

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

In re: EYE CARE LEADERS PORTFOLIO HOLDINGS, LLC, <i>et al.</i>,¹ Debtors.	§ § § § § § § §	Chapter 11 Case No. 24-80001(MVL) (Jointly Administered)
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DISCLOSURE STATEMENT REGARDING DEBTORS' JOINT CHAPTER 11 PLAN

GRAY REED

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Dated: July 1, 2024

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtors' federal tax identification number are as follows: ECL PH Services Group LLC (6746); Eye Care Leaders Portfolio Holdings, LLC (0576); Alta Billing Holdings, LLC (4944); Alta Billing, LLC (4823); Canta Health, LLC (7791); DJRTC, LLC (N/A); ECL Group, LLC (9195); ECL Holdings, LLC (8888); Eye Care Leaders Holdings, LLC (1701); iMedicWare, Inc. (6251); IMW EMR, LLC (6421); IMW Holdings, LLC (3980); Insight Software, LLC (8321); Integrity EMR Holdings, LLC (3877); Integrity EMR, LLC (3716); IO Practiceware, Inc. (4507); IOPW Holdings, LLC (0461); IOPW, LLC (N/A); Keymed Holdings, LLC (0301); Keymed, LLC (9379); MD Office, LLC (9075); MDO Group Holdings, LLC (0435); MDX, LLC (5074); Medflow Holdings, LLC (7716); Medflow, Inc. (N/A); MNI Holdings, LLC (7633); MRX Holdings, LLC (N/A); My Vision Express, Inc. (N/A); Penn Medical Informatics Systems, LLC (4584); PI Software Holdings, LLC (N/A); PI Software, LLC (N/A); PMX, LLC (N/A); Revenue Health Solutions, LLC (7025); RHS Holdings, LLC (N/A); The Hoehne Group – Software Division, Inc. (7788). The Debtors' principal offices are located at 555 S. Mangum Street, Suite 100, Durham, NC 27701.

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SCHEDULES AND EXHIBITS

Schedule 1	Liquidation Analysis
Exhibit A	Debtors' Joint Chapter 11 Plan
Exhibit B	Debtors' Corporate Structure Chart
Exhibit C	Purported Prepetition Lenders Chart of Term Loans

THE PLAN IS PROPOSED BY THE DEBTORS WITH THE SUPPORT OF THE COMMITTEE. THE COMMITTEE STRONGLY URGE HOLDERS OF CLAIMS ENTITLED TO VOTE TO VOTE TO ACCEPT THE PLAN.

I. General Information¹

A. Purpose of this Disclosure Statement

This Disclosure Statement has been prepared by the Debtors to provide information to enable holders of Claims and Equity Interests, who are entitled to vote on the Plan, attached hereto as **Exhibit A**, to make an informed judgment about the Plan. Confirmation of the Plan pursuant to Chapter 11 of the Bankruptcy Code depends, in part, upon the receipt of a sufficient number of votes in favor of the Plan. Only holders of Claims in Class 4 are entitled to vote to accept or reject the Plan. Holders of Claims in Classes 1 and 3 are unimpaired and are conclusively deemed to accept the Plan. Holders of Claims in Classes 5 and 6 are impaired and are conclusively deemed to reject the Plan. The holders of Claims in Class 2 are not entitled to vote because the Claims in such Class are not “allowed” as required by section 1126(a) of the Bankruptcy Code.

On [●], 2024, after notice and a hearing, the Bankruptcy Court entered an order (the “Conditional Approval Order”), pursuant to section 1125 of the Bankruptcy Code, approving this Disclosure Statement as containing “adequate information.” “Adequate information” is information of a kind, and in sufficient detail, to enable a person to make an informed judgment about the Plan. The Bankruptcy Court will consider final approval of this Disclosure Statement at the combined hearing to consider final approval of the Disclosure Statement and confirmation of the Debtors’ Plan on September 11, 2024, at 1:30 p.m. prevailing central time.

B. General Information Concerning Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code, pursuant to which a debtor in possession attempts to reorganize, or liquidate, its business for the benefit of itself, its creditors, and equity interest holders.

The commencement of a chapter 11 case creates an estate, comprised of all legal and equitable interests of the debtor in property as of the date the petition is filed, wherever located and by whomever held. Sections 1101, 1107, and 1108 of the Bankruptcy Code provide that 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 Debtors are operating as debtors in possession.

The filing of a chapter 11 petition also triggers the automatic stay provisions of the Bankruptcy Code. Section 362(a) of the Bankruptcy Code provides for, among other things, an automatic stay of all attempts to collect prepetition debts against the debtor or to otherwise interfere with the debtor’s property or business. Except as otherwise ordered by the bankruptcy court, the automatic stay remains in full force and effect until the time a plan is confirmed.

¹ All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan.

The formulation of a plan of reorganization is the principal purpose of a chapter 11 case. A plan sets forth the means for satisfying the claims against and equity interests in the debtor. Generally, unless a trustee is appointed, only the debtor may file a plan during the first 120 days of a chapter 11 case. A debtor is generally then given 60 additional days during which it may solicit acceptance of its plan. The deadlines may be extended or reduced by the court upon a showing of “cause.” In this case, the Debtors have received an extension of their initial 120-day exclusive period to and including July 1, 2024.

C. General Information Concerning Treatment of Claims and Equity Interests

A chapter 11 plan may provide for anything from a complex restructuring of a debtor’s business and its related obligations to a simple liquidation of a debtor’s assets. After a chapter 11 plan has been filed, certain holders of claims against or equity interests in a debtor are permitted to vote to accept or reject the plan.

Section 1123 of the Bankruptcy Code provides that a plan of reorganization must classify the claims of a debtor’s creditors and equity interest holders. In compliance therewith, the Plan divides claims and equity interests into classes and sets forth the treatment for each class. In accordance with section 1123(a) of the Bankruptcy Code, Administrative Claims have not been classified in the Plan. A debtor is also required, under section 1122 of the Bankruptcy Code, to classify substantially similar claims and equity interests together. The Debtors believe that the Plan has classified all Claims and Equity Interests in compliance with the provisions of Bankruptcy Code section 1122.

The table below summarizes the classification, description, and treatment of Claims and Equity Interests under the Plan. This information is provided for illustrative purposes only and is qualified in its entirety by reference to the provisions of the Plan. For a more detailed description of the treatment of Claims and Equity Interests under the Plan and the sources of satisfaction for Claims and Equity Interests, see Section IV.B of this Disclosure Statement.

Class	Designation	Impairment	Entitled to Vote
1	Priority Non-Tax Claims	Unimpaired	No (deemed to accept)
2	Purported Prepetition Lenders’ Secured Claims	Impaired	No
3	Other Secured Claims	Unimpaired	No (deemed to accept)
4	General Unsecured Claims	Impaired	Yes
5	Intercompany Claims	Impaired	No (deemed to reject)
6	Equity Interests	Impaired	No (deemed to reject)

D. Classes Impaired under a Plan

Only classes of impaired claims or equity interests may vote to accept or reject a plan. A class is “impaired” if the legal, equitable, or contractual rights relating to the claims or equity interests in that class are modified by the plan. Modification for purposes of determining impairment, however, does not include curing defaults or reinstating maturity. Classes of claims

or equity interests that are not “impaired” under a plan of reorganization, and each member of such class, are conclusively deemed to have accepted the plan and thus are not entitled to vote. Similarly, classes of claims or equity interests that will neither receive nor retain any property under a plan are deemed to not have accepted the plan and are thus not entitled to vote.

As set forth in section 1124 of the Bankruptcy Code, a class of claims or interests is impaired under a plan of reorganization unless, with respect to such class, the plan: (1) leaves unaltered the legal, equitable, and contractual rights of the holder of such claim or interest; or (2) notwithstanding any contractual provision or applicable law that entitles the holder of a claim or interest to demand or receive accelerated payment of such claim or interest after the occurrence of a default: (a) cures any such default that occurred before or after the commencement of the case, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) expressly does not require to be cured; (b) reinstates the maturity of such claim or interest as it existed before such default; (c) compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance on such contractual provision or such applicable law; (d) if the claim or interest arises from a failure to perform a non-monetary obligation (other than a default from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A)), compensates the holder (other than the debtor or an insider) for any actual pecuniary loss incurred by the holder as a result of such failure; and (e) does not otherwise alter the legal, equitable or contractual rights to which such claim or interest entitles the holder of such claim or interest.

All holders of Claims in Classes 1 and 3 are unimpaired, as they will be paid in full or, if applicable, entitled to retain their collateral. As a result, all holders of Claims in Classes 1 and 3 are conclusively deemed to have accepted the Plan. Holders of Claims in Class 2 are impaired and not entitled to vote to accept or reject the Plan as all of such Claims are Disputed. The holders of Claims in Class 4 are impaired and are entitled to vote to accept or reject the Plan. The holders of Claims in 5 and 6 are impaired and are conclusively deemed to reject the Plan and are therefore not entitled to vote to accept or reject the Plan.

E. Voting

As a result of the pendency of the Adversary Proceeding, the Purported Prepetition Lenders’ Secured Claims are Disputed and therefore the holders of such Claims are not eligible to vote pursuant to section 1126(a) of the Bankruptcy Code. A Ballot casting a vote on the Plan may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such Ballot was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

F. Confirmation and Consummation

There are two methods by which a plan may be confirmed: (i) the “acceptance” method, pursuant to which all impaired classes of claims and interests have voted in the requisite amounts to accept the plan and the plan otherwise complies with section 1129(a) of the Bankruptcy Code; and (ii) the “cram-down” method under section 1129(b) of the Bankruptcy Code, which is available even if classes of claims vote against the Plan.

1. Acceptance of the Plan

A plan is accepted by an impaired class of claims if the holders of at least two-thirds ($\frac{2}{3}$) in amount and more than one-half ($\frac{1}{2}$) in number of the allowed claims in such class actually voting vote to accept the plan. A plan is accepted by an impaired class of equity interests if holders of at least two-thirds ($\frac{2}{3}$) in amount of allowed equity interests in such class actually voting vote to accept the plan.

BALLOTS THAT ARE SIGNED BUT THAT DO NOT EXPRESSLY INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN OR INDICATE BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN, WILL BE DISREGARDED.

In addition to this class voting requirement, section 1129 of the Bankruptcy Code requires that a plan be accepted by each holder of a claim or equity interest in an impaired class entitled to vote or that the plan otherwise be found by the bankruptcy court to be in the best interests of each holder of a claim or equity interest in such class (*see* discussion of “Best Interests Test” below).

2. Confirmation Without Acceptance by All Impaired Classes

Under section 1129 of the Bankruptcy Code, the Debtors have the right to seek confirmation of the Plan notwithstanding the “deemed rejection” of the Plan by a class of Claims.

A plan may be confirmed notwithstanding its rejection by one or more classes of claims or equity interests if, in addition to satisfying the applicable requirements of section 1129(a) of the Bankruptcy Code, the plan (1) is “fair and equitable” with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan and (2) does not “discriminate unfairly.”

A plan is “fair and equitable” under the Bankruptcy Code with respect to a dissenting class of unsecured claims if, with respect to such dissenting class either (a) the plan provides that each holder of a claim of such class receive or retain property of a value equal to the allowed amount of such claim, or (b) no holders of junior claims or equity interests receive or retain any property under the plan on account of such junior claims or interests.

This fair and equitable standard, also known as the “absolute priority rule,” requires, among other things, that unless a dissenting unsecured class of claims or equity interests receives full compensation for its allowed claims or allowed interests, no holder of claims or interests in any junior class may receive or retain any property under the plan on account of such claims or interests. The Debtors believe that the requirements for non-consensual confirmation will be met and the Plan will be confirmed despite its rejection by impaired dissenting Classes of Claims.

The requirement that a plan not “discriminate unfairly” means, among other things, that a dissenting class must be treated substantially equally with respect to other classes of equal rank. The Debtors believe that the Plan meets this requirement with respect to the Classes of Claims that are deemed reject the Plan, because classes of equal rank are treated equally under the Plan.

3. Best Interests Test

Notwithstanding acceptance of the Plan by each impaired Class, in order for the Plan to be confirmed, the Bankruptcy Court must determine that the Plan is in the best interests of each holder of a Claim or Equity Interest in an impaired Class who has not voted to accept the Plan. Accordingly, if an impaired Class does not unanimously accept the Plan or is deemed to reject the Plan, the best interests test requires the Bankruptcy Court to find that the Plan provides for each holder of a Claim or Equity Interest in such Class to receive or retain on account of such Claim or Equity Interest property of a value, as of the Effective Date of the Plan, that is not less than the amount each such holder would receive if the Debtor was liquidated under chapter 7 of the Bankruptcy Code on such date.

In these Chapter 11 Cases, the Debtors are selling substantially all of their assets to a third-party, which will operate the business going forward, and the Debtors will liquidate their remaining non-operating assets through the Plan. As a result, and by implication, constituents will receive under the Plan at least what they would otherwise receive if the chapter 11 cases were converted to a chapter 7 liquidation. To demonstrate compliance with the best interests test, the Debtors, with the assistance of their financial advisors, prepared the liquidation analysis attached hereto as **Schedule 1**. The liquidation analysis shows that the value of the distributions to holders of Allowed Claims under the Plan would be the same or greater than the value received under a hypothetical chapter 7 liquidation. Accordingly, the Debtors believe that the Plan is in the best interests of creditors.

II. Background and Events Leading Up to Chapter 11²

A. About the Debtors

The Debtors provide pioneering software specifically geared toward ophthalmology and optometry practices. With over 5,700 physician and 2,300 practice clients representing an aggregate of over 25 million annual individual patients, the Debtors are one of the leading technology solutions providers for eye care practices. The Debtors' software portfolio, which includes but is not limited to the products iMedicWare (ophthalmology software) and My Vision Express (optometry software), provides practice management, point of sale, electronic health records, surgical scheduling, revenue cycle management, and reporting solutions. The Debtors' customized and innovative systems help ophthalmologists and optometrists manage all aspects of their practices and empower them to focus on patient care while maximizing revenue.

The Debtors' current and historical business lines are as follows:

² The descriptions below are derived from the Declaration of Sophia Turrell, Chief Executive Officer, in Support of Chapter 11 Petitions and First Day Motions [Docket No. 14] (the "First Day Declaration").

Product/Brand	Service / Software	Percentage of Annual Revenue	Status
Alta	RCM Services	15.06%	Retained
Clinical Quality Experts	MIPS Consulting	2.51%	Retained
iMedicWare	Ophthalmology Software	32.73%	Retained
My Vision Express	Optometry Software	13.54%	Retained
myIntegrity	Ophthalmology & Optometry Software	6.16%	Sunset completed Aug. 2023
MD Office	Ophthalmology & Optometry Software	13.84%	Retained
Medflow	Ophthalmology Software	10.19%	Retained
Management Plus	Ophthalmology & Optometry Software	5.10%	Retained
IOPW	Ophthalmology Software	0.41%	Sunset completed Apr. 2023
Key Med	Ophthalmology Software	0.34%	Sunset completed Apr. 2023
Penn Med	Ophthalmology Software	0.11%	Sunset completed Apr. 2023

Although the Debtors offer several software solutions, the Debtors' flagship product is iMedicWare. iMedicWare is a fully-featured suite of software, containing modules for electronic medical records, practice management, optical, ambulatory surgical center, and analytics, each of which can be sold together or separately. It is a Certified Electronic Health Record Technology ("CEHRT") and mobile-optimized.

Along with providing cutting-edge software, the Debtors provide comprehensive training for their products, revenue cycle management ("RCM") services, which accounts for approximately 16% of the Debtors' revenue, and Merit-Based Incentive Payment System consulting.

The Debtors' Alta brand provides the RCM services. Alta's financial management services for healthcare providers streamline and optimize the financial aspects of healthcare delivery. Alta manages the entire revenue cycle, from patient registration to payment collection, including billing, addressing insurance claim denials and rejections, payment processing, and audit compliance and credentialing. Alta also provides analytics and reporting to help identify revenue cycle issues and track key performance metrics.

B. The Debtors' Corporate History and Structure

The Debtors were originally formed by a private equity firm that acquired several leading ophthalmology and optometry electronic medical record and practice management and related services businesses. Today, the company's ultimate owner is an independent trust. Eye Care Leaders Portfolio Holdings, LLC ("HoldCo") is wholly owned by the ECL Trust, which is a non-Debtor. The Grantor of the ECL Trust is GHTG Investment, LLC, the trustee is Hugh Steven Wilson, and the beneficiary is Robert Gaddy. Greg E. Lindberg is the managing member of GHTG Investment, LLC. As set forth on the corporate structure chart attached hereto as **Exhibit B**, HoldCo owns, directly or indirectly, each of the other Debtors in these chapter 11 cases.

C. Prepetition Capital Structure

1. Secured Debt

Between 2014 and 2017, certain of the Debtors entered into allegedly secured term loan agreements with various entities related to Greg Lindberg and GHTG Investment, LLC, whom the

Debtors refer to as the Purported Prepetition Lenders (the alleged “Term Loans”) for the purpose of acquiring certain other Debtor entities. Each Term Loan is due at maturity, bears interest at rates of 5–5.50% per annum and matures in either June 2029 or December 2029. Certain of the Term Loans are purportedly secured by the membership interests and books and records of the borrowing and acquired entities, and all proceeds, supporting obligations, and products of the foregoing. Certain others are purportedly secured by substantially all of the borrowers’ assets. However, the Debtors believe that the relevant lenders’ security interests are unperfected and are otherwise avoidable and/or invalid. On March 10, 2024, the Debtors filed an adversary proceeding against the Purported Prepetition Lenders styled *Alta Billing, LLC, et al. v. Academy Association Inc. et al.*, Adv. No. 24-08002 (March 10, 2024). A chart of the Purported Prepetition Lender’ loans is attached as **Exhibit C**. As of the date hereof, the outstanding aggregate principal and interest due under the Term Loans is approximately \$118,138,000. The Debtors have no other long-term prepetition debt obligations.

2. Unsecured Debt

On September 19, 2023, ECL Group LLC entered into a promissory note in the amount of \$181,492 in relation to services provided by Berkeley Research Group, LLC (“BRG”), as described further below. Under the note, ECL Group LLC agreed to make monthly payments of \$15,125 to BRG until the unpaid principal is paid in full. The note is interest-free and matures on September 25, 2024.

In the ordinary course of business, the Debtors utilize a myriad of vendors for their businesses, including specialized engineers, consultants, compliance specialists, and providers of administrative services. As of the Petition Date, the Debtors owed approximately \$3,700,000 to vendors, not including amounts owing to BRG or certain other contract parties.

3. Taxes

The Debtors collect and remit sales and use taxes in the ordinary course of their businesses in connection with the sale of the Debtors’ software and services. The Debtors have reported various amounts owing to state taxing authorities through Voluntary Disclosure Agreements and estimate that the amount outstanding is \$1,291,066 as of the Petition Date. In some, but not all, jurisdictions, the Debtors were able to negotiate payment plans for the payment of delinquent taxes. Additionally, certain taxing authorities, including Texas, issued levies on the Debtors’ bank accounts related to outstanding sales or use taxes. The Debtors believe that they may have offset rights against certain taxing authorities for such levies.

D. Circumstances Leading to the Commencement of the Chapter 11 Cases

The Debtors operate in a highly technical and regulated industry. The failure to maintain adequate security protocols or stay on the forefront of emerging technology and evolving compliance requirements can have significant negative effects. Over the past several years, development and compliance costs and atypical events have put a great strain on the Debtors’ financial condition. In fiscal year 2020, the Debtors generated approximately \$47,605,000 in revenue and \$18,782,000 in management EBITDA. By 2022, however, the Debtors’ revenue declined to approximately \$39,056,000 with management EBITDA of \$7,300,000. In 2023, the

Debtors' unaudited revenue totaled approximately \$31,000,000, with management EBITDA of \$2,500,000.

