UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
(EASTERN DIVISION)

In re:	
VANTAGE TRAVEL SERVICE, INC.	Chapter 11
Debtor.	Case No. 23-11060-JEB

NOTICE OF FILING OF PLAN SUMMARY AND DISCLOSURE STATEMENT FOR DEBTOR'S LIQUIDATING PLAN DATED SEPTEMBER 28, 2023

Attached as Exhibit A is the proposed *Plan Summary and Disclosure Statement for Debtor's Liquidating Plan Dated September 28, 2023*, submitted for approval pursuant to Section 1125 of the Bankruptcy Code with respect to the *Debtor's Liquidating Plan Dated September 28, 2023* filed concurrently herewith.

Dated: September 28, 2023

VANTAGE TRAVEL SERVICE, INC.

By its attorneys,

/s/ A. Davis Whitesell

Michael J. Goldberg (BBO #551869)
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Exhibit A

[Plan Summary and Disclosure Statement]

UNITED STATES BANKRUPTCY COURT
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(EASTERN DIVISION)

In re:	
VANTAGE TRAVEL SERVICE, INC.	Chapter 11
Debtor.	Case No. 23-11060-JEB

PLAN SUMMARY AND DISCLOSURE STATEMENT REGARDING DEBTOR'S LIQUIDATING PLAN DATED SEPTEMBER 28, 2023

Vantage Travel Services, Inc. (the "Debtor") has filed the *Debtor's Liquidating Plan Dated September 28, 2023* (the "Plan"). The Debtor is distributing this *Plan Summary and Disclosure Statement Regarding Debtor's Liquidating Plan Dated September 28, 2023* (this "Disclosure Statement") to all of the known creditors of the Debtor pursuant to Section 1125 of the United States Bankruptcy Code. The purpose of this Disclosure Statement, together with the *Notice Regarding Plan Confirmation Process and Related Matters* that accompanies this Disclosure Statement (the "Notice"), is to provide adequate information so that creditors entitled to vote on the Plan may make an informed voting decision, and understand the process by which the Bankruptcy Court will consider whether or not to confirm (approve) the Plan. Copies of the Plan, and of the *Debtor's Supplement to Plan and Disclosure Statement* that contains additional information concerning the Plan, the Debtor, and the Debtor's Chapter 11 case (the "Supplement"), **have been posted to the website maintained for the Debtor by Stretto, its claims and noticing agent. The website can be reached through the link https://cases.stretto.com/vantage/ (the "Stretto Website"). THE DEBTOR ENCOURAGES ITS CREDITORS TO VISIT THE STRETTO WEBSITE TO REVIEW THE PLAN AND THE SUPPLEMENT TO OBTAIN ADDITIONAL INFORMATION CONCERNING THE PLAN'S PROPOSED TREATMENT OF CLAIMS AND THE DEBTOR'S CHAPTER 11 CASE. Capitalized terms used and not defined herein have the meanings ascribed to them in the Plan.**

This Disclosure Statement is particularly directed to the Debtor's general unsecured creditors, whose General Unsecured Claims are all placed together in one class under the Plan, Class Six. If you hold a Claim arising out of your payment for travel and related goods and services to be provided by the Debtor that were not provided, including any Claim for a refund or for insurance coverage provided by the Debtor (a "Customer Claim"), then you hold a General Unsecured Claim for purposes of the Plan. If you otherwise provided goods or services to the Debtor, or entered into a contract with the Debtor, before it filed for bankruptcy on June 29, 2023, and have a claim for the Debtor's failure to pay you or otherwise perform its obligations to you, then you also hold a General Unsecured Claim. Virtually all of the Debtor's more than 10,000 creditors hold General Unsecured Claims placed in Class Six under the Plan. Each of Classes One through Four has a single Claim that is a Secured Claim (the Debtor

provided collateral to secure the affected creditor's Claim). Class Five is a placeholder for any Priority Non-Tax Claims (Claims entitled to priority under Code Section 507(a)(4) – (7)); the Debtor believes that no such Claims exist. Each creditor holding one of the four Claims classified in Classes One through Four either has its Claim left unimpaired by the Plan (meaning the creditor is deemed to have accepted the Plan), or has indicated its willingness to accept the treatment afforded its Claim by the Plan. And, each such creditor is being provided a copy of the Plan and the Supplement (which, as noted, are available on the Stretto Website). For these reasons, this Disclosure Statement is principally directed to creditors holding Class Six Claims (General Unsecured Claims), including Customer Claims.

