruptcy Code, this Plan, or the Confirmation Order, and effective as of the Confirmation Date: (a) the distributions and rights that are provided in this Plan, if any, and the treatment of all Claims and Interests shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Causes of Action, whether known or unknown, including any interest accrued on such Claims from and after the Petition Date, against, liabilities of, Liens on, obligations

of, rights against, and Interests in the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to this Plan on account of such Claims, rights, and Interests, including, but not limited to, Claims and Interests that arose before the Effective Date and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not (i) a proof of claim or interest based upon such Claim, debt, right, or Interest is filed or deemed filed under Section 501 of the Bankruptcy Code, (ii) a Claim or Interest based upon such Claim, debt, right, or Interest is allowed under Section 502 of the Bankruptcy Code, or (iii) the Holder of such a Claim, right, or Interest accepted this Plan; (b) the Plan shall bind all Holders of Claims and Interests notwithstanding whether any such Holders failed to vote to accept or reject the Plan or voted to reject the Plan; (c) all Claims and Interests shall be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under Section 502(g) of the Bankruptcy Code; and (d) all Entities shall be precluded from asserting against the Debtors, the Estates, the Reorganized Debtors, their successors and assigns, and their assets and properties any other Claims or Interests based upon any documents, instruments, or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims against and Interests in the Debtors, subject to the occurrence of the Effective Date.

Dated: June 28, 2024
New York, New York

Respectfully submitted,

DEBTORS:

RM BAKERY, LLC.

By: BKD Group LLC, Its Managing Member
By: Kuzari Investor 27323 LLC, Its managing member
By: */s/ Mark Rimer*
Mark Rimer
Authorized Signatory

BKD GROUP LLC

By: Kuzari Investor 27323 LLC
By: */s/ Mark Rimer*
Mark Rimer
Authorized Signatory

EXHIBIT 2

Liquidation Analysysis

	RMB	BONY	TOTAL
FMV Owned Equipment {i}	$300,000	$0	$300,000
FMV Secured Equipment	$134,541	$0	$134,541
Accounts Receiveable {ii}	$409,490	$340,112	$749,602
Inventory {iii}	$51,004	$0	$51,004
Trademarks / Customer Lists	$100,000	$50,000	$150,000
Less: BONY NYS Tax Claim	n/a	($55,540)	($55,540)
Total Assets	**$995,035**	**$334,572**	**$1,329,607**
Priority Expenses of Liquidation			$100,000
Priority Claims			$310,564
Admin & Professional Fee Claims			$1,385,464
Class 2 - Secured Claim of PacWest			$300,000
Class 3 - Secured Claim of Mayrich			$750,000
Class 4 - Secured Claim of FS Lender			$2,432,323
Class 5 - Other Secured Claims			$134,541
Total Senior Claims ahead of Unsecured and Equity			**$5,412,892**
Available Value for Unsecured (negative)			($4,083,285)

{i} FMV of Owned Assets = $448k per valuation report, based on the 35% discount for liquidation = ~$300k
{ii} @ 25% discount for liquidation
{iii} @ 50% discount for liquidation

As a result, each Class of Creditor in the Ch.11 would receive the following in a Liquidation:	
Priority Expenses of Liquidation	$100,000
Priority Claims	$0
Admin & Professional Fee Claims (including "Carve Out from DIP for Professionals and UST")	$40,000
Class 2 - Secured Claim of PacWest	$300,000
Class 3 - Secured Claim of Mayrich	$749,602
Class 4 - Secured Claim of FS Lender	$5,464
Class 5 - Other Secured Claims (Ascentium, M2, Mintaka and others)	$134,541
Class 6 - Unsecured Claims	$0
Class 7 - Unsecured Claims (Convenience Class)	$0
Class 8 - Insider Claims	$0
Class 9 - Equity	$0
Total Expected Distributions in a Liquidation	**$1,329,607**