The Debtors' financial challenges largely stemmed from ransomware attacks, security breaches, poor decisions made by past management, and development challenges and costs, as described in further detail below. Starting in March 2022 and continuing through early 2023, the Debtors' senior leadership team—including the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Information Security Officer, Chief Legal Officer, and Chief Product Officer—was replaced. Despite the diligent and productive efforts of the new leadership team, the Debtors' finances remained strained, ultimately resulting in difficulties meeting financial obligations to major vendors and various taxing authorities.

1. AWS

The most pressing of these was a substantial past due payable to Amazon Web Services ("AWS"). AWS informed the Debtors that failure to resolve this amount by January 16, 2024, would result in the suspension of all services at a time between January 17, 2024, and January 20, 2024. Any such suspension, regardless of the length of time, would have been catastrophic, creating a software outage that would have rendered the Debtors incapable of providing services to customers and effectively would have shut down the business.

2. Data Breaches

In 2021, the Debtors experienced several data security incidents, including two ransomware attacks and a separate security breach / deletion event. The latter targeted foundational architectural source code that ultimately rendered part of the Debtors' myIntegrity software platform inoperable. Although the Debtors acted swiftly to address and resolve these events, they nonetheless led to the loss of approximately 20% of the Debtors' customer base and six class action lawsuits that have since settled.

In response to the security incidents, in early 2022, the Debtors' former leadership team began migrating the data from the Debtors' leased physical servers for as many customers as possible to a more secure cloud-based server environment via a new 5-year agreement with AWS. Although AWS improved the software's security and reliability and relieved the physical constraints of a physical data center environment, this costly agreement was built on an operating plan that assumed continued growth of all nine of the Debtors' historical software platforms, which turned out was a flawed assumption and helped contribute to the filing of these Bankruptcy Cases as stated above.

In July 2023, the Debtors resolved the outstanding class action data breach lawsuits. Following a court-ordered mediation, the Debtors settled the lawsuits by, among other things, offering software credits and settlement payments largely contributed by certain of the Debtors' insurers. Such class action settlements have been approved by a final basis as explained further below.

3. Liquidity Constraints and Efforts to Address Financial and Operational Issues

In 2020 and 2021, the Debtors' former leadership team initiated layoffs of the Debtors' core software development team and replaced these people with lower-skilled, lower-cost engineers. The unintended (and likely significant) costs associated with these actions are difficult to quantify but include lost opportunities and very little product development since 2021. Further, the coding by the new engineering team misaligns with the foundational coding and pushed four of the Debtors' platforms (myIntegrity, IOPW, Keymed and PennMed) further behind the development curve compared to their competitors. Due to the development issues with myIntegrity, IOPW, Keymed and PennMed, among other things, these platforms are no longer CEHRT, and are uncertified for compliance with current healthcare-related regulations.

In mid-2021, the Debtors hired BRG to review their infrastructure and provide strategies for improving product security. Upon BRG's recommendations, the Debtors implemented the following actions: (a) formally appointed a new HIPAA Privacy Officer and Chief Information Security Officer, empowering them to implement robust privacy and security practices; (b) conducted a HIPAA Security Rule audit to identify gaps in required or addressable security controls and develop actionable remediation plans to address such gaps; (c) designated specific individuals to take ownership of identified security gaps and actively participate in formal decisions regarding whether to accept or remediate such gaps; (d) established a records retention and management policy, including a defined schedule for retaining records and identified repositories for preserving business-critical documents; (e) improved business associate contract templates and implemented such contracts for all new customer and vendor contracts, and initiated an inventory on all active business associate agreements; and (f) implemented recordkeeping protocols for all disclosures of PHI made without authorization, as required under business associate agreements or by law. The Debtors also conducted various assessments to identify security vulnerabilities and missing skills necessary to reasonably ensure security and privacy controls.

At the end of 2022, the Debtors' new leadership team implemented a five-pronged strategy to swiftly tackle ongoing financial challenges: (a) remove unprofitable segments of the business to reduce costs; (b) continue to modernize and invest in profitable products to ensure best-in-class quality, usability, security, compliance standards, and support response time; (c) grow net new sales for profitable products; (d) resolve outstanding lawsuits related to the data breach events; and (e) build a sustainable organization. Most significantly, the Debtors shifted focus to the most profitable areas of their business and away from software that was outdated or inoperable, or that was out of compliance and would require a significant investment to become competitive. The Debtors' new leadership team consolidated the Debtors' product offerings to place the majority of their investments in iMedicWare and My Vision Express and in complementary services businesses (most notably, Alta RCM services).

Focusing on fewer products also allowed the Debtors to implement cost savings measures by reducing the number of employees and vendors. In 2023, the Debtors reduced their employee headcount by approximately 33% and restructured their existing teams to increase productivity. These reductions provided an annual cost-savings of approximately \$3.4 million for employee compensation, \$3.6 million in annual partner/vendor costs, and nearly \$500,000 in outsourced

support costs. The restructuring of the Debtors' support team resulted in a 200% increase in the average number of software support tickets resolved each week.

In early 2023, the Debtors began to sunset myIntegrity, IOPW, KeyMed and PennMed given that millions of dollars would be necessary to address development challenges and compliance risks.

Also in 2023, the Debtors instituted a company-wide pause on salary increases and bonuses, and implemented price increases across all business units, with limited exceptions. Historically, the Debtors' products and services had widely varying costs and price structures that remained stagnant for extended periods. To align with the market, the Debtors largely standardized pricing across all customers within each product line. Now, the Debtors' standard customer contract features a three-year term with subscription fees paid monthly.

In response to these aforementioned events and strategies, the Debtors retained professionals to plan for a reduction to the Debtors' footprint to help stabilize operations, while marketing the company for a potential transaction to maximize recoveries for creditors.

III. The Debtors' Chapter 11 Cases

The Debtors commenced these Chapter 11 Cases by filing voluntary chapter 11 petitions on January 16, 2024 (the "Petition Date"). The Chapter 11 Cases are pending before the Honorable Michelle V. Larson in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division. The United States Trustee formed the Official Committee of Unsecured Creditors on February 8, 2024, as set forth on the *Amended Notice of Appointment of the Official Unsecured Creditors' Committee* [Docket No. 95] (the "Committee"). The members of the Committee are (1) Kimberly Farley; (2) Dr. Hemang Pandya; (3) Edward Willmott; (4) JoAnn H. Gehring; (5) Jun (Jim) Huang, MD, PhD; (6) Jose C. Benitez Ulmer; and (7) A.J. Roseberry.

A. Post-Filing Activities

1. First Day Motions and DIP Order

The Debtors filed a number of motions on and after the Petition Date. A complete list of such first day matters can be found on the website managed by Stretto, the Debtor's Claims and Notice Agent. See <https://cases.stretto.com/eyecareleaders/>. Such relief included motions to pay taxes, maintain wages and benefits for employees, maintain insurance programs, maintain cash management systems, and similar typical relief.

In addition to these motions, the Debtors also obtained entry of several DIP orders,³ which, among other things, authorized the Debtors to (i) use alleged cash collateral of the Purported Prepetition Lenders, (ii) grant adequate protection to the Purported Prepetition Lenders with respect to any postpetition diminution in the value of the potential interests in certain prepetition collateral, (iii) provide replacement liens to the Purported Prepetition Lenders to the extent they are determined to have valid prepetition liens, and (iv) enter into a senior secured postpetition

³ See Docket Nos. 71, 130, 132, 177.

financing facility consisting of a superpriority debtor in possession credit facility pursuant to the DIP Credit Agreement.

The final DIP Order⁴ authorized the Debtors to enter into the replacement DIP Facility with Colorado Bankers Life Insurance Company as the DIP Lender, which replaced, in its entirety, the debtor in possession financing previously provided on an interim basis by Create Capital, LLC. Pursuant to the final DIP Order, Create Capital, LLC is entitled to a closing fee in the amounts of \$200,000 if it was not declared the winning bidder at the auction for the Sale (the “Exit Fee”) pursuant to the Bidding Procedures Order, as defined explained further below.

2. Retention of Professionals

During these Chapter 11 Cases, the Bankruptcy Court authorized the Debtors’ retention of Gray Reed, as bankruptcy counsel; B. Riley Advisory Services, to provide financial advisory services; Kilpatrick Townsend & Stockton LLP, as counsel to the Committee; Force Ten Partners, LLC and Genesis Credit Partners LLC as financial advisors to the Committee; and several other ordinary course professionals.⁵

3. The Adversary Proceeding

On March 10, 2024, the Debtors filed the Adversary Proceeding against the Purported Prepetition Lenders, styled *Alta Billing, LLC, et al. v. Academy Association Inc. et al.*, Adv. No. 24-08002 (March 10, 2024), seeking (i) a declaration that certain of the Purported Prepetition Lenders’ claimed liens are unperfected and unenforceable; (ii) avoidance of any and all unperfected or invalid liens; (iii) recharacterization of the debt allegedly owed to the Purported Prepetition Lenders as equity; (iv) subordination of all of the Purported Prepetition Lenders’ claims to the claims of all creditors; and (v) the transfer of any valid liens securing the subordinated claims to the Debtors’ Estates. The Adversary Proceeding is ongoing.

4. The Class Action Settlement

As explained above, the Debtors experienced several data security incidents, which ultimately lead to a class action lawsuit in which certain of the Debtors are defendants, styled *Farley v. Eye Care Leaders Holdings, LLC*, 1:22-cv-00468 (June 21, 2022) (the “ECL Class Action”) pending in the United States District Court for the Middle District of North Carolina (the “Class Action Court”). The ECL Class Action is comprised of the following six cases, all of which are pending in the United States District Court for the Middle District of North Carolina: (a) *Alliance Ophthalmology, PLLC v. ECL Group, LLC*, Case No. 1:22-CV-00296 and (b) *Farley v. Eye Care Leaders Holdings, LLC*, Case No. 1:22-CV-00468; (c) *Jeanne Byers v. ECL Group LLC*, Case No. 22-cv-607; (d) *Detrina Solomon v. ECL Group LLC*, Case No. 22-CV-526; (e) *Forrester v. Eye Care Leaders Holdings LLC*, Case No. 22-CV- 503; and (f) *Sandvig v. Eye Care Leaders Holdings LLC*, Case No. 22-CV-502.

Prepetition, the Debtors negotiated a resolution of the ECL Class Action (the “Class Action Settlement”), and the Class Action Court entered an order preliminarily approving the settlement.

⁴ See Docket No. 177.

⁵ See Docket Nos. 181, 187, 192, 292, 293, and 428.

Settlement notices were sent to potential class members. However, the Debtors filed their Chapter 11 Cases before the Class Action Court could approve the settlement on a final basis. Consequently, on March 21, 2024, the Debtors asked the Bankruptcy Court to lift the automatic stay so that the Class action Court could enter a final order approving the Class Action Settlement.⁶ The Bankruptcy Court granted that request by an Order dated April 23, 2024.⁷ The Class Action Court entered a final order approving the Class Action Settlement on June 27, 2024.

5. The Sale Order

On February 23, 2024, the Bankruptcy Court entered its *Order (A) Approving Bidding Procedures and Certain Bid Protections, (B) Scheduling A Bid Deadline, Auction Date, and Sale Hearing and Approving Form and Manner of Notice Thereof; and (C) Approving Cure Procedures and the Form and Manner of Notice Thereof* [Docket No. 146] (the “Bidding Procedures Order”) authorizing the Debtors to sell substantially all of their assets via auction.

Pursuant to the Bidding Procedures Order and certain subsequent orders extending certain deadlines,⁸ the Debtors designated Create Capital Special Situations Fund, LLC as a stalking horse bidder. The Debtors conducted an auction on May 2, 2024. Colorado Bankers Life Insurance Company submitted a credit bid for the total amount of the DIP Facility under the final DIP Order and was declared the Successful Bidder for the Debtors’ assets, pursuant to the terms more fully described in the asset purchase agreement by and between the Debtors and Colorado Bankers Life Insurance Company. The stalking horse bidder, Create Capital Special Situations Fund, LLC was designated the back-up bidder. Pursuant to the Bidding Procedures Order, Create Capital Special Situations Fund, LLC, as the stalking horse bidder, is entitled to a 3% break-up fee and to reasonable expense reimbursements (the “Break-Up Fee and Expense Reimbursement”).

The Court approved the Sale to Colorado Bankers Life Insurance Company and entered the *Order (A) Approving the Sale of Substantially All of the Debtors’ Assets Free and Clear of Liens and Liabilities, (B) Authorizing the Debtors to Assume and Assign Executory Contracts and Unexpired Leases in Connection with the Sale, and (C) Granting Related Relief* [Docket No. 479] on May 24, 2024. The Sale is scheduled to close on July 1, 2024.

The total purchase price under the Sale and pursuant to the APA with Colorado Bankers Life Insurance Company is approximately \$14,957,000. The approximate payoff to Colorado Bankers Life Insurance Company as the DIP Lender for the total outstanding amount owed on the DIP Facility, which is the credit bid portion of the Sale, is \$6,053,000. The total Exit Fee to Create Capital, LLC is approximately \$200,000, and the total Break-Up Fee and Expense Reimbursement is \$580,000. Additionally, the investment banker fee is approximately \$250,000. After subtracting these fees and expenses from the total purchase price, the total Sale proceeds are approximately \$7,874,000.

⁶ See Docket No. 234.

⁷ See Docket No. 352.

⁸ See Docket Nos. 287, 362.

B. Bar Date

The general Bar Date for all creditors, other than Governmental Units, to file proofs of claim against the Debtors was May 28, 2024. The Bar Date for Governmental Units is July 15, 2024. Any references in the Plan or Disclosure Statement to any Claims or Equity Interests shall not constitute an admission of the existence, nature, extent or enforceability thereof.

Notices of the Bar Date were served on all known creditors and interested parties on or about March 28, 2023.⁹ Under the circumstances, the Debtors believe they have complied with applicable due process requirements for providing notice to all known creditors in these Chapter 11 Cases.

C. Claims Against the Debtor.

1. In General

The Debtors propose to pay all Administrative Claims and Priority Claims in full pursuant to Article II of the Plan. A summary of classified Claims and their estimated potential recoveries under the Plan are as follows:¹⁰

Class	Designation	Estimated Claim Amounts	Estimated Recovery
1	Priority Non-Tax Claims ¹¹	\$329	100%
2	Purported Prepetition Lenders' Secured Claims	\$0–\$11,048,000	0%–61%
3	Other Secured Claims	\$664,554–\$6,646,151	100%
4	General Unsecured Claims	\$6,610,000–\$113,617,000 ¹²	0%–98%

Treatment of these Claims under the Plan are described in Article IV.

⁹ See Docket No. 282.

¹⁰ See Liquidation Analysis, attached hereto as **Schedule 1**. The Debtors have not engaged in a fulsome review or reconciliation of the proofs of claims filed in the Chapter 11 Cases, and therefore these estimates are subject to change after a full reconciliation process.

¹¹ Because the Bar Date for Governmental Units has not passed as of the date of this Disclosure Statement, the Debtors do not have a final estimate of such claims.

¹² This amount includes the estimated amount of the Purported Prepetition Lenders' General Unsecured Claims that are subject to recharacterization, subordination, or avoidance through the Adversary Proceeding. To be clear, the Purported Prepetition Lender contends that such amounts are secured, and if they are successful in proving that such amounts are secured, there would be no recovery for General Unsecured Claims. This amount does not include an asserted \$700 million litigation Claim disputed by the Debtors. Nor does this amount include approximately \$3.3 million of related-party claims or claims satisfied pursuant to these Chapter 11 Cases.

2. DIP Facility Claims

The DIP Facility Claim will be satisfied in full upon the closing of the Sale. To the extent the Sale does not close, the DIP Facility Claim will be paid in full, in Cash, on the Effective Date.

3. Administrative Claims (other than Professional Fee Claims)

Allowed Administrative Claims must be filed on or before the Administrative Claim Bar Date (which is thirty (30) days after the Effective Date). The Debtors expect to have paid most, if not all, Administrative Claims in the ordinary course of business before the Effective Date. To the extent there remain any outstanding Allowed Administrative Claims, holders of Allowed Administrative Claims will receive Cash in an amount equal to the Allowed amount of such Administrative Claim on (or as soon as reasonably practicable after) the later of (A) the Effective Date or (B) the date of entry of an order by the Bankruptcy Court allowing such Administrative Claim.

4. Professional Fee Claims

Professional Persons holding Professional Fee Claims must file their final fee applications on or before the Administrative Claim Bar Date. Allowed fee awards will be paid from the Professional Fee Reserve. To the extent the funds remaining in the Professional Fee Reserve are insufficient to pay the Allowed Professional Fee Claims in full, such Professional Fees shall be paid in Cash by the Creditor Trustee.

5. U.S. Trustee Fees

All fees payable under section 1930 of title 28 of the United States Code shall be paid on or before the Effective Date. All such fees that arise after the Effective Date but before the closing of the Chapter 11 Cases shall be paid by the Creditor Trust.

6. Priority Tax Claims

Allowed Priority Tax Claims shall receive on (or as soon as reasonably practicable after) the Effective Date, at the Debtors' option: (i) Cash in an amount equal to the Allowed amount of such Claim, or (ii) regular installment payments of Cash (a) having a total value, as of the Effective Date, equal to the Allowed amount of the Claim, (b) over a period ending not later than five (5) years after the Petition Date and (c) in a manner not less favorable than the most favored nonpriority Allowed General Unsecured Claims provided for by the Plan (other than Cash payments made to a class of creditors under section 1122(b) of the Bankruptcy Code).

IV. The Plan

Section IV of this Disclosure Statement only provides a summary of the key terms, structure, classification, treatment, and implementation of the Plan. **Although the statements contained in this Disclosure Statement include summaries of the provisions of the Plan and in documents referred to therein, this Disclosure Statement does not purport to be a complete statement of all related terms and provisions and should not be relied upon for a comprehensive discussion of the Plan.** Instead, the inclusion herein is qualified in its entirety by the terms and provisions of the Plan, the Plan Supplement, and any attachments to the Plan. The

Plan itself, in addition to the Plan Supplement and any attachments to the Plan will control in all respects. To the extent there are any inconsistencies between this Section IV and the Plan, the Plan Supplement and any attachments to the Plan, the Plan, Plan Supplement and the attachments to the Plan, as applicable, shall govern.

A. Summary of Key Plan Provisions

Article	Plan Pages	Summary
I	1–6	Definitions and Rules of Interpretation and Construction. This article contains the definitions used throughout the Plan, as well as conventions for computing time and determining the governing law that will apply to various provisions in the Plan.
II	6–8	Administrative and Priority Claims. This article details the treatment for certain Priority and Administrative Claims, such as state and federal taxes, post-bankruptcy loans and compensation of bankruptcy professionals. These types of claims are afforded higher payment priority under the Bankruptcy Code and, thus, the Debtors must ensure that they are paid or otherwise dealt with before the Plan can provide payments to other claims.
III	8	Classification of Claims and Equity Interests. This article summarizes the different categories of claims. Creditors who disagree with the classification may seek an order from the Bankruptcy Court allowing Claims for voting purposes.
IV	9–10	Treatment of Claims and Equity Interests. This article details the treatments for each class of Claims. A more detailed description of the Plan treatment is set forth immediately below in Article IV.B of this Disclosure Statement.
V	10	Impairment; Acceptance or Rejection of the Plan; Effect of Rejection by One or More Classes. This article explains which classes are entitled to accept or reject the Plan.
VI	10–16	Means of Implementation. This article contains the various provisions that are critical to the implementation of the Plan, such as the limited substantive consolidation for distribution purposes.
VII	16–18	Distributions. This article sets forth the procedures for distributions under the Plan.
VIII	18–19	Procedures for Resolving and Treating Disputed Claims. This article sets forth the procedures for resolving and treating Disputed Claims.
IX	19	Treatment of Executory Contracts and Unexpired Leases. This provides information regarding the rejection of contracts and leases

Article	Plan Pages	Summary
X	19–20	Conditions Precedent. This article lists the various conditions precedent to the Effective Date of the Plan. As set forth in Article X.C any of these conditions may be waived.
XI	21–22	Effect of Consummation. This article details the effect confirmation and consummation of the Plan will have on creditors. As summarized further in Section IV.C of this Disclosure Statement, Article XI of the Plan contains Debtor Releases (Article XI.C). This article also includes Exculpations (Article XI.B) and injunctions (Article XI.D).
XII	22	Retention of Jurisdiction. All plans contain provisions regarding the items over which the Bankruptcy Court retains jurisdiction after confirmation and the Effective Date. Article XII of the Plan enumerates a list of matters over which the Bankruptcy Court shall retain jurisdiction to decide, should they become issues in the future.
XIII	23–25	Miscellaneous Provisions. This article contains various miscellaneous provisions, such as where to send notice and how to find the Plan Supplement and other documents.