As explained below, the Debtor believes that Plan distributions (cash payments by check) to holders of Allowed Class Six Claims (General Unsecured Claims) are likely to be only a small fraction of Allowed Claim amounts, and the possibility exists that there will be no funds available for distribution to holders of Class Six Claims. At least for holders of Customer Claims, the primary value to be obtained through the Debtor's bankruptcy is such holders' entitlement to travel credits with Pacific Travel Partners, Inc. ("PTP"), discussed below and explained in detail on the Stretto Website. Please note that the Plan provides that the amount of each Customer Claim shall be reduced by the amount of any travel credit that has been used or remains subject to use by such holder of such Customer Claim as of the date of the allowance or disallowance of such Claim pursuant to the terms of the Plan, subject to the right of such holder to irrevocably waive such holder's utilization of any unused travel credit in exchange for a General Unsecured Claim in the amount of such irrevocably waived travel credit. This prevents a customer creditor from obtaining greater than full recovery on its Customer Claim (*e.g.*, by fully utilizing the travel credit and then also receiving a Creditor Trust cash payment), and avoids the resulting unfairness to non-customer creditors not advantaged by the Travel Credit.

The remainder of this Disclosure Statement will summarize: (i) a brief history of the Debtor and the events leading to bankruptcy; (ii) the Debtor's assets and liabilities when it filed for bankruptcy; (iii) the Debtor's sale of substantially all of its assets to PTP and PTP's agreement to provide travel credits to the Debtor's former customers holding Customer Claims; (iv) the Debtor's remaining assets that will be administered under the Plan; (v) the provisions of the Plan governing administration of the Debtor's remaining assets for the benefit of creditors, including through establishment of a Creditor Trust for the benefit of holders of Class Six Claims (General Unsecured Claims); and (vi) the process for determining the amounts of Allowed Six Claims for purposes of Creditor Trust distributions, including the impact that the travel credits will have on Allowed Claim amounts. This Disclosure Statement will also address three legal issues potentially affecting creditor distributions, discussed below under the heading *Legal Determinations Required for Plan Confirmation.* Finally, this Disclosure Statement, together with the accompanying Notice, will explain the process and procedures governing creditors' voting on the Plan, and the hearing at which the Bankruptcy Court will decide whether or not to confirm (approve) the Plan.

History of the Debtor and Events Leading to Bankruptcy

The Debtor was founded in 1983, and since that time had grown to become one of the country's most recognized travel agencies providing deluxe international tours. Since its inception, the Debtor provided travel experiences to more than 500,000 travelers, offering at its pre-pandemic height 65 tours and more than 500 departures annually. Its travel offerings included trips on river and ocean-going vessels owned by affiliated, non-debtor entities, as well as river, ocean-going and land-based tours booked with third-party operators. The Debtor provided the administrative offices through which travel packages were booked and travel arrangements made. Through charter agreements with affiliated entities that controlled river and ocean-going vessels, and through contracts with third-party vendors, the Debtor facilitated the travel plans purchased by its customers, including flights to points of debarkation, travel insurance, hotel accommodations, and excursions (among other features of its travel packages).

As was the case throughout the travel industry, COVID-19 had a substantial impact on the Debtor's operations. Tour revenues declined from $132 million in 2019 to just over $10 million in 2020—a decline of over 92 percent. At the same time, the Debtor's losses in 2020 alone exceeded $29 million. While revenue rebounded somewhat in subsequent years, it remained well below the Debtor's pre-pandemic levels, resulting in continuing losses despite the Debtor's attempts to down-size operations and reduce costs. During this period of time and into 2023, the Debtor needed to borrow $35 million from Henry R. Lewis and the HRL Trust (together, the "Prepetition Lender") just to maintain operations.