EXHIBIT 3

x

Quarterly Projections

	Oct - Dec 24	Jan - Mar 25	Apr - Jun 25	Jul - Sep 25	Oct - Dec 25	Jan - Mar 26	Apr - Jun 26	Jul - Sep 26	Oct - Dec 26	Jan - Mar 27	Apr - Jun 27	Jul - Sep 27	Oct - Dec 27	Jan - Mar 28	Apr - Jun 28	Jul - Sep 28	Oct - Dec 28
	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F	F
Product Sales	$ 2,074,431	$ 1,859,199	$ 2,077,254	$ 2,111,453	$ 2,281,875	$ 2,231,039	$ 2,492,705	$ 2,533,744	$ 2,510,062	$ 2,454,143	$ 2,741,976	$ 2,787,118	$ 2,761,068	$ 2,699,557	$ 3,016,173	$ 3,065,830	$ 3,037,175
Total Revenue	**$ 2,074,431**	**$ 1,859,199**	**$ 2,077,254**	**$ 2,111,453**	**$ 2,281,875**	**$ 2,231,039**	**$ 2,492,705**	**$ 2,533,744**	**$ 2,510,062**	**$ 2,454,143**	**$ 2,741,976**	**$ 2,787,118**	**$ 2,761,068**	**$ 2,699,557**	**$ 3,016,173**	**$ 3,065,830**	**$ 3,037,175**
COGS:																	
Labor	$ 579,633	$ 549,505	$ 579,982	$ 584,115	$ 602,094	$ 597,187	$ 618,308	$ 620,689	$ 619,346	$ 615,841	$ 628,877	$ 629,794	$ 629,302	$ 627,737	$ 629,738	$ 628,688	$ 629,339
Materials	$ 608,441	$ 545,312	$ 609,269	$ 619,300	$ 669,285	$ 654,375	$ 731,123	$ 743,160	$ 736,214	$ 719,812	$ 804,235	$ 817,476	$ 809,835	$ 791,794	$ 884,659	$ 899,223	$ 890,818
Total COGS	**$ 1,188,074**	**$ 1,094,817**	**$ 1,189,251**	**$ 1,203,414**	**$ 1,271,379**	**$ 1,251,562**	**$ 1,349,431**	**$ 1,363,849**	**$ 1,355,560**	**$ 1,335,653**	**$ 1,433,112**	**$ 1,447,270**	**$ 1,439,137**	**$ 1,419,530**	**$ 1,514,396**	**$ 1,527,911**	**$ 1,520,157**
Gross Profit	**$ 886,358**	**$ 764,382**	**$ 888,004**	**$ 908,039**	**$ 1,010,495**	**$ 979,477**	**$ 1,143,274**	**$ 1,169,895**	**$ 1,154,502**	**$ 1,118,490**	**$ 1,308,863**	**$ 1,339,848**	**$ 1,321,931**	**$ 1,280,027**	**$ 1,501,777**	**$ 1,537,919**	**$ 1,517,018**
% GP	*42.7%*	*41.1%*	*42.7%*	*43.0%*	*44.3%*	*43.9%*	*45.9%*	*46.2%*	*46.0%*	*45.6%*	*47.7%*	*48.1%*	*47.9%*	*47.4%*	*49.8%*	*50.2%*	*49.9%*
Operating Costs:																	
Overhead Labor	$ 366,899	$ 389,413	$ 385,244	$ 385,244	$ 385,244	$ 408,883	$ 404,506	$ 404,506	$ 404,506	$ 429,328	$ 424,731	$ 424,731	$ 424,731	$ 450,794	$ 445,968	$ 445,968	$ 445,968
Distribution Cost	$ 258,774	$ 231,925	$ 259,126	$ 263,392	$ 284,652	$ 278,310	$ 310,952	$ 316,071	$ 313,117	$ 306,141	$ 342,047	$ 347,678	$ 344,428	$ 336,755	$ 376,251	$ 382,446	$ 378,871
Other Costs	$ 393,786	$ 361,449	$ 361,449	$ 361,449	$ 361,449	$ 379,521	$ 379,521	$ 379,521	$ 379,521	$ 398,497	$ 398,497	$ 398,497	$ 398,497	$ 418,422	$ 418,422	$ 418,422	$ 418,422
Facility Use (offset fixed cost)	$ (127,741)	$ (131,341)	$ (157,864)	$ (168,704)	$ (131,573)	$ (135,281)	$ (162,599)	$ (173,765)	$ (135,520)	$ (139,340)	$ (167,477)	$ (178,978)	$ (139,586)	$ (143,520)	$ (172,502)	$ (184,348)	$ (143,773)
Total Operating Costs	**$ 891,719**	**$ 851,446**	**$ 847,955**	**$ 841,381**	**$ 899,771**	**$ 931,434**	**$ 932,379**	**$ 926,333**	**$ 961,624**	**$ 994,626**	**$ 997,798**	**$ 991,928**	**$ 1,028,071**	**$ 1,062,452**	**$ 1,068,140**	**$ 1,062,488**	**$ 1,099,488**
Operating Income / (Loss)	**$ (5,361)**	**$ (87,064)**	**$ 40,048**	**$ 66,658**	**$ 110,724**	**$ 48,044**	**$ 210,895**	**$ 243,562**	**$ 192,878**	**$ 123,864**	**$ 311,066**	**$ 347,920**	**$ 293,859**	**$ 217,576**	**$ 433,637**	**$ 475,431**	**$ 417,530**