B. Treatment of Classes of Claims and Equity Interests

The classification and treatment of Allowed Claims and Equity Interests is specified below.

1. Class 1 — Priority Non-Tax Claims

The Debtors or the Creditor Trustee, as applicable, may object to any Priority Non-Tax Claims on or before thirty (30) days after the Effective Date, unless such deadline is extended by an order of the Bankruptcy Court or agreement with the holder of the applicable Priority Non-Tax Claim. Except to the extent that a holder of an Allowed Priority Non-Tax Claim against a Debtor agrees to a less favorable treatment, each such holder shall receive, in full satisfaction of such Claim, payment in full in Cash on (or as soon as reasonably practicable after) the later of (A) the Effective Date or (B) that date that such Priority Non-Tax Claim becomes Allowed.

Class 1 is unimpaired and deemed to accept the Plan. The Debtors will not solicit votes from holders of Class 1 Priority Non-Tax Claims.

2. Class 2 — Purported Prepetition Lenders' Secured Claims

Unless otherwise agreed by the Purported Prepetition Lenders and the Creditor Trustee, the Purported Prepetition Lenders' Secured Claim shall receive one or more of the following treatments, which depends upon the outcome of the Adversary Proceeding:

- i. A contingent beneficial interest in the Creditor Trust which shall vest upon entry of a Final Order in the Adversary Proceeding determining that the Purported Prepetition

- Lenders have valid and allowed Secured Claims, in which case the Purported Prepetition Lenders will be paid in full in Cash from the Creditor Trust in an amount equal to the value of the collateral securing the claims, with any deficiency claims treated as General Unsecured Claims in Class 4;
- ii. A contingent beneficial interest in the Creditor Trust which shall vest upon entry of a Final Order in the Adversary Proceeding determining that the Purported Prepetition Lenders have valid and allowed General Unsecured Claims, in which case the claims of the Purported Prepetition Lenders shall be treated as General Unsecured Claims in Class 4; or
 - iii. A contingent beneficial interest in the Creditor Trust which shall not vest until (A) entry of a Final Order in the Adversary Proceeding subordinating the Purported Prepetition Lenders' Secured Claims to those holders of General Unsecured Claims, and (B) the Creditor Trustee has filed a certification with the Bankruptcy Court stating that all holders of General Unsecured Claims in Class 4 have been paid in full from the Creditor Trust.

As a result of the pendency of the Adversary Proceeding, the Claims in Class 2 are Disputed and therefore the holders of such Claims are not eligible to vote pursuant to section 1126(a) of the Bankruptcy Code.

3. *Class 3 – Other Secured Claims*

Except to the extent a holder of an Allowed Other Secured Claim agrees to a different treatment, each holder of an Allowed Other Secured Claim shall at the option of the Creditor Trustee receive either of the following treatment: (i) payment in full, in Cash; (ii) the collateral securing such Allowed Other Secured Claim; or (iii) such other treatment that renders such Allowed Other Secured Claim unimpaired in accordance with section 1124 of the Bankruptcy Code. To the extent an Allowed Other Secured Claim exceeds the value of the Collateral securing such Claim, such deficiency shall constitute a General Unsecured Claim under Class 4 of the Plan and as explained further below in this Section.

Class 3 is unimpaired under the Plan and the holders of Claims in Class 3 are therefore deemed to accept the Plan. The Debtors will not solicit votes from holders of Class 3 Other Secured Claims.

4. *Class 4 – General Unsecured Claims*

Except to the extent that a holder of an Allowed General Unsecured Claim against a Debtor agrees to a different treatment, each holder of an Allowed General Unsecured Claim shall receive a Creditor Trust Interest and thereafter receive Cash distributions from the Creditor Trust. Distributions to holders of Allowed General Unsecured Claims who receive an interest in the Creditor Trust shall be on a Pro Rata basis with all other Allowed General Unsecured Claims, as set forth in the Creditor Trust Agreement.

Class 4 Claim holders are impaired under the Plan. The Debtors will solicit votes from holders of Class 4 General Unsecured Claims.

5. *Class 5 – Intercompany Claims*

On the Effective Date, all Intercompany Claims by and against a Debtor shall be settled, cancelled, released, and discharged without payment or distribution of any Cash or other property.

Class 5 Claim holders are impaired and will neither receive nor retain any property under the Plan on account of such Claims. As such, holders of Class 5 Intercompany Claims are deemed to reject the Plan and will not receive ballots.

6. *Class 6 – Equity Interests*

On the Effective Date, all Equity Interests in each Debtor shall be cancelled, extinguished, and of no further force or effect. Holders of Equity Interests shall neither retain nor receive any property under the Plan on account of such Equity Interests. Holders of Equity Interests are conclusively deemed to have rejected the Plan, will not be receiving ballots, and are not entitled to vote.

C. Release, Exculpation, and Injunction Provisions

Article XI of the Plan provides for standard “debtor” releases, exculpations, and injunctions to ensure the enforceability of the Plan and prior orders of the Bankruptcy Court. The Plan does not contain third-party releases.

The Debtors believe that the releases, exculpations, and injunctions set forth in the Plan are appropriate and in accordance with applicable law because, among other things, the releases are narrowly tailored to the Debtors and the Chapter 11 Cases. The Debtors further believe that such releases, exculpations, and injunctions are a necessary part of the Plan. The Debtors will be prepared to meet their burden to establish the basis for the releases, exculpations, and injunctions for each of the relevant parties and each Exculpated Party as part of confirmation of the Plan.

1. Exculpatory Provisions

The Exculpated Parties under the Plan are limited to: (1) the Debtors, (2) the Debtors’ officers and directors, and (3) the members of the Committee.

Article XI.B of the Plan proposes to exculpate the Exculpated Parties from liabilities arising from any acts or omissions occurring during the Chapter 11 Cases. Specifically, Article XI.B provides as follows:

Upon the Effective Date, to the fullest extent permissible under applicable law, no Exculpated Party shall have or incur, and each Exculpated Party is released and exculpated from, any liability to any holder of a Claim or Equity Interest, or any other party in interest, for any claim or cause of action arising from, relating to, or connected with the administration of the Chapter 11 Cases, the Disclosure Statement, the preparation of the Plan, the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan, the occurrence of the Effective Date, or the administration of the Plan or property to be distributed under the Plan, except for claims related to any act or omission that is determined in a Final Order of a court of competent

jurisdiction to have constituted actual fraud, willful misconduct, or gross negligence. The Exculpated Parties shall be deemed to have participated in good faith in connection with the above and entitled to the protection of section 1125(e) of the Bankruptcy Code. Each Exculpated Party shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan.

2. Releases by the Debtors

Article XI.C of the Plan provides for releases of certain claims and Causes of Action the Debtors or their bankruptcy estates may hold against third parties, including derivative claims. Retained Causes of Action will be transferred to the Creditor Trust. Any Cause of Action that is not enumerated as a Retained Cause of Action will be released on the Effective Date of the Plan. To be clear, the releases set forth in Article XI.C of the Plan do not release any claims held by a third-party.

3. Injunction and Gate Keeping

Article XI.D and Article XI.E of the Plan propose to permanently enjoin persons from pursuing Claims or Causes of Action that are released, exculpated, or otherwise dealt with under the Plan. Any Claims or Causes of Action that a Person may wish to assert against Exculpated Parties must be the subject of a motion for authority to pursue such claim, and filed before the Bankruptcy Court to determine whether such claim or cause of action was released under the Plan.

Specifically, Article XI.D provides as follows:

Upon the Effective Date, and except as otherwise expressly provided in this Plan, all Persons who have held, hold, or may hold Claims against or Equity Interests in any Debtor are permanently enjoined, from (i) commencing or continuing in any manner any action or other proceeding of any kind on any such Claim or Equity Interest against the Debtors, or other entity released, discharged, or exculpated hereunder, (ii) the enforcement, attachment, collection, or recovery by any manner or means of any judgment, award, decree, or order against any of the Debtors' Estates with respect to any such Claim or Equity Interest, (iii) creating, perfecting, or enforcing any encumbrance of any kind against any of the Debtors, or against the property or interests in property of any of the Debtors, as applicable with respect to any such Claim or Equity Interest, (iv) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from any of the Debtors, or against the property or interests in property of any of the Debtors with respect to any such Claim or Equity Interest, or (v) pursuing any Claim released or exculpated under the Plan.

Each holder of a Claim or Equity Interest, by accepting, or being eligible to accept, distributions under the Plan shall be bound by the injunction provisions set forth in this section. The Debtors or the Exculpated Parties shall be entitled to seek sanctions by motion for contempt or other appropriate proceeding for any violations of the Confirmation Order or this Plan, including the Exculpation, Injunction and Stay, and Gate Keeping provisions set forth in this Plan.

Unless otherwise provided, all injunctions or stays arising under or entered during the Debtors' Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect at least until the Effective Date.

Moreover, Article XI.E contains the following gatekeeping provision:

No Person or Entity may commence or pursue a claim or cause of action of any kind against any Exculpated Party or any Professional Person that relates to or is reasonably likely to relate to any act or omission in connection with, relating to, or arising out of a claim or cause of action subject to sections XI.B, XI.C, and XI.D in this Plan, including any claim or cause of action that was asserted or assertable on behalf of the Debtors, including any derivative, alter ego, successor liability, or similar claims and Causes of Action based on general harm to the Debtors, holders of Claims and Equity Interests, or any other party in interest, or a theory of lack of separation between the Debtors and an Exculpated Party or Professional Person, without the Bankruptcy Court (i) first determining, upon motion that attaches a copy of the proposed complaint or petition, and after notice and a hearing, that such claim or cause of action represents a direct (as opposed to derivative) and colorable claim of any kind and (ii) specifically authorizing such Person to bring such claim or cause of action against the any Exculpated Party or Professional Person. At the hearing on such motion, the Bankruptcy Court shall have sole and exclusive jurisdiction to assess whether the proposed complaint or petition satisfies the applicable Federal Rules of Civil Procedure (or other applicable rules of procedure) and to determine whether such claim or cause of action represents a colorable claim of any kind. For the avoidance of doubt, any party that obtains such determination and authorization and subsequently wishes to amend the authorized complaint or petition to add any claims or Causes of Action not explicitly included in the authorized complaint or petition must obtain authorization from the Bankruptcy Court before filing any such amendment in the court where such complaint or petition is pending. The Bankruptcy Court reserves jurisdiction to adjudicate any such claims to the maximum extent provided by applicable law.

4. No Third-Party Releases

While Article XI of the Plan contains "Debtor Releases," the only claims being released under such provisions are Causes of Action that belong to the Debtors and their bankruptcy estates. The Plan does not propose to release claims or causes of action that belong to third-party creditors.

D. Retained Causes of Action

Article VI.I of the Plan preserves certain Retained Causes of Action to be transferred, assigned to, and vested in the Creditor Trust.

Except as otherwise provided in this Plan, an agreement or document entered into in connection with the Plan, or in a Final Order of the Bankruptcy Court (including, but not

limited to, the Sale Order or the DIP Order), pursuant to sections 363(b) and 1123(b)(3) of the Bankruptcy Code, the Debtors reserve and, as of the Effective Date, assign to the Creditor Trust the Retained Causes of Action. On and after the Effective Date, the Creditor Trustee, on behalf of the Creditor Trust, may pursue Retained Causes of Action for all benefit of the holders of Creditor Trust interests.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Retained Cause of Action against it as any indication that the Creditor Trustee will not pursue any and all available Retained Causes of Action. Unless any Retained Cause of Action against an Entity is expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order of the Bankruptcy Court, the Debtors expressly reserve all Retained Causes of Action for later adjudication by the Creditor Trustee, and, therefore no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion (judicial, equitable, or otherwise), or laches, shall apply to such Retained Causes of Action upon, after, or as a consequence of Plan confirmation or occurrence of the Effective Date.

V. Risk Factors

BEFORE TAKING ANY ACTION WITH RESPECT TO THE PLAN, HOLDERS OF CLAIMS AGAINST THE DEBTORS WHO ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN SHOULD READ AND CONSIDER CAREFULLY THE RISK FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, THE PLAN, AND THE PLAN SUPPLEMENT AND THE OTHER DOCUMENTS REFERRED TO, OR INCORPORATED BY REFERENCE INTO THIS DISCLOSURE STATEMENT, INCLUDING OTHER DOCUMENTS FILED WITH THE BANKRUPTCY COURT IN THE CHAPTER 11 CASES. THE RISK FACTORS SET FORTH BELOW SHOULD NOT BE REGARDED AS THE ONLY RISKS PRESENT IN CONNECTION WITH THE DEBTORS' RESTRUCTURING AND CONSUMMATION OF THE PLAN.

A. Bankruptcy Law Considerations

1. The Debtors Will Consider All Available Alternatives if the Plan Transactions Are Not Implemented, and Such Alternatives May Result in Lower Recoveries for Holders of Claims Against the Debtor.

If the Plan is not confirmed and implemented, the Debtors will consider all available alternatives, including an alternative chapter 11 plan, conversion to chapter 7, or a structured dismissal. The terms of any alternative may be less favorable to holders of Claims against the Debtors than the terms of the Plan as described in this Disclosure Statement.

Any material delay in the confirmation of the Plan, the Chapter 11 Cases, or the threat of rejection of the Plan by the Bankruptcy Court, would add substantial expense and uncertainty to the process, without providing for any greater recoveries than what is already proposed in the Plan.

2. Risks Related to Confirmation and Consummation of the Plan.

(a) Conditions Precedent to Confirmation May Not Occur.

As more fully set forth in Article X of the Plan, confirmation of the Plan and the occurrence of the Effective Date are each subject to a number of conditions precedent. If each condition precedent to confirmation is not met or waived, the Plan may not be confirmed, and if each condition precedent to the Effective Date is not met or waived, the Effective Date will not take place. In the event that the Plan is not confirmed or does not become effective, the Chapter 11 Cases may convert to a case under chapter 7 of the Bankruptcy Code or be dismissed.

(b) Parties in Interest May Object to the Plan's Classification of Claims and Equity Interests.

Section 1122 of the Bankruptcy Code provides that a plan may place a Claim or an Equity Interest in a particular Class only if such Claim or Equity Interest is substantially similar to the other Claims or Equity Interests in such Class. The Debtors believe the classification of Claims and Equity Interests under the Plan complies with the requirements of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion, and the Debtors may need to modify the Plan. Such modification could require a resolicitation of votes on the Plan. The Plan may not be confirmed if the Bankruptcy Court determines that the Plan's classifications of Claims and Equity Interests is not appropriate.

(c) The Voting Requirements May Not Be Satisfied.

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, confirmation of the Plan. In the event that sufficient votes are not received, the Debtors may need to seek to confirm an alternative chapter 11 plan or transaction. There can be no assurance that the terms of any such alternative chapter 11 plan or other transaction would be similar or as favorable to the holders of Allowed Claims as those proposed in the Plan. The Debtors do not believe that any such transaction exists or is likely to exist that would be more beneficial than the Plan.

(d) The Debtors May Not Be Able to Secure Confirmation.

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the bankruptcy court that: (i) the plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting Classes; (ii) the plan is not likely to be followed by a liquidation or a need for further financial reorganization unless liquidation or reorganization is contemplated by the plan; and (iii) the value of distributions to non-accepting holders of Claims and Equity Interests within a particular Class under the plan will not be less than the value of distributions such holders would receive if the debtor was liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting holder of an Allowed Claim might challenge whether the voting results satisfy the requirements of the Bankruptcy Code or

Bankruptcy Rules. Even if the Bankruptcy Court determines that the voting results are appropriate, the Bankruptcy Court can decline to confirm the Plan if it finds that any of the statutory requirements for confirmation have not been met. If the Plan is not confirmed, it is unclear what distributions, if any, holders of Allowed Claims would receive with respect to their Allowed Claims.

Subject to the limitations contained in the Plan, the Debtors reserve the right to modify the Plan and seek confirmation consistent with the Bankruptcy Code and, as appropriate, not resolicit votes on such modified Plan. Any modifications could result in a less favorable treatment of any Class than the treatment currently provided in the Plan, such as a distribution of property to the Class affected by the modification of a lesser value than currently provided in the Plan or no distribution whatsoever under the Plan.

(e) Releases, Injunctions, and Exculpations Provisions May Not Be Approved.

Article XI of the Plan provides for certain releases, injunctions, and exculpations. The releases, injunctions, and exculpations provided in the Plan are subject to objection by parties in interest and, therefore, may not be approved. If the releases are not approved, certain parties may withdraw their support for the Plan. The releases by the Debtors and the exculpation provided to the Exculpated Parties are necessary to the success of the Plan because the Exculpated Parties have made significant contributions to the Debtors' proposed exit from Chapter 11 with the expectation of receiving the full benefit of the Plan's release and exculpation provisions. The Plan's release and exculpation provisions are inextricable components of Plan.

(f) The Debtors May Not Be Able to Pursue Nonconsensual Confirmation Over Certain Impaired Non-Accepting Classes.

In the event that any impaired class of claims or interests does not accept a chapter 11 plan, the Bankruptcy Court may nevertheless confirm a plan at the proponent's request if at least one impaired class (as defined under section 1124 of the Bankruptcy Code) has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired class(es). The Debtors believe that the Plan satisfies these requirements, and the Debtors may request such nonconsensual confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the pursuit of nonconsensual confirmation or Consummation of the Plan may result in, among other things, increased professional fees.

(g) The Chapter 11 Cases May Be Converted.

If the Bankruptcy Court finds that it would be in the best interest of creditors and/or the debtor in a chapter 11 case, the Bankruptcy Court may convert the bankruptcy cases to cases under chapter 7 of the Bankruptcy Code. In such event, one or more chapter 7 trustees would be appointed, or elected, to liquidate the Debtors' remaining assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would reduce distributions being made to creditors than those provided for in the Plan

because significant additional administrative expenses would result from the appointment of a chapter 7 trustee.

(h) The Chapter 11 Case May Be Dismissed.

If the Bankruptcy Court finds that the Debtors have incurred substantial or continuing loss or diminution to the Estates and lack the ability to effectuate substantial consummation of a confirmed plan, or otherwise determines that cause exists, the Bankruptcy Court may dismiss the Chapter 11 Cases. In such event, the Debtors would be unable to confirm the Plan, which may ultimately result in significantly decreased distributions than those provided for in the Plan.

(i) Risk of Non-Occurrence of the Plan Effective Date.

Although the Debtors believe the Effective Date may occur quickly after the Confirmation Date, there can be no assurance as to such timing or as to whether the Effective Date will, in fact, occur. As more fully set forth in Article X of the Plan, the Effective Date is subject to a number of conditions precedent. If such conditions precedent are not satisfied or waived, the Effective Date will not take place.