In response to these financial difficulties, which the Debtor's ship-owning and other travel-related affiliates also faced, several of these non-Debtor affiliates engaged Gordian Group, LLC ("Gordian"), a well-known and highly reputable investment banking firm with particular expertise dealing with distressed companies, to explore the sale of or financing for the Debtor and certain of these travel-related affiliates. The retention of Gordian commenced a vigorous, 18-month marketing process, through which the potential market for sources of financing or purchasers for the Debtor and its affiliates was thoroughly explored. A key objective of the process was to find a prospective buyer or funding source that would support the Debtor's ability to mount tours that had been paid for, in whole or in part, by its customers. In early 2023, the Debtor was informed by Gordian that Nordic Hamburg GmbH ("Nordic") had expressed interest in purchasing 100 percent of the stock of the Debtor. This offer satisfied a principal objective in the marketing process: finding a buyer who would honor the Debtor's obligations to provide the travel that its customers had purchased and paid for in whole or in part.

While the Debtor was participating in the due diligence process with Nordic, it suffered a ransomware attack that occurred on April 20, 2023. As a result of this attack, the Debtor's operations were completely shut down for a period of ten days. The Debtor was forced to improvise sub-optimal means of communications with its customers and vendors, and had no access to the financial information that Nordic required for due diligence. In addition, an ongoing dispute with the manager of its river cruises forced the Debtor to postpone the start of the river season in Europe, depriving it of critical revenue. It was shortly after this period that the Debtor began to sense that Nordic might renegotiate the terms of its acquisition. Although the Debtor continued to provide information and engage in discussions with Nordic, by the

second week of May, Nordic reported that it would no longer pursue a purchase of the Debtor's stock on the terms originally proposed.

Once Nordic reported that it would not proceed with its original proposal, the Debtor made the decision to deposit, in a segregated account, all payments received from customers making bookings and paying additional amounts toward future trips (the "Customer Deposit Funds"). This practice was begun on May 12, 2023, and continued through June 29, 2023, when the Debtor filed for bankruptcy (the "Petition Date"). Currently, the Debtor continues to hold $2,119,139.81 in Customer Deposit Funds, the disposition of which is addressed in the Plan and described below. This segregation of the Customer Deposit Funds further strained the Debtor's finances, and by the Petition Date, its cash reserves were exhausted. In fact, between May 12, 2023 and the Petition Date, the Prepetition Lender advanced an additional $1,000,000 to finance ongoing operations. On June 20, 2023, the Debtor was compelled to terminate all but five of its employees. During the same period, the Debtor postponed all scheduled trips, because of a lack of funds needed to operate those trips to conclusion. After the Petition Date, the Debtor ceased operating all trips.

On June 27, 2023, the Debtor entered into an Asset Purchase Agreement with Nordic's affiliate, United Travel Pte. Ltd. ("United"), providing for the sale of substantially all of the Debtor's assets—in particular, its database of travel information regarding customers and prospective customers. The process by which the Debtor sought approval for this Asset Purchase Agreement (the "United APA")—which ultimately resulted in the sale of substantially all of its assets to PTP, a subsidiary of Aurora Expeditions ("Aurora")—is described below.

Debtor's Assets and Liabilities

As of the Petition Date, the Debtor held assets with an estimated value of approximately $14 million, and total liabilities estimated at approximately $170 million. Significant assets included: (i) cash deposits totaling approximately $2,000,000, most of which secured the Debtor's obligations to secured creditors; (ii) approximately $1,525,000 of prepayments to vendors and vendor credits, principally related to the Debtor's operations in Europe; (iii) an Employee Retention Credit receivable due from the federal government of approximately $591,000; (iv) intercompany receivables due from affiliated entities of approximately $1,864,000; and (v) the Debtor's customer list, the principal asset to be acquired by United pursuant to the United APA, valued at $7,000,000 based on the expected consideration to be paid by United pursuant to the United APA (including future consideration based on future United revenues). The Debtor's assets also include potential claims and causes of action arising under the Bankruptcy Code ("Estate Causes of Action"), which under the Plan will be assigned to the Creditor Trust for the benefit of holders of General Unsecured Claims, and the Debtor's claims arising under its cyber insurance policy (resulting from the April 20, 2023 ransomware attack). The Debtor believes that all of its assets other than the Estate Causes of Action are encumbered by the liens and security interests held by its secured creditors whose claims are included in Classes One through Four under the Plan.

The Debtor's liabilities as of the Petition Date included: (i) approximately $35,800,000 owed to the Prepetition Lender; (ii) approximately $2,000,000 owed to the creditors holding cash

collateral or credits securing their claims against the Debtor, which liabilities remained largely unliquidated as of the Petition Date but have since become, or will soon become, liquidated; and (iii) approximately $136 million owed to holders of General Unsecured Claims, including approximately $108 million owed to holders of Customer Claims and approximately $28 million owed to the Debtor's non-customer trade vendors.