% margin	*-0.3%*	*-4.7%*	*1.9%*	*3.2%*	*4.9%*	*2.2%*	*8.5%*	*9.6%*	*7.7%*	*5.0%*	*11.3%*	*12.5%*	*10.6%*	*8.1%*	*14.4%*	*15.5%*	*13.7%*
Assumption: Operating Income = Cash Flow before P&I, Settlement Payments, Plan Payments, Capex Etc																	
Capex	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)	$ (5,000)
Management Fees	$ (46,675)	$ (45,000)	$ (46,738)	$ (47,508)	$ (51,342)	$ (50,198)	$ (56,086)	$ (57,009)	$ (56,476)	$ (55,218)	$ (61,694)	$ (62,710)	$ (62,124)	$ (60,740)	$ (67,864)	$ (68,981)	$ (68,336)
Interest (Senior Debt - C Corp)	$ -	$ (43,750)	$ (43,750)	$ (43,750)	$ (43,750)	$ (43,750)	$ (43,750)	$ (104,667)	$ (104,667)	$ (104,667)	$ (104,667)	$ (104,667)	$ (104,667)	$ (104,667)	$ (104,667)	$ (104,667)	$ (104,667)
Claims Resolution (pre and post petition)	$ (86,079)	$ (76,864)	$ (86,819)	$ (86,819)	$ (86,819)	$ (86,819)	$ (86,819)	$ (85,819)	$ (83,819)	$ (69,350)	$ (53,819)	$ (52,261)	$ (28,385)	$ (28,385)	$ -	$ -	$ -
PacWest Loan ($175k)	$ (12,090)	$ (12,090)	$ (12,090)	$ (12,090)	$ (12,090)	$ (12,090)	$ (12,090)	$ (12,090)	$ (12,090)	$ (12,090)	$ (12,090)	$ (12,090)	$ (12,090)	$ (12,090)	$ (12,090)	$ (12,090)	$ -
Cash Flow For Unsecured & New Equity	**$ (155,205)**	**$ (269,768)**	**$ (154,349)**	**$ (128,509)**	**$ (88,277)**	**$ (149,813)**	**$ 7,150**	**$ (21,023)**	**$ (69,174)**	**$ (122,463)**	**$ 73,795**	**$ 111,192**	**$ 81,593**	**$ 6,693**	**$ 244,016**	**$ 284,692**	**$ 239,526**
Check																	
Cash Retained at RM Bakery LLC:																	
BoP Cash	$ 540,675	$ 385,470	$ 115,702	$ (38,647)	$ (167,156)	$ (255,433)	$ (405,246)	$ (398,096)	$ (419,120)	$ (488,294)	$ (610,757)	$ (536,962)	$ (425,771)	$ (344,178)	$ (337,484)	$ (93,469)	$ 191,223
Cash Flow	$ (155,205)	$ (269,768)	$ (154,349)	$ (128,509)	$ (88,277)	$ (149,813)	$ 7,150	$ (21,023)	$ (69,174)	$ (122,463)	$ 73,795	$ 111,192	$ 81,593	$ 6,693	$ 244,016	$ 284,692	$ 239,526
EoP Cash	**$ 385,470**	**$ 115,702**	**$ (38,647)**	**$ (167,156)**	**$ (255,433)**	**$ (405,246)**	**$ (398,096)**	**$ (419,120)**	**$ (488,294)**	**$ (610,757)**	**$ (536,962)**	**$ (425,771)**	**$ (344,178)**	**$ (337,484)**	**$ (93,469)**	**$ 191,223**	**$ 430,749**
Cash Retained at Leaven Corp ("senior loan holder") and Manager																	
BoP Cash	$ -	$ 46,675	$ 135,425	$ 225,913	$ 317,171	$ 412,263	$ 506,211	$ 606,047	$ 767,724	$ 928,867	$ 1,088,753	$ 1,255,115	$ 1,422,492	$ 1,589,284	$ 1,754,691	$ 1,927,222	$ 2,100,871
Cash Flow	$ 46,675	$ 88,750	$ 90,488	$ 91,258	$ 95,092	$ 93,948	$ 99,836	$ 161,677	$ 161,144	$ 159,886	$ 166,362	$ 167,378	$ 166,791	$ 165,407	$ 172,531	$ 173,649	$ 173,004
EoP Cash	**$ 46,675**	**$ 135,425**	**$ 225,913**	**$ 317,171**	**$ 412,263**	**$ 506,211**	**$ 606,047**	**$ 767,724**	**$ 928,867**	**$ 1,088,753**	**$ 1,255,115**	**$ 1,422,492**	**$ 1,589,284**	**$ 1,754,691**	**$ 1,927,222**	**$ 2,100,871**	**$ 2,273,875**
Net Cash Available	**$ 432,145**	**$ 251,127**	**$ 187,266**	**$ 150,015**	**$ 156,830**	**$ 100,965**	**$ 207,951**	**$ 348,604**	**$ 440,573**	**$ 477,996**	**$ 718,152**	**$ 996,721**	**$ 1,245,106**	**$ 1,417,207**	**$ 1,833,754**	**$ 2,292,094**	**$ 2,704,624**