B. Risks Related to Recoveries Under the Plan

The estimated recoveries for distributions under the Plan or Creditor Trust are based on numerous assumptions (the realization of many of which will be beyond the control of the Debtors), including: (a) the successful confirmation of the Plan; (b) an assumed date for the occurrence of the Effective Date; and (c) the final amount of Administrative Claims and Priority Claims, respectively.

C. Miscellaneous Risk Factors and Disclaimers

1. The Financial Information Is Based on the Debtor's Books and Records.

In preparing this Disclosure Statement, the Debtors relied on financial data derived from the Debtors' books and records. While the Debtors believe that such financial information fairly reflects the Debtors' financial condition, the Debtors are unable to warrant or represent that the financial information contained in this Disclosure Statement (or any information in any of the exhibits to this Disclosure Statement) is without inaccuracies.

2. No Legal or Tax Advice Is Provided by This Disclosure Statement.

This Disclosure Statement is not legal advice to any Person. The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each reader should consult its own legal and financial advisor(s) with regard to any legal, tax, and other matters concerning its Claim. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote to accept or reject the Plan or whether to object to confirmation.

3. No Admissions Made.

The information and statements contained in this Disclosure Statement will neither (a) constitute an admission of any fact or liability by any Entity (including the Debtors) nor (b) be

deemed evidence of the tax or other legal effects of the Plan on the Debtors, holders of Allowed Claims or Equity Interests, or any other parties in interest.

4. Failure to Identify Litigation Claims or Projected Objections.

No reliance should be placed on the fact that a particular litigation claim or projected objection to a particular Claim is, or is not, identified in this Disclosure Statement. Subject to the release provisions of the Plan, the Creditor Trustee may seek to investigate, file, and prosecute Causes of Action.

5. Information Provided by the Debtors and Relied Upon by Debtors' Advisors.

The Debtors and their professionals have relied upon information provided to them in connection with the preparation of this Disclosure Statement. Although counsel to and other advisors retained by the Debtors have performed certain due diligence in connection with the preparation of this Disclosure Statement and the exhibits to this Disclosure Statement, they have not independently verified the information contained in this Disclosure Statement or the information in the exhibits to this Disclosure Statement.

6. No Representations Outside This Disclosure Statement Are Authorized.

No representations concerning or relating to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement, should not be relied upon by you in arriving at your decision. Those who are entitled to vote to accept or reject the Plan should promptly report unauthorized representations or inducements to counsel to the Debtors, and the Office of the United States Trustee for the Northern District of Texas.

7. No Duty to Update

The statements contained in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Debtors have no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

VI. Certain U.S. Federal Tax Consequences of the Plan

A. Introduction

The following discussion summarizes certain U.S. federal income tax consequences of the implementation of the Plan to the Debtors and certain holders of Claims. This summary is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), the U.S. Treasury regulations promulgated thereunder (the "Treasury Regulations"), judicial decisions and published administrative rules and pronouncements of the Internal Revenue Service (the "IRS"), all as in effect on the date hereof (collectively, "Applicable Tax Law"). Changes in the rules or new interpretations of the rules may have retroactive effect and could significantly affect the U.S.

federal income tax consequences described below. The Debtors have not requested, and will not request, any ruling or determination from the IRS or any other taxing authority with respect to the tax consequences discussed herein, and the discussion below is not binding upon the IRS or the courts. Additionally, no legal opinions have been requested or obtained from counsel with respect to any of the tax aspects of the Plan, and no such opinion shall be requested or obtained. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This summary does not address non-U.S., state, or local tax consequences of the Plan, nor does it purport to address all aspects of U.S. federal income taxation that may be relevant to a Claim or Equity Interest holder in light of such holder's individual circumstances or to a holder that may be subject to special tax rules (such as Persons who are related to a Debtor within the meaning of the Tax Code, Persons subject to the alternative minimum tax or the "Medicare" tax on net investment income, or the base erosion and anti-abuse tax, non-U.S. taxpayers, broker-dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, tax exempt organizations, pass-through entities, beneficial owners of pass-through entities, subchapter S corporations, persons using a mark-to-market method of accounting, holders of Claims who are themselves in bankruptcy, U.S. holders whose functional currency is not the U.S. dollar, U.S. expatriates, and passive foreign investment companies). Further, this summary assumes that each holder holds only Claims in a single Class and holds each Claim only as a "capital asset" (within the meaning of section 1221 of the Tax Code). This summary also assumes that the various debt and other arrangements to which the Debtors are a party will be respected for U.S. federal income tax purposes in accordance with their form. This summary does not discuss differences in tax consequences to holders of Claims that act or receive consideration in a capacity other than any other holder of a Claim of the same Class or Classes, and the tax consequences for such holders may differ materially from those described below. This summary does not address the U.S. federal income tax consequences to (1) holders that have Claims that are Unimpaired or otherwise entitled to payment in full in Cash under the Plan (Classes 1 and 3), or (2) holders that are deemed to reject the Plan (Classes 5 and 6).

For purposes of this discussion, a "U.S. holder" is a holder of a Claim that is: (1) an individual citizen or resident of the United States for U.S. federal income tax purposes; (2) a corporation (or other Entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (4) a trust (a) if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more United States persons have authority to control all substantial decisions of the trust or (b) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person (within the meaning of section 7701(a)(30) of the Tax Code). For purposes of this discussion, a "non-U.S. holder" is any holder of a Claim that is not a U.S. holder other than any partnership (or other Entity treated as a partnership or other pass-through Entity for U.S. federal income tax purposes).

If a partnership (or other Entity treated as a partnership or other pass-through Entity for U.S. federal income tax purposes) is a holder of a Claim, the tax treatment of a partner (or other beneficial owner) generally will depend upon the status of the partner (or other beneficial owner) and the activities of the Entity. Partners (or other beneficial owners) of partnerships (or other pass-

through entities) that are holders of Claims should consult their respective tax advisors regarding the U.S. federal income tax consequences of the Plan.

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

1. General Tax Consequences to Debtors.

In general, absent an exception, a debtor will realize and recognize cancellation of debt income (“CODI”), for U.S. federal income tax purposes, upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of CODI incurred is generally the amount by which the indebtedness discharged exceeds the value of any consideration given in exchange therefor. Certain statutory or judicial exceptions may apply to limit the amount of CODI incurred for U.S. federal income tax purposes.

Under section 108 of the Tax Code, a debtor is not required to include CODI in gross income if the debtor is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding. Instead, as a consequence of such exclusion, a debtor must reduce its tax attributes by the amount of CODI that it excluded from gross income pursuant to the rule discussed in the preceding sentence. Such reduction in tax attributes occurs only after the tax for the year of the debt discharge has been determined. In general, tax attributes will be reduced in the following order: (a) net operating losses (“NOLs”) and NOL carryforwards; (b) general business credit carryovers; (c) minimum tax credit carryovers; (d) capital loss carryovers; (e) tax basis in assets (but not below the amount of liabilities to which the debtor remains subject); (f) passive activity loss and credit carryovers; and (g) foreign tax credit carryovers. Alternatively, a debtor with CODI may elect first to reduce the basis of its depreciable assets pursuant to section 108(b)(5) of the Tax Code. Any excess CODI over the amount of available tax attributes is not subject to U.S. federal income tax and has no other U.S. federal income tax impact.

In the case of entities taxed for U.S. federal income tax purposes as partnerships, many provisions of section 108 of the Tax Code are applied at the partner level, including the gain exclusion and tax attribute reduction rules generally described above. As a result of the transactions contemplated by the Plan, the Debtors may realize CODI. The exact amount of any CODI that will be realized by each Debtor, and the amount of any tax attributes required to be reduced, cannot be known with certainty at this time.

In some cases, the IRS will treat the amount of liabilities from which a debtor is discharged as amount realized from a sale or disposition of property instead of CODI. In such cases a Debtor may recognize gain for the difference between the amount of liabilities discharged plus the fair market value of other consideration received in excess of the Debtor’s adjusted tax basis in the property transferred. The exact amount of any sale proceeds or treatment thereof cannot be known with certainty at this time.

C. Withholding and Information Reporting

Generally, information reporting requirements will apply to all payments or distributions under the Plan, unless the recipient is exempt, such as a corporation. Additionally, a holder may be subject to backup withholding at applicable rates, unless the holder (i) is a corporation or other

person exempt from backup withholding and, when required, demonstrates this or (ii) is a United States Person (as defined by section 7701(a)(30) of the Tax Code) that provides a correct taxpayer identification number (“TIN”) on Internal Revenue Service Form W-9 (or a suitable substitute form) and provides the other information and makes the representations required by such form and complies with the other requirements of the backup withholding rules. A holder may become subject to backup withholding if, among other things, the holder (i) fails to properly report interest and dividends for U.S. federal income tax purposes or (ii) in certain circumstances, fails to certify, under penalty of perjury, that it has furnished a correct TIN. A holder that does not provide a correct TIN also may be subject to penalties imposed by the IRS.

Backup withholding is not an additional tax. The U.S. federal income tax liability of a person subject to backup withholding is reduced by the amount of tax withheld as backup withholding. If backup withholding results in an overpayment of U.S. federal income tax, the holder may obtain a refund of the overpayment by properly and timely filing a claim for refund with the IRS.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR CLAIM HOLDER IN LIGHT OF SUCH CLAIM HOLDER’S CIRCUMSTANCES AND INCOME TAX SITUATION. HOLDERS OF ALLOWED CLAIMS AND EQUITY INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES OF THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

VII. Conclusion and Recommendation

For all of the reasons set forth in this Disclosure Statement, the Debtors believe confirmation and consummation of the Plan is preferable to other available alternatives. Consequently, the Debtors urge all holders of Claims who are entitled to vote to **ACCEPT** the Plan, and to duly complete and return their Ballots in accordance with the instructions on the Ballots. The Voting Deadline is 5:00 p.m. prevailing Central Time on **August 22, 2024**. To be counted, your Ballot must be fully completed, executed and actually received by the Claims Agent by the Voting Deadline.

Dated: July 1, 2024
Dallas, Texas

EyeCare Leaders Portfolio Holdings, LLC

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

EyeCare Leaders Holdings, LLC

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

MDX, LLC

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC,
its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

Medflow Holdings, LLC

By: MDX, LLC, its sole member

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings,
LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

DJRTC, LLC

By: EyeCare Leaders Portfolio Holdings, LLC,
its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

Medflow, Inc.

By: DJRTC, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC,
its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

KeyMed Holdings, LLC

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member

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Sophia Turrell
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Alta Billing Holdings, LLC

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC,
its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

Alta Billing, LLC

By: Alta Billing Holdings, LLC, its sole member

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

MDO Group Holdings, LLC

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

MD Office, LLC

By: MDO Group Holdings, LLC, its sole member

By: EyeCare Leaders Holdings, LLC, its sole member

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Sophia Turrell
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IOPW, LLC

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IO Practiceware, Inc.

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Sophia Turrell
Chief Executive Officer

Integrity EMR Holdings, LLC

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By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

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Sophia Turrell
Chief Executive Officer

IMW Holdings, LLC

By: EyeCare Leaders Holdings, LLC, its sole member

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IMW EMR, LLC

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iMedicWare, Inc.

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Canta Health, LLC

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ECL Holdings, LLC

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Sophia Turrell
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ECL Group, LLC

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its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

RHS Holdings, LLC

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
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Revenue Health Solutions, LLC

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Sophia Turrell
Chief Executive Officer

MNI Holdings, LLC

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Sophia Turrell
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Insight Software, LLC

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its sole member

By: /s/ Sophia Turrell
Sophia Turrell
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My Vision Express, Inc.

By: Insight Software, LLC, its sole member

By: MNI Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its
sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

MRX Holdings, LLC

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Sophia Turrell
Chief Executive Officer

The HOEHNE Group – Software Division, Inc.

By: MRX Holdings, LLC, its sole member

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ECL PH Services Group, LLC

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By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

Schedule 1

Liquidation Analysis

[Forthcoming]

Exhibit A

Joint Chapter 11 Plan

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Amber M. Carson (TX Bar No. 24075610)
Emily F. Shanks (TX Bar No. 24110350)

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*Counsel to the Debtors
and Debtors in Possession*

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

In re:	§	
	§	Chapter 11
	§	
EYE CARE LEADERS PORTFOLIO	§	Case No. 24-80001(MVL)
HOLDINGS, LLC, <i>et al.</i> , ¹	§	
	§	(Jointly Administered)
Debtors.	§	
	§	

DEBTORS' JOINT CHAPTER 11 PLAN

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtors' federal tax identification number are as follows: ECL PH Services Group LLC (6746); Eye Care Leaders Portfolio Holdings, LLC (0576); Alta Billing Holdings, LLC (4944); Alta Billing, LLC (4823); Canta Health, LLC (7791); DJRTC, LLC (N/A); ECL Group, LLC (9195); ECL Holdings, LLC (8888); Eye Care Leaders Holdings, LLC (1701); iMedicWare, Inc. (6251); IMW EMR, LLC (6421); IMW Holdings, LLC (3980); Insight Software, LLC (8321); Integrity EMR Holdings, LLC (3877); Integrity EMR, LLC (3716); IO Practiceware, Inc. (4507); IOPW Holdings, LLC (0461); IOPW, LLC (N/A); Keymed Holdings, LLC (0301); Keymed, LLC (9379); MD Office, LLC (9075); MDO Group Holdings, LLC (0435); MDX, LLC (5074); Medflow Holdings, LLC (7716); Medflow, Inc. (N/A); MNI Holdings, LLC (7633); MRX Holdings, LLC (N/A); My Vision Express, Inc. (N/A); Penn Medical Informatics Systems, LLC (4584); PI Software Holdings, LLC (N/A); PI Software, LLC (N/A); PMX, LLC (N/A); Revenue Health Solutions, LLC (7025); RHS Holdings, LLC (N/A); The Hoehne Group – Software Division, Inc. (7788). The Debtors' principal offices are located at 555 S. Mangum Street, Suite 100, Durham, NC 27701.

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The Debtors in these Chapter 11 Cases hereby propose the following *Joint Chapter 11 Plan* pursuant to section 1121(a) of the Bankruptcy Code.

ARTICLE I
DEFINITIONS AND INTERPRETATION AND CONSTRUCTION

A. Definitions.

For the purpose of this Plan, the following terms shall have the respective meanings set forth below:

1. **Administrative Claim** means any right to payment constituting a cost or expense of administration of the Chapter 11 Cases pursuant to sections 503(b) or 507 of the Bankruptcy Code.
2. **Administrative Claim Bar Date** means the deadline to file all Administrative Claims, which shall be the first Business Day that is at least thirty (30) days after the Effective Date.
3. **Adversary Proceeding** means the adversary proceeding styled *Alta Billing, LLC v. Academy Association Inc.*, Adv. No. 24-08002 (Bankr. N.D. Tex. March 10, 2024).
4. **Affiliate** has the meaning ascribed in section 101(2) of the Bankruptcy Code.
5. **Allowed** means any Claim (i) for which a proof of claim has been filed and as to which no objection has been made on or before the Objection Deadline or such other applicable period fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, (ii) which appears in the Debtors' Schedules and is not listed as contingent, liquidated or disputed, (iii) which is allowed by Final Order of the Bankruptcy Court, or (iv) which is expressly allowed under this Plan.
6. **APA** means that certain Asset Purchase Agreement by and among Colorado Bankers Life Insurance Company, as the purchaser, and the Debtors, as the sellers, dated May 12, 2024, as amended or supplemented.
7. **Assets** means property of the Debtors' Estates and proceeds thereof.
8. **Avoidance Actions** means any and all claims, causes of action, or remedies that have been or may be asserted by or on behalf of the Debtors or their Estates under the Bankruptcy Code or applicable non-bankruptcy law, including claims, causes of action, or remedies under sections 502, 510, 542, 544, 545, 547 through 553 of the Bankruptcy Code, or under similar or related local, state, federal, foreign law, or common law.
9. **Bankruptcy Code** means title 11 of the United States Code, as amended from time to time.
10. **Bankruptcy Court** means the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, or any other court of the United States having jurisdiction over the Chapter 11 Cases.
11. **Bankruptcy Rules** means 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, as amended and in effect from time to time.
12. **Bar Date** means the last date to file proofs of claim against the Debtors, which was May 28, 2024 for all creditors except Governmental Units, and July 15, 2024 for Governmental Units.
13. **Business Day** means any day other than a Saturday, Sunday, or "legal holiday" as defined in Bankruptcy Rule 9006(a).
14. **Cash** means legal tender of the United States of America.

15. **Causes of Action** means any claims, causes of action, interests, damages, remedies, demands, rights, actions (including Avoidance Actions), suits, debts, sums of money, obligations, judgments, liabilities, accounts, defenses, offsets, counterclaims, crossclaims, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, now existing or hereafter arising, contingent or non-contingent, liquidated or unliquidated, choate or inchoate, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise, owned by or otherwise accruing to the Debtors and their Estates, whether arising before, on, or after the Petition Date.

16. **Chapter 11 Cases** means the above-captioned jointly administered chapter 11 cases of the Debtors.

17. **Claim** means a claim against a Debtor within the meaning of section 101(5) of the Bankruptcy Code.

18. **Class** means any group of Claims or Equity Interests classified by this Plan pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code.

19. **Class Action Settlement** means the final settlement in the consolidated class action lawsuit captioned *Farley v. Eye Care Leaders Holdings, LLC*, 1:22-cv-00468 (June 21, 2022), pending in the United States District Court for the Middle District of North Carolina, arising from several data security incidents in 2021.

20. **Collateral** means any interest in property of the Debtors subject to a Lien, charge, or other encumbrance to secure the payment or performance of a Claim, which Lien, charge or other encumbrance is not subject to avoidance or otherwise invalid under the Bankruptcy Code or applicable non-bankruptcy law.

21. **Committee** means the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases by the Office of the United States Trustee, as the same may be reconstituted from time to time.

22. **Conditional Approval Order** means the Bankruptcy Court's *Order (I) Conditionally Approving the Disclosure Statement, (II) Scheduling a Combined Confirmation Hearing to Consider Final Approval of the Disclosure Statement and Confirmation of the Debtors' Plan, (III) Approving the Solicitation Procedures and Dates, Deadlines, and Notices Related Thereto, and (IV) Granting Related Relief*.

23. **Confirmation Date** means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket.

24. **Confirmation Hearing** means the hearing conducted by the Bankruptcy Court pursuant to sections 1128(a) and 1129 of the Bankruptcy Code to consider confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

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

26. **Creditor Trust** means that certain trust that will come into existence on the Effective Date of the Plan, which shall be formed pursuant to, and governed by, the provisions of the Plan and the Creditor Trust Agreement.

27. **Creditor Trust Agreement** means the agreement governing the Creditor Trust dated as of the Effective Date, substantially in the form included in the Plan Supplement.

28. **Creditor Trust Assets** means (i) all Retained Causes of Action owned by the Debtors or their respective Estates on the Effective Date, except as the same may be dismissed, settled or released pursuant to the Plan; (ii) all of the Debtors' Cash, including but not limited to (a) Sale proceeds after satisfying payments pursuant to the Plan, and (b) proceeds of the DIP Facility; (iii) all insurance policies of the Debtors and the applicable Policy Proceeds, including but not limited to proceeds relating to employee theft or misconduct, but not including (A) insurance proceeds from the Debtors' cyber insurance policies allocated to the Class Action Settlement and (B) all rights of the Purchaser to insurance policies as set forth in the APA; (iv) all tax assets and tax attributes of the Debtors; (v) any

other property of the Estates not otherwise distributed pursuant to the terms of this Plan, including all rights, interests, and privileges of the Debtors and (vi) all proceeds of the foregoing.

29. **Creditor Trust Interest** means a beneficial interest in the Creditor Trust.

30. **Creditor Trustee** means the trustee of the Creditor Trust, who shall be chosen by the Committee with the approval of the Debtors, with such approval not to be unreasonably withheld, and who shall be identified in the Plan Supplement.