Sale of Assets to PTP; Travel Credit for Customer Claims

As noted above, the central focus of the Debtor's filing was the proposed sale of its assets to United. On the Petition Date, the Debtor filed its *Motion for Authority to Sell Substantially All Assets, Including Certain Executory Contracts and Personally Identifiable Information of Customers, Pursuant to Sections 363 and 365 of the Bankruptcy Code, Free and Clear of Liens, Claims, and Interests* [Dkt. No. 3] (the "Sale Motion"), seeking Bankruptcy Court approval for the Sale of the Debtor's assets under the United APA. Under customary Chapter 11 practice, approval of a sale of assets out of the ordinary course requires that the proposed transaction be subject to an auction process, in which higher and better offers for the assets to be sold are solicited. Thus, on the Petition Date, the Debtor also filed its related motion to establish procedures to govern the proposed sale [Dkt. No. 6], which procedures were approved by the Bankruptcy Court by order entered on July 7, 2023 [Dkt. No. 64] (the "Sale Procedures Order").

In accordance with the Sale Procedures Order, the Debtor solicited the interest of more than 100 potential purchasers, using the prospect list that had been developed prepetition by Gordian. The Debtor's solicitation generated a number of interested parties, but ultimately only one—Aurora, by and through its subsidiary PTP—submitted a qualifying counteroffer, entitling it to participate in the Court-ordered auction. The auction commenced on August 7, 2023, and continued through the end of the day on August 8, 2023. At the conclusion of the auction, the Debtor determined that PTP had submitted the highest and best offer for the Debtor's assets, and thus designated PTP as the "Winning Bidder." The purchase price offered by PTP in its Winning Bid was as follows:

- A cash payment of $2,000,000 at closing;
- Payment of "Future Consideration" equal to 5% of the revenue generated by PTP for the five-year period commencing on January 1, 2024. (For purposes of determining the amount of Future Consideration payable, such revenue will not include travel arrangements made by the Debtor's customers applying a Travel Credit.)
- A credit that the Debtor's customers may apply to the price of future travel arrangements made with PTP (or its parent Aurora) equal to up to 100% of the claim of such customers against the Debtor (the "Travel Credit").

On August 16, 2023, the Court entered its order approving the proposed sale to PTP as Winning Bidder [Dkt. No. 291], and the transaction closed on August 18, 2023.

The Debtor considers the Travel Credit to provide the most significant return to its creditors—at least its customer creditors—achievable through the Debtor's bankruptcy filing. The ability of each holder of a Customer Claim to recover, through future travel arrangements with PTP, up to the full amount of such Customer Claim, coupled with the right to assign the

associated Travel Credits to "friends and family", almost certainly provides a better recovery than awaiting what would likely be a small percentage distribution from the Creditor Trust on account of such Customer Claim. Accordingly, the Debtor urges holders of Customer Claims to utilize their Travel Credit to the extent possible. Complete information about the Travel Credit is available at the Stretto Website (https://cases.stretto.com/vantage/) and may also be obtained by visiting the website established by PTP for the Debtor's customers and other travelers, which can be found at https://www.aurora-expeditions.com/vantagexplorations/.

Remaining Assets and Their Administration Under the Plan

Significant assets remaining in the Debtor's estate after the PTP sale include: (i) cash collateral deposit accounts described above; (ii) remaining proceeds of PTP's $2,000,000 purchase price paid at closing, which, pursuant to the Financing Order, is being used to fund the Debtor's case through mid-November 2023, when the Debtor expects the Plan to have been confirmed; (iii) the "Future Consideration" to be paid by PTP under its asset purchase agreement; (iv) the Customer Deposit Funds; (v) the right to payment of the Employee Retention Credit; (vi) insurance proceeds (if any) on account of the Cyberattack; and (vii) the Estate Causes of Action. All of these assets other than the Estate Causes of Action are subject to liens and security interests held by the Debtor's secured creditors whose Claims are placed in Classes One through Four under the Plan.