Annual Projections

	2024	2025	2026	2027	2028
Product Sales	$ 7,312,500	$ 8,329,781	$ 9,767,550	$ 10,744,305	$ 11,818,735
Total Revenue	**$ 7,312,500**	**$ 8,329,781**	**$ 9,767,550**	**$ 10,744,305**	**$ 11,818,735**
COGS:					
Labor	$ 2,203,850	$ 2,315,695	$ 2,455,531	$ 2,503,815	$ 2,515,501
Materials	$ 2,208,827	$ 2,443,166	$ 2,864,871	$ 3,151,358	$ 3,466,494
Total COGS	**$ 4,412,677**	**$ 4,758,861**	**$ 5,320,401**	**$ 5,655,172**	**$ 5,981,994**
Gross Profit	**$ 2,899,824**	**$ 3,570,920**	**$ 4,447,149**	**$ 5,089,132**	**$ 5,836,741**
% GP	*39.7%*	*42.9%*	*45.5%*	*47.4%*	*49.4%*
Operating Costs:					
Overhead Labor	$ 1,471,566	$ 1,545,144	$ 1,622,402	$ 1,703,522	$ 1,788,698
Distribution Cost	$ 920,067	$ 1,039,095	$ 1,218,449	$ 1,340,294	$ 1,474,324
Other Costs	$ 1,485,937	$ 1,445,795	$ 1,518,085	$ 1,593,989	$ 1,673,689
Facility Use (offset fixed cost)	$ (572,312)	$ (589,482)	$ (607,166)	$ (625,381)	$ (644,143)
Total Operating Costs	**$ 3,305,258**	**$ 3,440,553**	**$ 3,751,770**	**$ 4,012,424**	**$ 4,292,567**
Operating Income / (Loss)	**$ (405,435)**	**$ 130,367**	**$ 695,379**	**$ 1,076,709**	**$ 1,544,174**
% margin	*-5.5%*	*1.6%*	*7.1%*	*10.0%*	*13.1%*
Assumption: Operating Income = Cash Flow before P&I, Settlement Payments, Plan Payments, Capex Etc					
Capex	$ (5,000)	$ (20,000)	$ (20,000)	$ (20,000)	$ (20,000)
Management Fees	$ (46,675)	$ (190,588)	$ (219,770)	$ (241,747)	$ (265,922)
Interest (Senior Debt - C Corp)	$ -	$ (175,000)	$ (296,835)	$ (418,669)	$ (418,669)
Claims Resolution (pre and post petition)	$ (86,079)	$ (337,320)	$ (343,274)	$ (203,814)	$ (28,385)
PacWest Loan ($175k)	$ (24,181)	$ (48,362)	$ (48,362)	$ (48,362)	$ (24,181)
Cash Flow For Unsecured & New Equity	**$ (567,369)**	**$ (640,903)**	**$ (232,862)**	**$ 144,117**	**$ 787,017**
Check					
Cash Retained at RM Bakery LLC:					
BoP Cash					
Cash Flow					
EoP Cash	**$ 385,470**	**$ (255,433)**	**$ (488,294)**	**$ (344,178)**	**$ 430,749**
Cash Retained at Leaven Corp ("senior loan holder") and Manager					
BoP Cash					
Cash Flow					
EoP Cash	**$ 46,675**	**$ 412,263**	**$ 928,867**	**$ 1,589,284**	**$ 2,273,875**
Net Cash Available	**$ 432,145**	**$ 156,830**	**$ 440,573**	**$ 1,245,106**	**$ 2,704,624**