31. **Debtor** means any one of the Debtors, as the context may require.

32. **Debtors** means, collectively, ECL PH Services Group LLC, Eye Care Leaders Portfolio Holdings, LLC, Alta Billing Holdings, LLC, Alta Billing, LLC, Canta Health, LLC, DJRTC, LLC, ECL Group, LLC, ECL Holdings, LLC, Eye Care Leaders Holdings, LLC, iMedicWare, Inc., IMW EMR, LLC, IMW Holdings, LLC, Insight Software, LLC, Integrity EMR Holdings, LLC, Integrity EMR, LLC, IO Practiceware, Inc., IOPW Holdings, LLC, IOPW, LLC, Keymed Holdings, LLC, Keymed, LLC, MD Office, LLC, MDO Group Holdings, LLC, MDX, LLC, Medflow Holdings, LLC, Medflow, Inc., MNI Holdings, LLC, MRX Holdings, LLC, My Vision Express, Inc., Penn Medical Informatics Systems, LLC, PI Software Holdings, LLC, PI Software, LLC, PMX, LLC, Revenue Health Solutions, LLC, RHS Holdings, LLC, and The Hoehne Group – Software Division, Inc., the above-captioned debtors and debtors in possession.

33. **DIP Credit Agreement** means that certain Superpriority Secured Debtor in Possession Loan and Security Agreement (as amended or modified from time to time) dated as of March 6, 2024, by and among the Debtors jointly as borrowers and Colorado Bankers Life Insurance Company as lender.

34. **DIP Facility** means collectively the “DIP Obligations” and the “Replacement DIP Lender Reimbursements” as defined in and approved by the DIP Order.

35. **DIP Facility Claim** means the claim of the DIP Lender under and pursuant to the DIP Order and DIP Credit Agreement.

36. **DIP Lender** means the lender referenced in the DIP Credit Agreement.

37. **DIP Order** means that certain *Final Order (I) Authorizing the Debtors to (A) Obtain Replacement Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Granting Adequate Protection, (IV) Modifying the Automatic Stay, and (V) Granting Related Relief* [Docket No. 177].

38. **Disallowed** means any Claim or Equity Interest, or portion thereof, that is not an Allowed Claim, an Allowed Equity Interest, or a Disputed Claim or Disputed Equity Interest.

39. **Disclosure Statement** means that certain disclosure statement relating to the Plan, including all exhibits and schedules thereto, as the same may be amended, supplemented, or otherwise modified from time to time, as approved by the Bankruptcy Court pursuant to sections 1125 and 1126 of the Bankruptcy Code.

40. **Disputed** means, when used with respect to a Claim or Equity Interest, such Claim or Equity Interest, as the case may be (a) to the extent neither Allowed nor Disallowed under the Plan or a Final Order nor deemed Allowed under section 502, 503, or 1111 of the Bankruptcy Code, or (b) with respect to which the Debtors or any party in interest have made a timely objection (as a contested matter, adversary proceeding, or otherwise) or request for estimation prior to the Objection Deadline in accordance with the Plan or the Bankruptcy Rules, which objection or request for estimation has not been withdrawn or determined by a Final Order as of the Effective Date.

41. **Distribution Date** means the date, occurring on or as soon as practicable after the Effective Date, on which the Debtors or the Creditor Trust, as applicable, first makes distributions to holders of Allowed Claims and Allowed Equity Interests as provided in the Plan.

42. ***Distribution Record Date*** means the record date for purposes of receiving distributions under the Plan on account of Allowed Claims and Allowed Equity Interests, which shall be the Confirmation Date.

43. ***Effective Date*** means the first Business Day on which all the conditions precedent to the effectiveness of the Plan specified in section X.B hereof shall have been satisfied or waived as provided in section X.C hereof; *provided, however*, that if a stay, injunction or similar prohibition of the Confirmation Order is in effect, the Effective Date shall be the first Business Day after such stay, injunction, or similar prohibition is no longer in effect.

44. ***Equity Interest*** means any “equity security” of the Debtors, as that term is defined in section 101(16) of the Bankruptcy Code.

45. ***Estates*** means the estates of the Debtors as created under section 541 of the Bankruptcy Code.

46. ***Exculpated Parties*** means, in each case solely in their capacity as such: (1) the Debtors, (2) the Debtors’ officers and directors as of (A) the Petition Date or (B) immediately before the closing of the Sale, and (3) the members of the Committee. For the avoidance of doubt, the Exculpated Parties do not include any of the Lindberg Parties.

47. ***Final Decree*** means the decree contemplated by Bankruptcy Rule 3022.

48. ***Final Order*** means an order or judgment of a court of competent jurisdiction that has been entered on the docket maintained by the clerk of such court and has not been reversed, vacated, or stayed and as to which (a) the time to appeal, petition for *certiorari*, or move for a stay, new trial, reargument, or rehearing has expired and as to which no appeal, petition for *certiorari* or other proceedings for a stay, new trial, reargument or rehearing shall then be pending or (b) if an appeal, writ of *certiorari*, stay, new trial, reargument or rehearing thereof has been sought, (i) such order or judgment shall have been affirmed by the highest court to which such order was appealed, *certiorari* shall have been denied or a stay, new trial, reargument or rehearing shall have been denied or resulted in no modification of such order and (ii) the time to take any further appeal, petition for *certiorari*, or move for a stay, new trial, reargument or rehearing shall have expired; *provided, however*, that no order or judgment shall fail to be a “Final Order” solely because of the possibility that a motion pursuant to section 502(j) or 1144 of the Bankruptcy Code or under Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rule 9024 has been or may be filed with respect to such order or judgment.

49. ***General Unsecured Claim*** means any Claim against a Debtor that is not an Administrative Claim, a DIP Facility Claim, a Priority Tax Claim, a Priority Non-Tax Claim, the Purported Prepetition Lenders’ Secured Claim, a Professional Fee Claim, an Other Secured Claim, an Intercompany Claim, or an Equity Interest.

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

51. ***Insider*** means any Person who is an “insider” as such term is defined in section 101(31) of the Bankruptcy Code, or who may otherwise be determined to be an “insider” under section 101(31) of the Bankruptcy Code by a court of competent jurisdiction.

52. ***Intercompany Claim*** means a claim held by one Debtor against another Debtor.

53. ***Local Rules*** means the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas, as the same may be amended or modified from time to time.

54. ***Lien*** has the meaning set forth in section 101(37) of the Bankruptcy Code.

55. ***Lindberg Parties*** means Greg Lindberg, Charles Herwig, and Robert Gaddy.

56. **Objection Deadline** means the later of (a) one hundred twenty (120) days after the Effective Date or (b) such later date as may be ordered by the Bankruptcy Court prior to the expiration of such one hundred twenty (120) day period, upon motion.

57. **Other Secured Claim** means a Secured Claim that is not a Purported Prepetition Lenders' Secured Claim.

58. **Petition Date** means January 16, 2024.

59. **Person** means an individual, partnership, corporation, limited liability company, cooperative, trust, unincorporated organization, association, joint venture, government or agency or political subdivision thereof, or any other form of legal entity.

60. **Plan** means this Joint Chapter 11 Plan, as the same may be amended, supplemented, or otherwise modified from time to time, including any exhibits and schedules hereto.

61. **Plan Supplement** means the compilation of documents and forms of documents, schedules and exhibits, to be filed in one or more parts or volumes, no later than seven (7) days prior to the Confirmation Hearing, as amended, supplemented or otherwise modified from time to time, containing, without limitation any documents necessary for the execution and implementation of the Plan.

62. **Policy Proceeds** means the proceeds of the Debtors' insurance policies that constitute property of the Debtors' Estates.

63. **Priority Non-Tax Claim** means any Claim that is entitled to priority in payment pursuant to sections 507(a)(4) or (5) of the Bankruptcy Code and that is not an Administrative Claim or a Priority Tax Claim.

64. **Priority Tax Claim** means any Claim of a Governmental Unit of the kind entitled to priority in payment as specified in section 507(a)(8) of the Bankruptcy Code.

65. **Pro Rata** means the proportion that the amount of an Allowed Claim or Allowed Equity Interest in a particular Class bears to the aggregate amount of all Allowed Claims or Allowed Equity Interests in such Class.

66. **Professional Fee Claim** means any Claim by a Professional Person under sections 330, 331 or 503 of the Bankruptcy Code for allowance of compensation and/or reimbursement of expenses in the Chapter 11 Cases.

67. **Professional Fee Reserve** has the meaning ascribed to such term in the DIP Order.

68. **Professional Person** means any Person retained in the Chapter 11 Cases or to be compensated by the Debtors pursuant to sections 327, 328, 330, 331, 503(b), or 1103 of the Bankruptcy Code.

69. **Purchaser** means the buyer referenced in the APA.

70. **Purported Prepetition Lenders** means the lenders who are parties to those certain alleged "term loans" as set forth in Exhibit C to the Disclosure Statement and as set forth in the Adversary Proceeding.

71. **Purported Prepetition Lenders' Secured Claims** means the alleged Claims held by the Purported Prepetition Lenders, which are Disputed.

72. **Retained Causes of Action** means all of the Debtors' Causes of Action which, as of the Effective Date have not been sold, transferred, settled, waived, or released pursuant to the Plan, upon order of the Bankruptcy Court or otherwise, all of which shall be reserved, retained, assigned, and transferred to the Creditor Trust.

73. **Sale** means the transaction or transactions contemplated under the APA and approved by the Bankruptcy Court pursuant to the Sale Order.

74. ***Sale Order*** means that certain *Order (A) Approving the Sale of Substantially All of the Debtors' Assets Free and Clear of Liens and Liabilities, (B) Authorizing the Debtors to Assume and Assign Executory Contracts and Unexpired Leases in Connection with the Sale, and (C) Granting Related Relief* [Docket No. 479].

75. ***Schedules*** means, collectively, Schedules A through J and the Statement of Financial Affairs, as filed by each Debtor in the Chapter 11 Cases, as the same may be amended from time to time.

76. ***Secured Claim*** means a Claim, other than the Purported Prepetition Lenders' Secured Claims, secured by a Lien that is valid, perfected and enforceable, and not avoidable, upon property in which a Debtor has an interest, to the extent of the value, as of the Effective Date, of such interest or Lien as determined by a Final Order of the Bankruptcy Court pursuant to section 506 of the Bankruptcy Code, or as otherwise agreed to in writing by the Debtor in question and the holder of such Claim. To the extent a Claim exceeds the value of the Collateral securing such Claim, such deficiency shall constitute a General Unsecured Claim.

77. ***Trust Claims Reserve*** is defined in section VI.B.14(ii)(C) hereof.

B. Rules of Interpretation and Construction.

1. ***Interpretation.***

Unless otherwise specified herein, all section, article, and exhibit references in the Plan are to the respective section in, article of, and exhibit to, the Plan, as the same may be amended, waived, or modified from time to time. All headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of the Plan.

2. ***Construction and Application of Bankruptcy Code Definitions.***

Unless otherwise defined herein, words and terms defined in section 101 of the Bankruptcy Code shall have the same meanings when used in the Plan. Words or terms used but not defined herein shall have the meanings ascribed to such terms or words, if any, in the Bankruptcy Code. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of the Plan.

3. ***Other Terms.***

The words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to the Plan as a whole and not to any particular article, section, subsection, or clause contained in the Plan.

4. ***Time.***

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

ARTICLE II
ADMINISTRATIVE AND PRIORITY CLAIMS

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

A. DIP Facility Claim.

The DIP Facility Claim shall be satisfied in full upon the closing of the Sale. To the extent the DIP Facility Claim has not been satisfied in full upon the Effective Date of the Plan or if the Sale does not close, the DIP Facility Claim shall be paid in full, in Cash, on the Effective Date, unless otherwise agreed to by the DIP Lender.

B. Administrative Claims.

All Administrative Claims against the Debtors, other than the DIP Facility Claim and Professional Fee Claims, shall be treated as follows:

1. Time for Filing.

All holders of Administrative Claims, other than the holders of a DIP Facility Claim, shall file with the Bankruptcy Court a request for payment of such Claims on or before the Administrative Claim Bar Date. Any such request must be served on the Debtors, their counsel, and the Creditor Trustee and its counsel, and must, at a minimum, set forth (i) the name of the holder of the Administrative Claim; (ii) the amount of the Administrative Claim; and (iii) the legal and factual bases for the Administrative Claim. A failure to file any such request in a timely fashion will result in the Administrative Claim in question being discharged and its holder forever barred from asserting such Administrative Claim against the Debtors or any other Person.

2. Objection and Allowance.

An Administrative Claim, other than a DIP Facility Claim or a Professional Fee Claim, for which a request for payment has been properly filed shall become an Allowed Administrative Claim unless an objection is filed by the date that is thirty (30) days after a request for payment of such Administrative Claim is filed in accordance with the Plan, or such later date as may be ordered by the Bankruptcy Court upon motion. If an objection is timely filed, the Administrative Claim in question shall become an Allowed Administrative Claim only to the extent so Allowed by Final Order of the Bankruptcy Court.

3. Payment.

Except to the extent that a holder of an Allowed Administrative Claim, other than a DIP Facility Claim or a Professional Fee Claim, agrees to a different treatment of such Claim, each holder of an Allowed Administrative Claim shall receive, on account of and in full satisfaction of such Claim, Cash in an amount equal to the Allowed amount of such Administrative Claim on (or as soon as reasonably practicable after) the later of (A) the Effective Date or (B) the date that entry of an order by the Bankruptcy Court allowing such Administrative Claim becomes a Final Order.

C. Professional Fee Claims.

1. Time for Filing.

Every Professional Person holding a Professional Fee Claim that has not previously been the subject of a final fee application and accompanying Bankruptcy Court order approving the same shall file a final application for payment of fees and reimbursement of expenses no later than the Administrative Claim Bar Date. Any such final fee application shall conform to and comply with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

2. Objections and Allowance.

The last date to object to any final fee application shall be the twenty-fourth (24th) day after such fee application has been filed with the Bankruptcy Court. All final fee applications shall be set for hearing on the same day, as the Bankruptcy Court's calendar permits, after consultation with counsel to the Debtors and the Committee.

3. Payment.

Professional Fee Claims shall be paid from the Professional Fee Reserve. To the extent there are insufficient funds on hand in the Professional Fee Reserve to pay all Professional Fees in full, such Professional Fees shall be paid in Cash by the Creditor Trustee Pro Rata to the extent of available funds.

D. U.S. Trustee Fees.

All fees payable under section 1930 of title 28 of the United States Code shall be paid on or before the Effective Date. All such fees that arise after the Effective Date but before the closing of the Chapter 11 Cases shall be paid by the Creditor Trust.

E. Priority Tax Claims.

Except to the extent that a holder of an Allowed Priority Tax Claim has agreed or agrees to a different treatment of such Claim, each holder of an Allowed Priority Tax Claim shall receive on (or as soon as reasonably practicable after) the Effective Date, at the Debtors' option: (i) Cash in an amount equal to the Allowed amount of such Claim, or (ii) regular installment payments of Cash (a) having a total value, as of the Effective Date, equal to the Allowed amount of the Claim, (b) over a period ending not later than five (5) years after the Petition Date and (c) in a manner not less favorable than the most favored nonpriority Allowed General Unsecured Claims provided for by the Plan (other than Cash payments made to a class of creditors under section 1122(b) of the Bankruptcy Code).

To the extent interest is required to be paid on any Priority Tax Claim, the rate of such interest shall be the rate determined under applicable nonbankruptcy law, as set forth in section 511 of the Bankruptcy Code. To the extent the holder of an Allowed Priority Tax Claim has a Lien on a Debtor's property, such Lien shall remain in place until such Allowed Priority Tax Claim has been paid in full.

The Debtors have the right to setoff against or recoup from any Priority Tax Claim any right to payment that any of the Debtors may have against the holder of a Priority Tax Claim due to levies assessed against the Debtors or otherwise.

ARTICLE III
CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

All Claims against, and Equity Interests in, the Debtors, other than the Claims set forth in Article II, are classified for all purposes, including voting, confirmation, and distribution, as follows:

Class	Designation	Impairment	Entitled to Vote
1	Priority Non-Tax Claims	Unimpaired	No (deemed to accept)
2	Purported Prepetition Lenders' Secured Claims	Impaired	No ²
3	Other Secured Claims	Unimpaired	No (deemed to accept)
4	General Unsecured Claims	Impaired	Yes
5	Intercompany Claims	Impaired	No (deemed to reject)
6	Equity Interests	Impaired	No (deemed to reject)

Administrative Claims and Priority Tax Claims are not classified for purposes of voting or receiving distributions under the Plan, pursuant to section 1123(a)(1) of the Bankruptcy Code. Instead, all such Claims shall be treated separately as unclassified claims on the terms previously set forth in Article II of this Plan.

² As a result of the pendency of the Adversary Proceeding, the Purported Prepetition Lenders' Secured Claims are Disputed and therefore the holders of such Claims are not eligible to vote pursuant to section 1126(a) of the Bankruptcy Code.

ARTICLE IV
TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. Class 1 – Priority Non-Tax Claims.

The Debtors may object to any Priority Non-Tax Claims on or before thirty (30) days after the Effective Date, unless such deadline is extended by an order of the Bankruptcy Court or agreement with the holder of the applicable Priority Non-Tax Claim. Except to the extent that a holder of an Allowed Priority Non-Tax Claim against a Debtor agrees to a less favorable treatment, each such holder shall receive, in full satisfaction of such Claim, payment in full in Cash on (or as soon as reasonably practicable after) the later of (A) the Effective Date or (B) the date that such Priority Non-Tax Claim becomes Allowed.

B. Class 2 – Purported Prepetition Lenders’ Secured Claims.

Unless otherwise agreed by the Purported Prepetition Lenders and the Creditor Trustee, the Purported Prepetition Lenders’ Secured Claim shall receive one or more of the following treatments, which depends upon the outcome of the Adversary Proceeding:

- i. A contingent beneficial interest in the Creditor Trust which shall vest upon entry of a Final Order in the Adversary Proceeding determining that the Purported Prepetition Lenders have valid and allowed Secured Claims, in which case the Purported Prepetition Lenders will be paid in full in Cash from the Creditor Trust in an amount equal to the value of the collateral securing the claims, with any deficiency claims treated as General Unsecured Claims in Class 4 herein; or
- ii. A contingent beneficial interest in the Creditor Trust which shall vest upon entry of a Final Order in the Adversary Proceeding determining that the Purported Prepetition Lenders have valid and allowed General Unsecured Claims, in which case the claims of the Purported Prepetition Lenders shall be treated as General Unsecured Claims in Class 4; or
- iii. A contingent beneficial interest in the Creditor Trust which shall not vest until (A) entry of a Final Order in the Adversary Proceeding subordinating the Purported Prepetition Lenders’ Secured Claims to those holders of General Unsecured Claims, and (B) the Creditor Trustee has filed a certification with the Bankruptcy Court stating that all holders of General Unsecured Claims in Class 4 have been paid in full from the Creditor Trust.

C. Class 3 – Other Secured Claims.

Except to the extent a holder of an Allowed Other Secured Claim agrees to a different treatment, each holder of an Allowed Other Secured Claim shall at the option of the Debtors, upon consultation with the Committee, receive either of the following treatments on the Effective Date or as soon as reasonably practicable thereafter: (i) payment in full, in Cash; (ii) the collateral securing such Allowed Other Secured Claim; or (iii) such other treatment that renders such Allowed Other Secured Claim unimpaired in accordance with section 1124 of the Bankruptcy Code.

D. Class 4 – General Unsecured Claims.

Except to the extent that a holder of an Allowed General Unsecured Claim against a Debtor agrees to a different treatment, each holder of an Allowed General Unsecured Claim shall receive a Creditor Trust Interest and thereafter receive Cash distributions from the Creditor Trust. Distributions to holders of Allowed General Unsecured Claims who receive an interest in the Creditor Trust shall be on a Pro Rata basis with all other Allowed General Unsecured Claims, as set forth in the Creditor Trust Agreement.