The Plan provides for the Debtor's encumbered assets to be made available to the Debtor's secured creditors in satisfaction of their secured claims. To the extent that the value realized from a secured creditor's liquidation of its collateral is less than the amount of the such creditor's claim, the creditor's deficiency claim will constitute a Class Six Claim (General Unsecured Claim). The unencumbered Estate Causes of Action will be transferred to the Creditor Trust for the benefit of holders of Class Six Claims.

Creditor Trust for General Unsecured Claims; Potential Distributions

The Plan provides for the creation of a creditor trust for the benefit of holders of Class Six Claims (General Unsecured Claims), and the appointment of a liquidating trustee (the "Creditor Trustee") to administer the Creditor Trust assets for the benefit of such creditors. The Plan provides that Stephen Gray, an experienced and highly qualified restructuring professional, will serve as the Creditor Trustee. The Creditor Trust will be created and governed pursuant to the Creditor Trust Instrument to be entered into between the Debtor and the Creditor Trustee on the effective date of the Plan (the "Effective Date"). The Creditor Trust Instrument will be in the customary form utilized in liquidating Chapter 11 cases, tailored to the specific circumstances of the Debtor's Chapter 11 case, and will be filed with the Bankruptcy Court by no later than November 3, 2023, at which time it will also be available on the Stretto Website. Further details concerning the Creditor Trust can be found at Sections 5.1 and 5.2 of the Plan, in the Supplement, and (once filed) in the Creditor Trust Instrument.

On the Effective Date, the following assets will be transferred to the Creditor Trust: (i) the Estate Causes of Action and (ii) funds in the amount of $250,000 to be transferred by the Prepetition Lender from the Creditor Deposit Funds payable to the Prepetition Lender pursuant

to Section 4.4 of the Plan (the "Creditor Trust Expenses Fund"). Upon the creation of the Creditor Trust Expense Fund, the Prepetition Lender shall be granted and shall have a first priority lien upon the proceeds of the Estate Causes of Action in the amount of $250,000.

The Debtor has conducted a preliminary review of potential preferential transfers that constitute Estate Causes of Action, and has identified approximately $2 million of potential avoidable preferences. The Debtor believes that actual recoveries will depend on whether there exist defenses to these potential claims, and on the collectability of any judgments that might be obtained (a good portion of the transferees are located outside of the United States). Also included among the Estate Causes of Action are claims, if any such claims exist, against the Prepetition Lender relating to the possible subordination or recharacterization of the Prepetition Lender's loans to the Debtor, as well as putative claims against the Debtor's officers and directors. While the Debtor does not believe these possible claims to have merit or value, the Debtor expects that the Creditor Trustee will undertake a complete evaluation of potential preference claims, and of other potential Estate Causes of Action, and pursue those with merit. The Prepetition Lenders' agreement to fund the Creditor Trust Expenses Fund will enable the Creditor Trustee to undertake an appropriate investigation into such matters.

Net recoveries from Estate Causes of Action, if any, will be distributed to the holders of Allowed Class Six Claims (General Unsecured Claims) who, under the Plan, will hold Creditor Trust Interests on account of such Claims. The amount of the distributions ultimately paid will depend on the amount of any recoveries from the Estate Causes of Action, the duration of time needed to resolve any such actions, the manner in which unresolved and disputed claims are resolved and allowed, and the magnitude of expenses incurred to administer the Creditor Trust. Distributions will also be affected by the magnitude of General Unsecured Claims participating in the Creditor Trust. The Debtor currently expects that the Prepetition Lender will have a deficiency General Unsecured Claim of $25 million or more. Non-customer General Unsecured Claims total approximately $28 million. Customer Claims participating in the Creditor Trust will range from $0 (if no Customer Claim holder waives its Travel Credit rights) to approximately $108 million (if all Travel Credit rights are waived). The Debtor hopes and expects that no Customer Claim holders or only a very small portion of Customer Claim holders will waive any portion of their Travel Credit rights, but even without significant Customer Claim participation in the Creditor Trust, **the Debtor expects that net Creditor Trust recoveries will provide, at best, a recovery to holders of General Unsecured Claims that amounts to a small fraction of their Allowed Claim amounts, and there exists the real possibility that there will no distributions at all**. In any event, the timing and amount of distributions that may be made by the Creditor Trustee cannot be predicted with any certainty as of the date of this Disclosure Statement.