Assumptions for Projections

The quarterly projections start from a baseline of actual operating performance through Q2 2024 and make assumptions around the future based on the following:

1) Consolidation of RM BONY results into RM Bakery which adds significant revenue and operating profit to the income statement;

2) Increasing revenue from (a) organic sales efforts and (b) the new relationship with the buyer of Featherstone, who is a partner in several other distribution businesses capable of driving significant volume towards the bakery - product revenue for 2025 is forecast to be around $8.3m compared to $7.3m in 2024 which amounts to approximately, an additional $20k/week in business which the Debtors believe is very achievable;

3) Increasing gross margin from (a) operating leverage/efficiency of being able to do more volume per labor hour at higher volume, and (b) reduced materials costs from being better capitalized after the reorganization and therefore able to buy at more favorable prices;

4) Managing fixed overhead (not shrinking it but not letting it increase) as the business grows allowing the business to benefit from further fixed operating leverage, e.g. expect to make an additional $600k of gross profit but only add around $100k of operating overhead, causing a $500k improvement in operating profit.

In short, the impact of sales growth through newly formed friendly distribution relationships coupled with the impact of having adequate capital from Exit Financing to purchase inputs on favorable terms will lead to a dramatic shift in the outlook for the business.

EXHIBIT 4

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08/18/24
Accrual Basis

RM BONY LLC
Profit & Loss
January 2023 through June 2024

	Jan - Mar 23	Apr - Jun 23	Jul - Sep 23	Oct - Dec 23	Jan - Mar 24	Apr - Jun 24
Ordinary Income/Expense						
Income	487,971.43	490,884.01	470,718.70	473,358.37	453,272.94	452,183.13
Cost of Goods Sold	2,173.68	0.00	6,721.17	8,612.74	4,471.07	2,208.06
Gross Profit	485,797.75	490,884.01	463,997.53	464,745.63	448,801.87	449,975.07
Expense	343,911.94	290,257.13	304,708.98	300,143.91	270,194.53	293,450.11
Net Ordinary Income	141,885.81	200,626.88	159,288.55	164,601.72	178,607.34	156,524.96
Other Income/Expense						
Other Expense	64.98	203.10	350.51	265.94	376.39	38.95
Net Other Income	-64.98	-203.10	-350.51	-265.94	-376.39	-38.95
Net Income	**141,820.83**	**200,423.78**	**158,938.04**	**164,335.78**	**178,230.95**	**156,486.01**