E. Class 5 – Intercompany Claims

On the Effective Date, all Intercompany Claims by and against the Debtors shall be settled, cancelled, released, and discharged without payment or distribution of any Cash or other property. Holders of Intercompany Claims are conclusively deemed to have rejected the Plan and are not entitled to vote.

F. Class 6 – Equity Interests

On the Effective Date, all Equity Interests in each Debtor shall be cancelled, extinguished, and of no further force or effect. Holders of Equity Interests shall neither retain nor receive any property under the Plan on account of such Equity Interests. Holders of Equity Interests are conclusively deemed to have rejected the Plan and are not entitled to vote.

ARTICLE V
IMPAIRMENT; ACCEPTANCE OR REJECTION OF THE PLAN;
EFFECT OF REJECTION BY ONE OR MORE CLASSES

A. Classes Entitled to Vote.

The holders of Claims in Classes 1 and 3 are unimpaired and are conclusively deemed to have accepted the Plan and are not entitled to vote to accept or reject the Plan. The holders of Claims in Class 2 are impaired and are not entitled to vote to accept or reject the Plan as holders of Disputed Claims. The holders of Claims in Class 4 are impaired and are entitled to vote to accept or reject the Plan. The holders of Claims in Classes 5 and 6 are impaired and are conclusively deemed to reject the Plan and are therefore not entitled to vote to accept or reject the Plan.

B. Class Acceptance Requirement.

A Class of impaired Claims entitled to vote on the Plan shall have accepted the Plan if the holders of at least two-thirds (2/3) in amount and more than one-half (1/2) in number of Claims in such Class who have voted on the Plan have voted to accept the Plan. A Class of impaired Equity Interests shall have accepted the Plan if at least two-thirds (2/3) in amount of Equity Interests in such Class who have voted on the Plan have voted to accept the Plan.

C. Cramdown.

To the extent that any Class is impaired under the Plan and such Class fails to accept the Plan in accordance with section 1126(c) or (d) of the Bankruptcy Code, the Debtors hereby request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code.

D. Elimination of Classes.

Any Class that does not contain any Allowed Claims or any Claims temporarily Allowed for voting purposes under Bankruptcy Rule 3018, as of the date of the commencement of the Confirmation Hearing, shall be deemed not included in this Plan for purposes of (i) voting to accept or reject this Plan and (ii) determining whether such Class has accepted or rejected this Plan under section 1129(a)(8) of the Bankruptcy Code.

ARTICLE VI
MEANS OF IMPLEMENTATION

A. Limited Substantive Consolidation.

The Plan provides for potential recoveries on account of Allowed Claims in Classes 1, 2, 3, and 4 regardless of the Debtor entity against which such Allowed Claims are asserted. The Debtors shall not be consolidated for any other purpose. To the extent necessary, the Plan shall serve as a motion seeking, and entry of the Confirmation Order shall constitute, the approval, pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, effective

as of the Effective Date, of the limited consolidation for voting and distribution on account of Allowed Claims in Classes 1, 2, 3, and 4.

For the avoidance of doubt, the limited consolidation described in this section shall not affect the legal and corporate structures of the Debtors. In addition, such consolidation shall not constitute a waiver of the mutuality requirement for setoff under section 553 of the Bankruptcy Code.

B. The Creditor Trust.

1. Establishment of the Creditor Trust.

The Creditor Trust shall be established for the benefit of the holders of Allowed General Unsecured Claims. This section sets forth the general terms of the Creditor Trust and certain of the rights, duties, and obligations of the Creditor Trustee. In the event of any conflict between the terms of this section and the terms of the Creditor Trust Agreement, the terms of the Plan shall govern.

2. The Creditor Trustee.

The Creditor Trustee shall be selected by the Committee with the approval of the Debtors, with such approval not to be unreasonably withheld, subject only to Bankruptcy Court approval at the Confirmation Hearing. The Creditor Trustee shall be a representative of the estates pursuant to section 1123(a)(5)(B) and 1123(b)(3)(B) of the Bankruptcy Code. The Creditor Trustee may prosecute, settle, liquidate, and otherwise administer the Creditor Trust Assets on behalf of the Creditor Trust, without the need for Bankruptcy Court approval or any other notice or approval, except as set forth in the Creditor Trust Agreement, and shall also be responsible for objecting to Claims and Equity Interests. The Creditor Trustee shall be exempt from giving any bond or other security in any jurisdiction.

3. Execution of Creditor Trust Agreement.

On the Effective Date, the Creditor Trust Agreement shall be executed, and all other necessary steps shall be taken to establish the Creditor Trust and the beneficial interests therein. The form of the Creditor Trust Agreement and related ancillary documents shall be mutually acceptable to the Debtors and the Committee, subject only to Bankruptcy Court approval at the Confirmation Hearing.

4. Purpose of the Creditor Trust.

The Creditor Trust shall be established for the sole purpose of liquidating and distributing its assets to the holders of beneficial interests in the Creditor Trust, with no objective to continue or engage in the conduct of a trade or business. The Creditor Trust, through the Creditor Trustee, shall (i) collect and reduce the Creditor Trust Assets to Cash, (ii) prosecute, settle and otherwise administer the Retained Causes of Action, (iii) make distributions to the beneficiaries of the Creditors Trust in accordance with the Plan and Creditor Trust Agreement, and (iv) take all such actions as are reasonably necessary to accomplish the purpose hereof, as more fully provided in the Creditor Trust Agreement.

5. Creditor Trust Assets.

The Creditor Trust shall consist of the Creditor Trust Assets. On the Effective Date, the Creditor Trust Assets shall automatically vest in the Creditor Trust, free and clear of all Liens, Claims, and encumbrances, except with respect to Sale proceeds to the extent that any valid prepetition liens attach to such proceeds. The Creditor Trustee may abandon or otherwise not accept any Creditor Trust Assets that the Creditor Trustee believes, in good faith, to have no value to, or will be unduly burdensome to, the Creditor Trust. Any Creditor Trust Assets that the Creditor Trustee so abandons or otherwise does not accept shall not be property of the Creditor Trust.

6. Governance and Powers and Duties of the Creditor Trust.

The Creditor Trust shall be governed by the Creditor Trustee in accordance with the Creditor Trust Agreement and consistent with the Plan. The Creditor Trustee shall have the power and authority to perform the acts described in the Creditor Trust Agreement. The powers, rights, and responsibilities of the Creditor Trustee shall be specified in the Creditor Trust Agreement and shall include the authority, power, and responsibility to: (a) receive, manage, invest, supervise, and protect Creditor Trust Assets; (b) pay taxes or other obligations incurred by the Creditor Trust and issue to employees or other Persons, and/or file with the appropriate Governmental Units, applicable tax and wage returns and forms; (c) retain and compensate, without further order of the Bankruptcy Court, the services of employees, professionals, and consultants to advise and assist in the administration, prosecution and distribution of Creditor Trust Assets; (d) calculate and implement Distributions of Creditor Trust Assets; (e) investigate, prosecute, compromise, and settle, in accordance with the specific terms of the Creditor Trust Agreement and without further order of the Bankruptcy Court, except as otherwise provided therein, Retained Causes of Action; (f) resolve issues involving Claims and Equity Interests in accordance with the Plan, including the power to object to, or settle, resolve, or compromise objections or disputes with respect to, Claims and Equity Interests, and to subordinate and recharacterize Claims by objection, motion, or adversary proceeding; (g) undertake all administrative functions of the Chapter 11 Cases, including the payment of statutory fees and the ultimate closing of the Chapter 11 Cases; and (h) take action pursuant to such other powers as may be vested in or assumed by the Creditor Trustee pursuant to this Plan, the Creditor Trust Agreement, Bankruptcy Court order, or as may be necessary and proper to carry out the provisions of this Plan.

7. Books and Records.

The Creditor Trust shall: (a) take possession of all copies of books, records, and files of the Debtors and the Estates that were not sold and transferred in connection with the Sale; and (b) provide for the retention and storage of such books, records, and files until such time as the Creditor Trust determines, in accordance with the Creditor Trust Agreement, that retention of same is no longer necessary or beneficial to the Creditor Trust.

8. Cash.

The Creditor Trustee may invest Creditor Trust Assets only in Cash and Government securities (as defined in section 2(a)(16) of the Investment Company Act of 1940, as amended); *provided, however*, that such investments are investments permitted to be made by a liquidating trust within the meaning of Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable Internal Revenue Service guidelines, rulings, or other controlling authorities.

9. Costs and Expenses of the Creditor Trustee.

The costs and expenses of the Creditor Trust, including the fees and expenses of the Creditor Trustee and its retained professionals, shall be paid only out of the Creditor Trust Assets.

10. Compensation of the Trustee.

The Creditor Trustee shall be entitled to reasonable compensation paid exclusively from the Creditor Trust Assets.

11. Retention of Professionals by the Creditor Trustee.

The Creditor Trustee may retain and reasonably compensate counsel and other professionals out of the Creditor Trust Assets to assist in its duties as Creditor Trustee on such terms as the Creditor Trustee deems appropriate without Bankruptcy Court approval. The Creditor Trustee may retain any professional who represented parties in interest (including the Debtors or the Committee) in the Chapter 11 Cases.

12. Distribution of Creditor Trust Assets.

The Creditor Trustee shall distribute Cash to the Creditor Trust beneficiaries in accordance with the Plan and the Creditor Trust Agreement.

The Creditor Trustee shall not make any distributions to holders of Disputed Claims unless and until such Claims are Allowed. The Creditor Trustee shall ensure that sufficient funds are reserved, as determined by the Creditor Trustee in his or her sole discretion, to pay Disputed Claims upon Allowance. The Creditor Trustee shall be permitted to reserve and satisfy amounts that (i) are reasonably necessary to meet contingent liabilities and to maintain the value of the Creditor Trust Assets, (ii) are necessary to pay reasonable expenses (including, but not limited to, any taxes imposed on the Creditor Trust or in respect of the Creditor Trust Assets), and (iii) are required to satisfy other liabilities incurred by the Creditor Trust in accordance with this Plan or the Creditor Trust Agreement.

13. Creditor Trust Certificates.

Beneficial interests in the Creditor Trust shall not be represented by certificates, receipts, or in any other form or manner, except as maintained on the books and records of the Creditor Trust by the Creditor Trustee, as set forth in the Creditor Trust Agreement.

14. Federal Income Tax Treatment of the Creditor Trust.

i. *Creditor Trust Assets Treated as Owned by General Unsecured Creditors.* For all federal income tax purposes, all parties (including, without limitation, the Debtors, the Creditor Trustee, and the holders of beneficial interests in the Creditor Trust) shall treat the transfer of the Creditor Trust Assets to the Creditor Trust for the benefit of the beneficiaries thereof, whether Allowed on or after the Effective Date, as (A) a transfer of the Creditor Trust Assets directly to the holders in satisfaction of General Unsecured Claims (other than to the extent allocable to Disputed Claims), followed by (B) the transfer by such holders to the Creditor Trust of the Creditor Trust Assets in exchange for, beneficial interests in the Creditor Trust. Accordingly, the holders of such General Unsecured Claims shall be treated for federal income tax purposes as the grantors and owners of their respective shares of the Creditor Trust Assets.

ii. *Tax Reporting.*

A) The Creditor Trustee shall file income tax returns for the Creditor Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a) and in accordance with this section. To the extent required, or if desired by the Creditor Trustee, the Creditor Trustee shall annually send to each record holder of a beneficial interest a separate statement setting forth the holder's share of items of income, gain, loss, deduction, or credit and will instruct all such holders to report such items on their federal income tax returns or to forward the appropriate information to the beneficial holders with instructions to report such items on their federal income tax returns. The Creditor Trust's taxable income, gain, loss, deduction, or credit will be allocated among the beneficial holders of a Creditor Trust Interest in accordance with each holder's relative beneficial Creditor Trust Interest.

B) As soon as possible after the Effective Date, but in no event later than ninety (90) days after the Effective Date, the Creditor Trustee shall make a good faith valuation of the Creditor Trust Assets. Such valuation shall be made available from time to time, to the extent relevant, and used consistently by all parties (including, without limitation the Debtors, the Creditor Trustee, and the holders of a beneficial Creditor Trust Interest, as applicable) for all federal income tax purposes. The Creditor Trustee shall also file (or cause to be filed) any other statements, returns, or disclosures relating to the Creditor Trust that are required by any governmental unit.

C) Subject to definitive guidance from the Internal Revenue Service or a court of competent jurisdiction to the contrary (including the receipt by the Creditor Trustee of a private letter ruling if the Creditor Trustee so requests one, or the receipt of an adverse determination by the

Internal Revenue Service upon audit if not contested by the Creditor Trustee), the Creditor Trustee shall (i) treat any Creditor Trust Assets allocable to, or retained on account of, Disputed Claims as held by one or more discrete trusts for federal income tax purposes (the "Trust Claims Reserve"), consisting of separate and independent shares to be established in respect of each Disputed General Unsecured Claim, in accordance with the trust provisions of the Tax Code (section 641 et seq.), (ii) treat as taxable income or loss of the Trust Claims Reserve, with respect to any given taxable year, the portion of the taxable income or loss of the Creditor Trust that would have been allocated to the holders of Disputed Claims had such Claims been Allowed on the Effective Date (but only for the portion of the taxable year with respect to which such Claims are unresolved), (iii) treat as a Distribution from the Trust Claims Reserve any increased amounts distributed by the Creditor Trust as a result of any Disputed Claims resolved earlier in the taxable year, to the extent such Distributions relate to taxable income or loss of the Trust Claims Reserve determined in accordance with the provisions hereof, and (iv) to the extent permitted by applicable laws, report consistent with the foregoing for state and local income tax purposes. All Creditor Trust beneficiaries shall report, for tax purposes, consistent with the foregoing.

D) The Creditor Trustee shall be responsible for payments, out of the Creditor Trust Assets, of any taxes imposed on the Creditor Trust or the Creditor Trust Assets, including the Trust Claims Reserve. In the event, and to the extent, any Cash retained on account of Disputed Claims in the Trust Claims Reserve is insufficient to pay the portion of any such taxes attributable to the taxable income arising from the assets allocable to, or retained on account of, Disputed Claims, such taxes shall be (i) reimbursed from any subsequent Cash amounts retained on account of Disputed Claims, or (ii) to the extent such Disputed Claims have subsequently been resolved, deducted from any amounts distributable by the Trustee as a result of the resolutions of such Disputed Claims.

E) The Creditor Trustee may request an expedited determination of taxes of the Creditor Trust, including the Trust Claims Reserve, under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Creditor Trust for all taxable periods through the dissolution of the Creditor Trust.

15. Dissolution.

The Creditor Trust and the Creditor Trustee shall be discharged or dissolved, as the case may be, no later than the fifth (5th) anniversary of the Effective Date; *provided, however*, that, the Bankruptcy Court, upon motion by a party in interest, including the Creditor Trustee, may extend the term of the Creditor Trust if it is necessary to the liquidation and/or distribution of the Creditor Trust Assets, without prejudice to further extensions, so long as Bankruptcy Court approval of such extension is obtained in conformity with IRS Revenue Procedure 94-45, 1994-2 C.B. 684; *provided, however*, that in no event shall the term of the Creditor Trust extend past the tenth (10th) anniversary of the Effective Date; *provided further* that neither the Creditor Trust Agreement nor the continued existence of the Creditor Trust shall prevent the Debtors from closing the Chapter 11 Cases pursuant to section 350 of the Bankruptcy Code and obtaining a Final Decree pursuant to Bankruptcy Rule 3022. The Creditor Trust may be terminated earlier than its scheduled termination if (i) the Bankruptcy Court has entered a Final Order closing all of or the last of the Chapter 11 Cases pursuant to section 350(a) of the Bankruptcy Code and (ii) the Creditor Trustee has administered all Creditor Trust Assets and performed all other duties required by the Plan, the Confirmation Order, the Creditor Trust Agreement and the Creditor Trust. The Creditor Trustee shall not unduly prolong the duration of the Creditor Trust and shall at all times endeavor to resolve, settle or otherwise dispose of all claims that constitute Creditor Trust Assets and to effect the Distribution of the Creditor Trust Assets in accordance with the terms hereof and terminate the Creditor Trust as soon as practicable. Prior to and upon termination of the Creditor Trust, the Creditor Trust Assets will be distributed to the beneficiaries of Creditor Trust, pursuant to the provisions set forth in the Trust Agreement.

If at any time the Creditor Trustee determines that the expense of administering the Creditor Trust is likely to exceed the value of the Creditor Trust Assets, the Creditor Trustee shall have the authority to (i) distribute to the beneficiaries of the Creditor Trust any Cash balance remaining in excess of necessary costs to pay outstanding expenses of the Creditor Trust, including any fees and expenses of the Creditor Trustee and his/her professionals, (ii) donate any Creditor Trust Assets remaining in the Creditor Trust to a non-religious charitable organization exempt

from federal income tax under section 501(c)(3) of the Tax Code that is unrelated to the Debtors and any Insider of the Debtors and (iii) dissolve the Creditor Trust.

16. Indemnification of Creditor Trustee.

The Creditor Trustee and the Creditor Trustee's agents and professionals, shall not be liable for actions taken or omitted in its or their capacity as, or on behalf of, the Creditor Trustee, except those acts arising out of its or their own willful misconduct, gross negligence, bad faith, self-dealing, or breach of fiduciary duty, and each shall be entitled to indemnification and reimbursement for fees and expenses in defending any and all of its actions or inactions in its or their capacity as, or on behalf of, the Creditor Trustee, except for any actions or inactions involving willful misconduct, gross negligence, bad faith, self-dealing, or breach of fiduciary duty. Any indemnification claim of the Creditor Trustee shall be satisfied exclusively from the Creditor Trust Assets. The Creditor Trustee shall be entitled to rely, in good faith, on the advice of its retained professionals.

C. *Dissolution of Committee and Cessation of Fee and Expense Payments.*

The Committee shall be dissolved on the Effective Date and the members of the Committee (solely in their capacities as such) and the Committee's Professional Persons (solely in their capacity as such) shall be released from all their duties relating to the Chapter 11 Cases, except with respect to (a) any applications for Professional Fee Claims or expense reimbursements for members of the Committee, including preparing same, objecting to same, defending same and attending any hearing with respect to same; and (b) any motions or other actions seeking enforcement or implementation of (i) the Plan or (ii) the Confirmation Order. The Debtors shall not be responsible for paying any fees or expenses incurred by the Committee (or any other committee that may be appointed in these Chapter 11 Cases) after the Effective Date *except* if incurred in furtherance of the functions of the Committee set forth in (a) or (b) of this paragraph, subject to the rights of parties in interest to object thereto.

D. *Issuance of Creditor Trust Interests.*

All of the Creditor Trust Interests issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. On the Distribution Date, the Creditor Trustee shall issue the Creditor Trust Interests for distribution pursuant to the provisions hereof and the Creditor Trust Agreement. All Creditor Trust Interests to be issued shall be deemed issued as of the Effective Date regardless of the date on which they are actually distributed.

E. *Section 1145 Exemption.*

Section 1145 of the Bankruptcy Code shall be applicable to the issuance of the Creditor Trust Interests, if any. To the maximum extent permitted by section 1145 of the Bankruptcy Code and applicable non-bankruptcy law, if appropriate, the Creditor Trust Interests, issued pursuant to the Plan and their transfer will be exempt from registration under the Securities Act and all rules and regulations promulgated thereunder, and any and all applicable state and local laws, rules, and regulations.

F. *Cancellation of Existing Securities.*

On the Effective Date, except as otherwise provided for herein or any other document incorporated in the Plan, all Equity Interests and any other certificate, security, share, note, bond, indenture, purchase right, option, warrant, certificates of designation or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Equity Interest, to the extent not already cancelled, shall be deemed cancelled and of no further force or effect, without the requirement for any further action on the part of the Bankruptcy Court or any other Person.