Claim Allowance

The Bankruptcy Code provides for pre-bankruptcy claims to be asserted in two ways. First, a creditor may file a proof of claim with the Bankruptcy Court on the appropriate official form. Notice is concurrently being mailed to all known creditors of the Debtor stating that, except for certain types of claims specified in the notice, a deadline of _____, 2023 (the "Bar Date") has been established for filing proofs of claim. ***Please note that, if you have***

already filed a proof of claim, you need not file another. Second, a creditor is excused from the requirement of filing a proof a claim if the creditor's claim is listed in the schedule of liabilities filed by the Debtor with the Bankruptcy Court and is not listed therein as an obligation that is disputed, unliquidated, or contingent. As noted, the Debtor has scheduled Class Six Claims totaling approximately $136,000,000 (including Customer Claims totaling approximately $108,000,000), and, except for four claims of non-customer contract parties that are the subject of prepetition disputes, none of such liabilities have been scheduled as disputed, unliquidated, or contingent.

Once a claim has been properly asserted, it will automatically be allowed unless an objection is timely filed by an interested party, or unless the creditor agrees to amend, withdraw, or compromise its claim without need for formal objection and court adjudication. If an objection is filed to your claim, you will be sent a copy of the objection. You will have an opportunity to submit a reply and, if appropriate, to be heard by the Bankruptcy Court. The Plan provides that no distribution will be made on account of any disputed claim until the dispute is resolved.

As noted, the Plan provides that Customer Claims will be reduced dollar-for-dollar by the claimholder's entitlement to the Travel Credit, subject to the right of such holder, exercised in accordance with Section 4.6 of the Plan, to irrevocably waive such holder's utilization of any unused Travel Credit in exchange for a General Unsecured Claim in the amount of such irrevocably waived Travel Credit. Section 4.6 of the Plan requires that any such waiver must be exercised through written notice to PTP and the Creditor Trustee received prior to the Creditor Trustee's commencement of the initial distribution (if any) under the Creditor Trust. As noted above, there is a likelihood of minimal or no distributions on any General Unsecured Claim.

Administrative Expense Claims; Priority Tax Claims; Contract Rejection Claims

The Bankruptcy Code requires certain claims to be paid in full on the Effective Date, or otherwise paid in full on terms specified in the Bankruptcy Code. These claims include: (i) administrative expenses claims arising out of a debtor's administration of the bankruptcy estate during its Chapter 11 case; (ii) claims for compensation due to estate professionals such as attorneys and financial advisors to the debtor or creditors' committee; and (iii) statutory fees payable to the United States Trustee; and (iv) priority tax claims. The Plan provides that all such claims due and payable on the Effective Date will be paid on the Effective Date, and otherwise when they become due and payable, including after Court approval of compensation to estate professionals. The Debtor believes that, aside from compensation due estate professionals, it has been paying its administrative expenses in the ordinary course, and that there are minimal if any Priority Tax Claims to be paid. Accordingly, the Debtor expects that Effective Date payments for these Claims will be minimal, if any. Total compensation to estate professionals for all services during the Chapter 11 case up to the Effective Date is expected to total approximately $635,000, as detailed in the accompanying Notice; a substantial portion of this compensation will have been paid prior to the Effective Date, and the balance is expected to become payable after the Bankruptcy Court considers and approves final compensation to such professionals.

On the Effective Date, the Debtor shall be deemed to have rejected pursuant to Code Section 365(a) any and all unexpired leases and executory contracts to which it is a party except those expressly assumed or rejected pursuant to a prior Order. Any Claim for damages arising by reason of such deemed rejection of an executory contract or unexpired lease shall constitute a Class Six Claim (General Unsecured Claim) if, but only if, a proof of claim therefor is filed by the Administrative Claims Bar Date (December 20, 2023).

Legal Determinations Required for Plan Confirmation

As noted, the Plan is predicated upon three legal determinations set forth at Section 5.11, 5.12, and 5.13 of the Plan: (i) the treatment of certain customer deposits received by the Debtor after May 12, 2023 and held by JPMorgan Chase Bank, N.A. ("JPM") as property of the Debtor's bankruptcy estate; (ii) the right of JPM to set off the Debtor's obligations to JPM against these customer deposits pursuant to Code Section 553; and (iii) the treatment of all Customer Claims as General Unsecured Claims (and not as Priority Non-Tax Claims of up to $3,350 per customer pursuant to Code Section 507(a)(7)). ***Under the Plan, these issues are to be determined by the Bankruptcy Court's entry of an order confirming the Plan. Any creditor opposing these determinations must object to confirmation of the Plan, and have its objection sustained, to prevent these determinations***.