G. *Corporate Action.*

Upon the Effective Date, all actions contemplated under the Plan shall be deemed authorized and approved in all respects. All matters provided for in the Plan involving the corporate structure of the Debtors, and any corporate action required by or in connection with the Plan, shall be deemed to have occurred and shall be in effect, without any

requirement of further action by any Equity Interest holders, or directors or officers of the Debtors. The authorizations and approvals contemplated by this section shall be effective notwithstanding any requirements under non-bankruptcy law.

H. Directors and Executive Officers.

On the Effective Date, the term of each member of each Debtor's current board of directors or board of managers shall automatically expire.

I. Retained Causes of Action.

Except as otherwise provided in this Plan, an agreement or document entered into in connection with the Plan, or in a Final Order of the Bankruptcy Court (including, but not limited to, the Sale Order or the DIP Order), pursuant to sections 363(b) and 1123(b)(3) of the Bankruptcy Code, the Debtors reserve and, as of the Effective Date, assign to the Creditor Trust the Retained Causes of Action. On and after the Effective Date, the Creditor Trustee, on behalf of the Creditor Trust, may pursue Retained Causes of Action for the benefit of the holders of Creditor Trust interests.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Retained Cause of Action against it as any indication that the Creditor Trustee will not pursue any and all available Retained Causes of Action. Unless any Retained Cause of Action against an Entity is expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order of the Bankruptcy Court, the Debtors expressly reserve all Retained Causes of Action for later adjudication by the Creditor Trustee, and, therefore no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion (judicial, equitable, or otherwise), or laches, shall apply to such Retained Causes of Action upon, after, or as a consequence of Plan confirmation or occurrence of the Effective Date.

J. Effectuating Documents; Further Transactions.

On and after the Effective Date, the Debtors are authorized to and may issue, execute, deliver, file, or record such contracts, securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

K. Exemption from Certain Transfer Taxes.

Pursuant to section 1146(a) of the Bankruptcy Code, the following will not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, sales or use tax, mortgage tax, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment: (a) the creation of any mortgage, deed of trust, lien or other security interest under or pursuant to this Plan; (b) the release or assignment of liens; (c) the transfer of any assets of the Debtors' Estates to the Creditor Trust; or (d) the making or delivery of any deed or other instrument of transfer under, in furtherance of, in connection with or pursuant to this Plan, including any restructuring, disposition, liquidation or dissolution, deeds, bills of sale or assignments executed in connection with any of the foregoing.

ARTICLE VII
DISTRIBUTIONS

A. Date of Distributions.

Distributions under the Plan shall be made as set forth herein. In the event that any payment or act under this 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 shall be completed on the next succeeding Business Day but shall be deemed to have been completed as of the required date.

B. Sources of Cash for Plan Distributions.

Except as otherwise provided herein or in the Confirmation Order, all Cash required for the payments to be made under this Plan shall come from the Creditor Trust Assets.

C. Distributions.

All distributions under the Plan shall be made by the Debtors, their designee, or by the Creditor Trustee. Neither the Debtors, their designee, nor the Creditor Trustee shall be required to post any bond, surety or other security for the performance of its duties hereunder unless otherwise ordered by the Bankruptcy Court.

D. Record Date for Distributions.

At the close of business on the Distribution Record Date, the transfer ledgers or registers for Claims against and Equity Interests in the Debtors shall be closed, and there shall be no further changes in the record holders of such Claims and Equity Interests. Neither the Debtors nor the Creditor Trustee shall have any obligation to recognize any transfer of any of the foregoing occurring after the Distribution Record Date and shall be entitled instead to recognize for all purposes hereunder, including to effect distributions hereunder, only those record holders stated on the transfer ledgers or registers maintained by the Debtors as of the close of business on the Distribution Record Date. All distributions to holders of Allowed Claims and Allowed Equity Interests, if any, under the Plan shall be made to the holder of the Allowed Claim or Allowed Equity Interest as of the Distribution Record Date.

E. Delivery of Distributions; Unclaimed Property.

Subject to Bankruptcy Rule 9010, all distributions under the Plan shall be made at the address of each holder of an Allowed Claim or Allowed Equity Interest as set forth in the books and records of the Debtors, unless the applicable Debtor or the Creditor Trustee has been notified in writing of a change of address. If any distribution to the holder of an Allowed Claim or Allowed Equity Interest is returned as undeliverable, no further distributions to such holder shall be made unless and until the Debtors or the Creditor Trustee, as applicable, are notified of such holder's then-current address, at which time all missed distributions shall be made to such holder without interest. All such distributions, as well as any distributions by check or other means that have not been negotiated shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one hundred twenty (120) days after the date of the distribution in question. After such 120th day, and notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary (i) all unclaimed property or interest in property in respect of the distribution in question shall revert to the Creditor Trust, and (ii) the Claim or Equity Interest of any holder with respect to such unclaimed property or interest in property shall be discharged and forever barred.

F. Means of Payment.

All distributions made pursuant to the Plan shall be in Cash.

G. Distributions After Effective Date.

Distributions made after the Effective Date to holders of Disputed Claims that are not Allowed as of the Effective Date, shall be deemed to have been made on the Effective Date. After the initial distribution, the Creditor Trustee shall make additional interim distributions to holders of Allowed Claims and Allowed Equity Interests at such time as the Creditor Trustee may deem appropriate, in accordance with the terms of this Plan.

H. Withholding and Reporting Requirements.

Any party issuing any instrument or making any distribution under the Plan shall comply with all applicable withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all distributions

under the Plan shall be subject to any such withholding or reporting requirements. Notwithstanding the above, each holder of an Allowed Claim or Allowed Equity Interest that is entitled to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any applicable tax obligations, including income, withholding and other tax obligations, on account of such distribution. Any party issuing any instrument or making any distribution under the Plan to any holder of any Allowed Claim or Allowed Equity Interest has the right, but not the obligation, to not issue such instrument or make a distribution until such holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations.

I. No Postpetition Interest.

Unless otherwise specifically provided for in the Plan or in the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claim or Equity Interest, and no holder of a Claim or Equity Interest shall be entitled to interest accruing on or after the Petition Date.

J. Time Bar to Payments.

Checks issued under the Plan shall be null and void if not negotiated within one hundred twenty (120) days after the date of issuance. Requests for reissuance of any check shall be made in writing directly to the Creditor Trustee by the Person to whom such check was originally issued. Any request for re-issuance of a voided check must be made on or before the end of the 120-day period referenced in this section. After such 120-day period, if no request for re-issuance of a voided check was timely made, such amounts shall constitute unclaimed property and be treated in accordance with section VII.E of this Plan, and all Claims or Equity Interests in respect of such void checks shall be discharged and forever barred.

K. De Minimis Distributions.

Neither the Debtors nor the Creditor Trustee shall have any obligation to make a distribution that is less than Fifty Dollars (\$50) in Cash. If an interim distribution to the holder of an Allowed Claim or Equity interest is less than \$50, such distribution shall be held for future distributions. If the final distribution to any holder of an Allowed Claim or Equity Interest is less than \$50, such amount shall become and constitute unclaimed property and be treated in accordance with section VII.E of the Plan.

ARTICLE VIII
PROCEDURES FOR RESOLVING AND TREATING DISPUTED CLAIMS

A. Objections to Claims.

Except insofar as a Claim or Equity Interest is Allowed under the Plan or pursuant to Final Order of the Bankruptcy Court, the Debtors, the Creditor Trustee, and any other party in interest with standing, shall be entitled to object to Claims and Equity Interests. Any objections to Claims and Equity Interests shall be served and filed by the Objection Deadline. Any Claim or Equity Interest to which an objection is timely filed shall be a Disputed Claim.

B. No Distributions Pending Allowance.

If a timely objection is made with respect to any Claim or Equity Interest, no payment or distribution under the Plan shall be made on account of such Claim or Equity Interest unless and until such Disputed Claim Interest or Disputed Equity Interest becomes Allowed.

C. Distributions After Allowance.

To the extent that a Disputed Claim or Disputed Equity Interest ultimately becomes an Allowed Claim or Allowed Equity Interest, distributions (if any) shall be made to the holder of such Allowed Claim or Allowed Equity Interest, in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim or Disputed Equity Interest becomes a Final Order,

the Debtors shall provide to the holder of such Claim or Equity Interest the distribution (if any) to which such holder is entitled under this Plan as of the Effective Date, without any interest.

D. Disallowance of Late Filed Claims.

Unless otherwise provided in a Final Order of the Bankruptcy Court, any Claim for which a proof of claim is filed after the applicable Bar Date shall be deemed Disallowed. The holder of a Claim that is Disallowed pursuant to this section shall not receive any distribution on account of such Claim, and neither the Debtors nor the Creditor Trustee shall need to take any affirmative action for such Claim to be deemed Disallowed.

ARTICLE IX
TREATMENT OF EXECUTORY
CONTRACTS AND UNEXPIRED LEASES

A. Rejection of Contracts and Leases.

Except as otherwise provided herein, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, as of the Effective Date, each Debtor shall be deemed to have rejected each executory contract and unexpired lease to which it is a party, unless such contract or lease (i) was previously assumed, assumed and assigned, or rejected by the Debtors, (ii) previously expired or terminated pursuant to its own terms, or (iii) is the subject of a motion to assume, assume and assign, or reject filed by the Debtors on or before the Effective Date. The Confirmation Order shall constitute an order of the Bankruptcy Court pursuant to sections 365 and 1123(b) of the Bankruptcy Code approving the contract and lease rejections described above, as of the Effective Date. The rejections set forth in this section shall include rejecting any obligations of the Debtors pursuant to their corporate charters, by-laws, limited liability company agreements, or other organizational documents and agreements to indemnify any officers or directors of the Debtors for any prepetition actions or failures to act.

Notwithstanding anything to the contrary contained herein, neither this Plan nor entry of the Confirmation Order shall reject, discharge, impair or otherwise modify (a) any insurance policies maintained by the Debtors as of the Confirmation Date or (b) any obligations owed to the Debtors or any other parties, including any additional insureds, by non-Debtor parties to any insurance policies maintained by the Debtors as of the Confirmation Date. For the avoidance of doubt, the Debtors reserve all rights, claims, offsets, setoffs, defenses, counterclaims and all other interests relating to any and all of their insurance policies.

B. Inclusiveness.

Unless otherwise specified, each executory contract and unexpired lease shall include any and all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease.

ARTICLE X
CONDITIONS PRECEDENT TO CONFIRMATION AND
EFFECTIVENESS OF THE PLAN

A. Conditions to Confirmation of Plan.

Confirmation of the Plan shall not occur, and the Confirmation Order shall not be entered, until each of the following conditions precedent have been satisfied or waived:

- (i) An order, finding that the Disclosure Statement contains adequate information pursuant to section 1125 of the Bankruptcy Code shall have been entered; and
- (ii) The Confirmation Order shall be in a form and substance reasonably satisfactory to the Debtors and the Committee.

B. Conditions to Effective Date of Plan.

The Effective Date of the Plan shall not occur until each of the following conditions precedent have been satisfied or waived:

- (i) The clerk of the Bankruptcy Court shall have entered the Confirmation Order in the Chapter 11 Cases and there shall not be a stay or injunction (or similar prohibition) in effect with respect thereto;
- (ii) The Confirmation Order shall have become a Final order;
- (iii) The Sale has closed; and
- (iv) All other actions and all agreements, instruments or other documents necessary to implement the terms and provisions of the Plan shall have been executed and delivered by the parties thereto, and, in each case, all conditions to their effectiveness shall have been satisfied or waived as provided therein.

Within five (5) Business Days of the Effective Date, the Debtors shall file a notice of the occurrence of the Effective Date and serve the same on all creditors and parties in interest.

C. Waiver of Conditions Precedent.

Any of the foregoing conditions (with the exception of the conditions set forth in sections X.A(i) and X.B(i)) may be waived by agreement of the Debtors and the Committee without notice to or order of the Bankruptcy Court. The failure to satisfy or waive any condition may be asserted by the Debtors and the Committee regardless of the circumstances giving rise to the failure of such condition to be satisfied (including any action or inaction by the Debtors or the Committee). The failure of the Debtors and the Committee to exercise any of the foregoing rights shall not be deemed a waiver of any other rights and each such right will be deemed an on-going right that may be asserted at any time.

D. Effect of Failure of Conditions.

If the foregoing conditions have not been satisfied or waived in the manner provided in sections X.A, X.B, or X.C hereof, then (i) the Confirmation Order shall be of no further force or effect; (ii) no distributions under the Plan or Creditor Trust shall be made; (iii) the Debtors and all holders of Claims against and Equity Interests in the Debtors shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred; (iv) all of the Debtors' obligations with respect to Claims and Equity Interests shall remain unaffected by the Plan; (v) nothing contained in this Plan shall be deemed to constitute a waiver or release of any Claims by or against the Debtors or any other Person or to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors; and (vi) this Plan shall be deemed withdrawn. Upon such occurrence, the Debtors shall file a written notification with the Bankruptcy Court and serve it on the parties appearing on the master service list maintained in the Chapter 11 Cases.

E. Reservation of Rights.

The Plan shall have no force or effect unless and until the Effective Date occurs. Prior to the Effective Date, none of the filing of the Plan, any statement or provision contained in the Plan, or action taken by the Debtors with respect to the Plan shall be, or shall be deemed to be, an admission or waiver of any rights of any of the Debtors or any other party with respect to any Claims or Equity Interests or any other matter.

ARTICLE XI
EFFECT OF CONSUMMATION

A. *Revesting of Assets.*

Upon the Confirmation Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, the Creditor Trust Assets shall vest in the Creditor Trust, free and clear of all Claims, Liens, encumbrances, charges, and other interests, except as otherwise provided in this Plan.

B. *Exculpation.*

Upon the Effective Date, to the fullest extent permissible under applicable law, no Exculpated Party shall have or incur, and each Exculpated Party is released and exculpated from, any liability to any holder of a Claim or Equity Interest, or any other party in interest, for any claim or cause of action arising from, relating to, or connected with the administration of the Chapter 11 Cases, the Disclosure Statement, the preparation of the Plan, the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan, the occurrence of the Effective Date, or the administration of the Plan or property to be distributed under the Plan, except for claims related to any act or omission that is determined in a Final Order of a court of competent jurisdiction to have constituted actual fraud, willful misconduct, or gross negligence. The Exculpated Parties shall be deemed to have participated in good faith in connection with the above and entitled to the protection of section 1125(e) of the Bankruptcy Code. Each Exculpated Party shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan.

C. *Releases by the Debtors.*

On the Effective Date, unless expressly preserved by the Plan, the Debtors shall fully and forever release, acquit, discharge, and dismiss any and all claims, obligations, suits, judgments, damages, rights, remedies, Causes of Action, and liabilities of any nature, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, matured or unmatured, contingent or non-contingent, existing or hereafter arising, in law, equity, or otherwise, including any Avoidance Actions or other applicable law which they have or may have against any of the Exculpated Parties, and each of their Professional Persons.

D. *Injunction and Stay.*

Upon the Effective Date, and except as otherwise expressly provided in this Plan, all Persons who have held, hold, or may hold Claims against or Equity Interests in any Debtor are permanently enjoined, from (i) commencing or continuing in any manner any action or other proceeding of any kind on any such Claim or Equity Interest against the Debtors, or other entity released, discharged, or exculpated hereunder, (ii) the enforcement, attachment, collection, or recovery by any manner or means of any judgment, award, decree, or order against any of the Debtors' Estates with respect to any such Claim or Equity Interest, (iii) creating, perfecting, or enforcing any encumbrance of any kind against any of the Debtors, or against the property or interests in property of any of the Debtors, as applicable with respect to any such Claim or Equity Interest, (iv) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from any of the Debtors, or against the property or interests in property of any of the Debtors with respect to any such Claim or Equity Interest, or (v) pursuing any Claim released or exculpated under the Plan.

Each holder of a Claim or Equity Interest, by accepting, or being eligible to accept, distributions under the Plan shall be bound by the injunction provisions set forth in this section. The Debtors or the Exculpated Parties shall be entitled to seek sanctions by motion for contempt or other appropriate proceeding for any violations of the Confirmation Order or this Plan, including the Exculpation, Injunction and Stay, and Gate Keeping provisions set forth in this Plan.

Unless otherwise provided, all injunctions or stays arising under or entered during the Debtors' Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect at least until the Effective Date.

E. Gate Keeping.

No Person or Entity may commence or pursue a claim or cause of action of any kind against any Exculpated Party or any Professional Person that relates to or is reasonably likely to relate to any act or omission in connection with, relating to, or arising out of a claim or cause of action subject to sections XI.B, XI.C, and XI.D in this Plan, including any claim or cause of action that was asserted or assertable on behalf of the Debtors, including any derivative, alter ego, successor liability, or similar claims and Causes of Action based on general harm to the Debtors, holders of Claims and Equity Interests, or any other party in interest, or a theory of lack of separation between the Debtors and an Exculpated Party or Professional Person, without the Bankruptcy Court (i) first determining, upon motion that attaches a copy of the proposed complaint or petition, and after notice and a hearing, that such claim or cause of action represents a direct (as opposed to derivative) and colorable claim of any kind and (ii) specifically authorizing such Person to bring such claim or cause of action against the any Exculpated Party or Professional Person. At the hearing on such motion, the Bankruptcy Court shall have sole and exclusive jurisdiction to assess whether the proposed complaint or petition satisfies the applicable Federal Rules of Civil Procedure (or other applicable rules of procedure) and to determine whether such claim or cause of action represents a colorable claim of any kind. For the avoidance of doubt, any party that obtains such determination and authorization and subsequently wishes to amend the authorized complaint or petition to add any claims or Causes of Action not explicitly included in the authorized complaint or petition must obtain authorization from the Bankruptcy Court before filing any such amendment in the court where such complaint or petition is pending. The Bankruptcy Court reserves jurisdiction to adjudicate any such claims to the maximum extent provided by applicable law.

F. Setoffs and Recoupment.

The Debtors or the Creditor Trustee, as appropriate, may, but shall not be required to, setoff against or recoup from any Claim or Equity Interest any rights to payment that any of the Debtors may have against the holder of such Claim or Equity Interest. Neither the failure of the Debtors to setoff or recoup, nor the Allowance of any Claim or Equity Interest, shall constitute a waiver or release by any of the Debtors or the Creditor Trustee, as appropriate, of any right to payment, or right of setoff or recoupment.

G. Compromise of Controversies.

In consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement of all Claims and controversies resolved under the Plan, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under Bankruptcy Rule 9019.

ARTICLE XII
RETENTION OF JURISDICTION

The Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, or related to, the Debtors' Chapter 11 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

- (i) To hear and determine pending applications for the assumption, assignment, or rejection of executory contracts or unexpired leases and the allowance of Claims resulting therefrom;
- (ii) To determine any and all adversary proceedings, applications, and contested matters in the Chapter 11 Cases and grant or deny any application involving the Debtors that may be pending on the Effective Date or that are retained and preserved by the Debtors herein;
- (iii) To ensure that distributions to holders of Allowed Claims and Allowed Equity Interests are effected as provided in the Plan;

- (iv) To hear and determine any timely objections to Administrative Claims or to proofs of Claim and Equity Interests, including any objections to the classification of any Claim or Equity Interest, and to allow or disallow any Disputed Claim, in whole or in part;
- (v) 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;
- (vi) To take any action and issue such orders, after the occurrence of the Effective Date, as may be necessary to construe, enforce, implement, execute, and consummate the Plan or any prior order of the Bankruptcy, or to maintain the integrity of the Plan, the Sale, or any prior order entered by the Bankruptcy Court during these Chapter 11 Cases;
- (vii) To consider any amendments to or modifications of the Plan, or to cure any defect or omission, or to reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order;
- (viii) To hear and determine all requests for payment of Professional Fee Claims;
- (ix) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, the Confirmation Order, the documents that are ancillary to and aid in effectuating the Plan or any agreement, instrument, or other document governing or relating to any of the foregoing;
- (x) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including the expedited determination of taxes under section 505(b) of the Bankruptcy Code);
- (xi) To hear any other matter not inconsistent with the Bankruptcy Code;
- (xii) To hear and determine all disputes involving the existence, scope, and nature of the exculpations and releases granted hereunder, including the matters set forth in section XI.E hereof;
- (xiii) To issue injunctions and effect any other actions that may be necessary or desirable to restrain interference by any entity with the consummation or implementation of the Plan;
- (xiv) To hear and determine all requests to extend the Objection Deadline, the term of the Creditor Trust, or any other deadlines established by the Plan; and
- (xv) To enter a Final Decree(s) closing the Chapter 11 Cases.

ARTICLE XIII
MISCELLANEOUS

A. Filing of Additional Documents.

The Debtors or the Creditor Trustee may file such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

B. Schedules, Exhibits, and Plan Supplement Incorporated.

All exhibits and schedules to the Plan, if any, and the documents contained in the Plan Supplement, if any, are incorporated into and are a part of the Plan as if fully set forth herein.

C. *Amendment or Modification of the Plan.*

Subject to section 1127 of the Bankruptcy Code and, to the extent applicable, sections 1122, 1123, and 1125 of the Bankruptcy Code, alterations, amendments or modifications of the Plan may be proposed in writing by the Debtors at any time prior to or after the entry of the Confirmation Order. Holders of Claims and Equity Interests that have accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, or modified; *provided, however*, that any holders of Claims and Equity Interests who were deemed to accept the Plan because such Claims and Equity Interests were unimpaired shall continue to be deemed to accept the Plan only if, after giving effect to such amendment or modification, such Claims and Equity Interests continue to be unimpaired.

D. *Inconsistency.*

In the event of any inconsistency among the Plan, the Disclosure Statement, and any exhibit or schedule to the Disclosure Statement or the Plan, the provisions of the Plan shall govern. In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall govern.

E. *Expedited Tax Determination.*

The Debtors or the Creditor Trustee may request an expedited determination of taxes under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Debtors for any and all taxable periods ending after the Petition Date through, and including, the Effective Date.

F. *Binding Effect.*

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code and subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against, or Equity Interest in, the Debtors and such holder's respective successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

G. *Severability.*

If the Bankruptcy Court determines that any provision of this Plan is unenforceable either on its face or as applied to any Claim or Equity Interest, the Debtors may modify this Plan in accordance with section XII.C hereof so that such provision shall not be applicable to the holder of any Claim or Equity Interest. Any determination of unenforceability shall not (i) limit or affect the enforceability and operative effect of any other provisions of this Plan; or (ii) require the resolicitation of any acceptance or rejection of this Plan unless otherwise ordered by the Bankruptcy Court.

H. *No Payment of Attorneys' Fees.*

Except for Professional Fee Claims, no attorneys' fees shall be paid by the Debtors with respect to any Claim or Equity Interest unless otherwise specified in this Plan or a Final Order of the Bankruptcy Court.

I. *Notices.*

All notices, requests, and demands to or upon the Debtors to be effective shall be in writing (including by facsimile transmission) 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:

GRAY REED

1601 Elm Street, Suite 4600
Dallas, TX 75201

Attn: Jason S. Brookner, Amber M. Carson, and Emily
F. Shanks

Telephone: (214) 954-4135

Facsimile: (214) 953-1332

Email: jbrookner@grayreed.com,
acarson@grayreed.com
eshanks@grayreed.com

With a copy to the Committee:

KILPATRICK TOWNSEND & STOCKTON LLP

The Grace Building
1114 Avenue of the Americas

New York, NY 10036-7703

Attn: Todd C. Meyers, Kelly Moynihan

Telephone: (212) 775-8700

Facsimile: (212) 775-8800

Email: tmeyers@ktslaw.com
kmoynihan@ktslaw.com

J. Governing Law.

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent an exhibit to the Plan provides otherwise (in which case the governing law specified therein shall be applicable to such exhibit), the rights, duties and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas, without giving effect to the principles of conflict of laws that would require application of the laws of another jurisdiction.

Dated: July 1, 2024
Dallas, Texas

[Remainder of page intentionally left blank.]

EyeCare Leaders Portfolio Holdings, LLC

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

EyeCare Leaders Holdings, LLC

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

MDX, LLC

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

Medflow Holdings, LLC

By: MDX, LLC, its sole member

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

DJRTC, LLC

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

Medflow, Inc.

By: DJRTC, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

KeyMed Holdings, LLC

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

KeyMed, LLC

By: KeyMed Holdings, LLC, its sole member

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

Alta Billing Holdings, LLC

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

Alta Billing, LLC

By: Alta Billing Holdings, LLC, its sole member

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings,
LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

MDO Group Holdings, LLC

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole
member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

MD Office, LLC

By: MDO Group Holdings, LLC, its sole member

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings,
LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

PMX, LLC

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole
member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

Penn Medical Informatics Systems, LLC

By: PMX, LLC, its sole member

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings,
LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

IOPW Holdings, LLC

By: Penn Medical Informatics Systems, LLC, its sole member

By: PMX, LLC, its sole member

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole
member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

IOPW, LLC

By: IOPW Holdings, LLC, its sole member

By: Penn Medical Informatics Systems, LLC, its sole member

By: PMX, LLC, its sole member

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings,
LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

IO Practiceware, Inc.

By: IOPW Holdings, LLC, its sole member

By: Penn Medical Informatics Systems, LLC, its sole member

By: PMX, LLC, its sole member

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings,
LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

Integrity EMR Holdings, LLC

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole
member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

Integrity EMR, LLC

By: Integrity EMR Holdings, LLC, its sole member

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings,
LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

IMW Holdings, LLC

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole
member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

IMW EMR, LLC

By: IMW Holdings, LLC, its sole member

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings,
LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

iMedicWare, Inc.

By: IMW EMR, LLC, its sole member

By: IMW Holdings, LLC, its sole member

By: EyeCare Leaders Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole
member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

Canta Health, LLC

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

ECL Holdings, LLC

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

ECL Group, LLC

By: ECL Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

RHS Holdings, LLC

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

Revenue Health Solutions, LLC

By: RHS Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

MNI Holdings, LLC

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

Insight Software, LLC

By: MNI Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

My Vision Express, Inc.

By: Insight Software, LLC, its sole member

By: MNI Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

MRX Holdings, LLC

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

The HOEHNE Group – Software Division, Inc.

By: MRX Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

PI Software Holdings, LLC

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

PI Software, LLC

By: PI Software Holdings, LLC, its sole member

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

ECL PH Services Group, LLC

By: EyeCare Leaders Portfolio Holdings, LLC, its sole member

By: /s/ Sophia Turrell
Sophia Turrell
Chief Executive Officer

Exhibit B Corporate Structure Chart

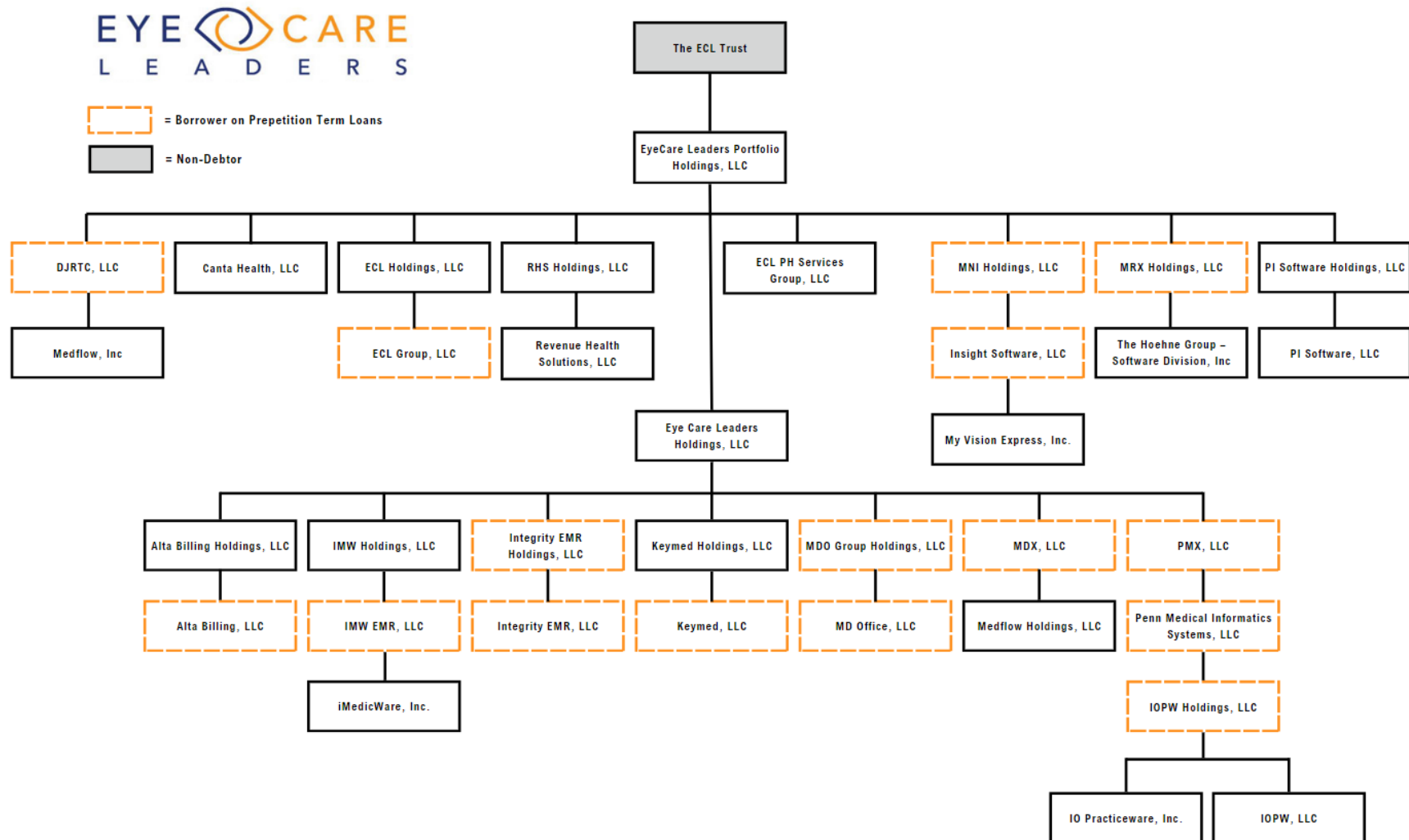


Exhibit C
Prepetition Loan Chart

Underlying borrower	Lender Name	Agent Name	Maturity Date	Interest / Dividend Rate	Loan Type (Sr. loan / Jr. Loan / Pref.)	Total Outstanding P&I
Alta Billing LLC	Capital Assets Fund III, LLC (CAF III)	Colorado Bankers Life Ins. Co.	Dec. 31, 2029	5.00%	Senior	\$2,212,119
Alta Billing LLC	Met Life II Trust (Metlife)	Northstar	Dec. 31, 2029	5.00%	Senior	\$1,141,474
DJRTC LLC	Agusta Asset Management, LLC (AAM)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$599,173
DJRTC LLC	Baldwin Asset Management, LLC (BAM)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$1,284,161
DJRTC LLC	Forest Park Asset Management, LLC (FPAM)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$1,192,389
DJRTC LLC	Gilford Asset Management, LLC (GAM)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$999,047
DJRTC LLC	Hampton Asset Management, Inc. (HAM)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$1,624,461
DJRTC LLC	Jackson Asset Management, Inc. (JAM)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$1,624,461
DJRTC LLC	Kite Asset Management, LLC (KAM)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$3,248,922
DJRTC LLC	Marshall Asset Management, LLC (MAM)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$1,684,041
ECL Group LLC	Academy Association, Inc. (AAI)		Dec. 31, 2029	NA	Senior	\$229,000
IMW EMR LLC	Capital Assets Fund II, LLC (CAF II)		Jun. 30, 2029	5.50%	Junior	\$6,267,081
IMW EMR LLC	Capital Assets Fund III, LLC (CAF III)		Dec. 31, 2029	5.00%	Senior	\$1,229,076
IMW EMR LLC	Capital Assets Fund V, LLC (CAF V)		Dec. 31, 2029	5.00%	Senior	\$1,242,764
IMW EMR LLC	Met Life II Trust (Metlife)		Dec. 31, 2029	5.00%	Senior	\$382,466
IMW EMR LLC	Northstar Financial Insurance Services, Ltd. (NFS)	Colorado Bankers Life Ins. Co.	Jun. 30, 2029	5.50%	Junior	\$1,117,121
IMW EMR LLC	Northstar Financial Insurance Services, Ltd. (NFS)		Dec. 31, 2029	5.00%	Senior	\$1,931,416
IMW EMR LLC	Paradise Asset Management (PAM)	Colorado Bankers Life Ins. Co.	Jun. 30, 2029	5.50%	Junior	\$2,628,601
IMW EMR LLC	Paradise Asset Management (PAM)		Dec. 31, 2029	5.00%	Senior	\$1,307,996
IMW EMR LLC	PBLA ULICO (PBLA)		Dec. 31, 2029	5.00%	Senior	\$13,753,027
IMW EMR LLC	Rockdale Asset Management, LLC (RAM)	Colorado Bankers Life Ins. Co.	Jun. 30, 2029	5.50%	Junior	\$3,942,901
IMW EMR LLC	Summerville Asset Management, Inc. (SAM)		Jun. 30, 2029	5.50%	Junior	\$1,755,163
IMW EMR LLC	Summerville Asset Management, Inc. (SAM)		Dec. 31, 2029	5.00%	Senior	\$4,913,333
Insight Software, LLC	Academy Association, Inc. (AAI)		Jun. 30, 2029	NA	Junior	\$110,000
Insight Software, LLC	Academy Financial Assets, LLC (AFA) - (LOD merger loan)		Dec. 31, 2029	5.00%	Senior	\$47,064
Insight Software, LLC	Capital Asset Fund I LLC - (ERP merger loan)		Jun. 30, 2029	5.50%	Junior	\$398,547
Insight Software, LLC	Capital Asset Fund I LLC - (HCCS merger loan)		Jun. 30, 2029	5.50%	Junior	\$173,106
Insight Software, LLC	Capital Asset Fund I LLC - (LOD merger loan)		Jun. 30, 2029	5.50%	Junior	\$101,985
Integrity EMR Holding LLC	Capital Asset Fund I LLC (CAF I)		Jun. 30, 2029	5.50%	Junior	\$592,536
Integrity EMR LLC	Marshall Asset Management, LLC (MAM)		Dec. 31, 2029	5.00%	Senior	\$2,870,717
IOPW Holdings, LLC	AAI Asset Transfer Loan (CAF I)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$373,228
KeyMed LLC	Augusta Asset Management, LLC (AAM)	Colorado Bankers Life Ins. Co.	Dec. 31, 2029	5.00%	Senior	\$1,315,427
MD Office LLC	Ephesus Asset Management (EAM)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$812,612

Underlying borrower	Lender Name	Agent Name	Maturity Date	Interest / Dividend Rate	Loan Type (Sr. loan / Jr. Loan /Pref.)	Total Outstanding P&I
MD Office LLC	Gilford Asset Management, LLC (GAM)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$84,129
MD Office LLC	Kite Asset Management, LLC (KAM)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$1,264,374
MD Office LLC	SLBF IX-CAF IV	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$6,176,630
MD Office LLC	Tybee Island Asset Management, LLC (TIAM)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$2,258,808
MD Office LLC	Damascus Asset Management, Inc. (DAM)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$451,762
MDO Group Holding LLC	Capital Assets Fund, LLC (CAF)		Dec. 31, 2029	5.00%	Senior	\$1,414,564
MDX LLC	Capital Asset Fund I LLC (CAF I)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$2,186,930
MNI Holdings, LLC (f/k/a MVE Holdings, LLC)	Academy Financial Assets, LLC (AFA)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$737,401
MNI Holdings, LLC (f/k/a MVE Holdings, LLC)	Academy Financial Assets, LLC (AFA)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$727,663
MNI Holdings, LLC (f/k/a MVE Holdings, LLC)	Baldwin Asset Management, LLC (BAM)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$3,193,522
MNI Holdings, LLC (f/k/a MVE Holdings, LLC)	Capital Asset Fund I LLC (CAF I)		Dec. 31, 2029	5.00%	Senior	\$107,811
MNI Holdings, LLC (f/k/a MVE Holdings, LLC)	Capital Asset Fund I LLC (CAF I)		Dec. 31, 2029	5.00%	Senior	\$3,344,743
MNI Holdings, LLC (f/k/a MVE Holdings, LLC)	Ephesus Asset Management (EAM)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$2,048,961
MNI Holdings, LLC (f/k/a MVE Holdings, LLC)	Hampton Asset Management, Inc. (HAM)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$2,048,961
MNI Holdings, LLC (f/k/a MVE Holdings, LLC)	Iron City Asset Management, LLC (ICAM)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$1,321,300
MNI Holdings, LLC (f/k/a MVE Holdings, LLC)	Jackson Asset Management, Inc. (JAM)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$1,311,561
MRX Holdings LLC	AAI Asset Transfer Loan (CAF I)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$2,614,218
MRX Holdings LLC	Academy Financial Assets, LLC (AFA)			6.00%	Pref Equity Investment	\$2,028,425
MRX Holdings LLC	Capital Assets Fund II, LLC (CAF II)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$98,004
MRX Holdings LLC	Capital Assets Fund III, LLC (CAF III)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$117,605
MRX Holdings LLC	Capital Assets Fund IV, LLC (CAF IV)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$457,351
MRX Holdings LLC	Capital Assets Fund V, LLC (CAF V)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$770,962
MRX Holdings LLC	Iron City Asset Management, LLC (ICAM)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$143,034
MRX Holdings LLC	Iron City Asset Management, LLC (ICAM)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$85,005
MRX Holdings LLC	Met Life II Trust (Metlife)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$210,571
MRX Holdings LLC	Northstar	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$216,698
MRX Holdings LLC	Northstar	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$1,132,329
MRX Holdings LLC	Paradise Asset Management (PAM)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$1,751,704
MRX Holdings LLC	Rockdale Asset Management, LLC (RAM)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$3,789,474
MRX Holdings LLC	Summerville Asset Management, Inc. (SAM)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$1,894,738
MRX Holdings LLC	Summerville Asset Management, Inc. (SAM)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$1,117,201
Penn Medical Informatics Systems, LLC	Capital Assets Fund II, LLC (CAF II)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$570,901
Penn Medical Informatics Systems, LLC	Forest Park Asset Management, LLC (FPAM)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$421,701
Penn Medical Informatics Systems, LLC	Gilford Asset Management, LLC (GAM)	Southland Nat'l Ins. Corp.	Jun. 30, 2029	5.50%	Junior	\$2,508,895
Penn Medical Informatics Systems, LLC	Gilford Asset Management, LLC (GAM)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$2,951,678

Underlying borrower	Lender Name	Agent Name	Maturity Date	Interest / Dividend Rate	Loan Type (Sr. loan / Jr. Loan / Pref.)	Total Outstanding P&I
Penn Medical Informatics Systems, LLC	Marshall Asset Management, LLC (MAM)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$1,287,563
PMX LLC	AAI Asset Transfer Loan (CAF I)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$509,042
PMX LLC	Academy Financial Assets, LLC (AFA)	Southland Nat'l Ins. Corp.	Dec. 31, 2029	5.00%	Senior	\$1,676,078
					Total:	\$118,137,712.16