The Debtor believes that there are valid reasons and grounds for the Court to make these determinations. The Debtor's professed intent to hold the Customer Deposit Funds in trust for affected customers is not supported by the Debtor's execution of any instrument that created a trust relationship, and the filing for bankruptcy left the Debtor's mere prepetition intent as insufficient grounds to remove such funds from the bankruptcy estate. An analysis supporting the Plan's proposed determination that the Customer Deposit Funds are property of the Debtor's estate can be found in the objections to the Sale Motion filed by each of JPM and the United States Trustee, Dkt. Nos. 189 and 192, available on the Stretto Website.

The Debtor believes that its contractual relationship gives JPM gives JPM the right to set off the Debtor's obligations to JPM against the Debtor's funds held on deposit with JPM. Thus, if the Customer Deposit Funds are determined to constitute property of the estate, the Debtor believes that JPM will have the right to set off against the Customer Deposit Funds, subject to the conditions imposed by Section 4.4 of the Plan.

The Debtor believes that Customer Claims should be treated as General Unsecured Claims in their entirety, and that no portion of Customer Claims should be granted priority under Code Section 507(a)(7), up to a maximum amount of $3,350, and thereby qualify as a Priority Non-Tax Claims that, under Section 4.5 of the Plan, would need to be paid in full in cash on the Effective Date. The Debtor believes that the language of the controlling agreements and case law interpreting Section 507(a)(7) supports the determination that the Customer Claims do not constitute consumer deposits for purposes of Section 507(a)(7) and, therefore, are simply General Unsecured Claims.

Voting on the Plan; Plan Confirmation Hearing

A ballot for you to vote on the Plan has been provided to you with this Disclosure Statement and the Notice. It consists of a single sheet of paper printed on both sides. You may complete and sign the reverse side of the ballot and return it to counsel for the Debtor at the address or email address set forth on the ballot. Instructions are included on the ballot. All votes to accept or reject the Plan must be cast by using the ballot provided, or a copy of the ballot provided. The ballot must be signed by the creditor, or an officer, partner or authorized agent of the creditor. Ballots signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity should indicate such capacity and be accompanied by proper evidence satisfactory to the Debtor of their authority to so act. Please be sure to fill in the name of the creditor on whose behalf the ballot is being filed. **Only original signed ballots will be effective. Ballots may be submitted by fax or electronic mail**. **Ballots should be returned as soon as possible, and in any event must be returned so that they are actually received by 5:00 p.m. (prevailing Eastern time) on _____, 2023**.

The Plan can be confirmed only if either Class Four or Class Six votes to accept the Plan. While the Debtor expects that Class Four will vote to accept the Plan, the Debtor urges Class Six creditors to vote to accept the Plan. If Class Six does not vote to accept the Plan, the Plan could still be confirmed if Class Four accepts the Plan and the Bankruptcy Court determines that the Plan satisfies the so-called "cramdown" provisions of Code Section 1129(b) with respect to Class Six. Essentially, these cramdown provisions permit confirmation of a plan so long as no class that is junior in priority to the rejecting class receives anything under the plan. The Debtor believes that it can satisfy these cramdown requirements because there is only one class junior to Class Six—Class Seven Interests—and Class Seven Interests will neither retain nor receive any property under the Plan.

The Bankruptcy Court must hold a confirmation hearing before deciding whether to confirm the Plan. Details concerning the Plan confirmation hearing and related matters, including the deadlines and procedures governing the filing of objection to confirmation of the Plan, are set forth in the accompanying Notice. Once confirmed, the Plan will become effective on the second business day following the entry of the Bankruptcy Court's order confirming the Plan, provided that the confirmation order has not been stayed.

Conclusion and Recommendation

The Debtor believes that the Plan provides creditors of the Debtor with the maximum possible recovery on their claims under the circumstances of this case. **Accordingly, the Debtor urges you to vote to accept the Plan**.

Dated: October __, 2023

VANTAGE TRAVEL SERVICE, INC.,

By: *__/s/ Gregory DelGreco_____*
Name: Gregory DelGreco, Chief Operating Officer/Chief Financial Officer