ACCEPTANCES OR REJECTIONS WITH RESPECT TO THE PLAN WILL BE SOLICITED PURSUANT TO THIS DISCLOSURE STATEMENT, WHICH THE BANKRUPTCY COURT HAS APPROVED ON A PROVISIONAL BASIS AND WHICH REMAINS SUBJECT TO FINAL APPROVAL AT THE CONFIRMATION HEARING. THE DEBTOR RESERVES THE RIGHT TO AMEND OR SUPPLEMENT THIS PROPOSED DISCLOSURE STATEMENT. THIS PROPOSED DISCLOSURE STATEMENT IS NOT A SOLICITIATION VERISON AND IS NOT INTENDED FOR SOLICITATION OF VOTES ON THE PLAN.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: Cold Spring Acquisition, LLC, Debtor	Chapter 11 Case No. 25-22002 (SHL)

AMENDED DISCLOSURE STATEMENT (CORRECTED) FOR CHAPTER 11 PLAN OF LIQUIDATION FOR COLD SPRING ACQUISITION, LLC

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Dated: February 9, 2026
New York, New York

INTRODUCTION AND DISCLAIMER

On January 2, 2025 (the "Petition Date"), Cold Spring Acquisition, LLC ("Debtor"), commenced the above-captioned case (the "Chapter 11 Case") by filing a voluntary petition for relief under Chapter 11 of the Bankruptcy Code[1] with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").

The Debtor submits this Amended Disclosure Statement (this "Disclosure Statement") to all Holders of Claims against the Debtor entitled to vote on the *Amended Chapter 11 Plan of Liquidation for Cold Spring Acquisition, LLC*, a copy of which is attached hereto as **Exhibit A** (as it may be amended, supplemented, or otherwise modified from time to time, the "Plan").

The purpose of this Disclosure Statement is to provide Holders of Claims entitled to vote on the Plan with adequate information to make an informed judgment as to whether to vote to accept or reject the Plan. The Debtor is providing you with the information in this Disclosure Statement because you may be a creditor entitled to vote on the Plan. This Disclosure Statement is to be used solely in connection with evaluation of the Plan and not for any other purposes.

To be counted, your Ballot must be duly completed, executed, and actually received by 5:00 p.m. (Eastern Time) on _____, 2026 (the "Voting Deadline"). Ballots may either be delivered: (a) via electronic, online transmission by utilizing the eBallot platform on the Debtor's case website (https://cases.omniagentsolutions.com/?clientId=3724), or (b) by paper copy to Cold Spring Acquisition, LLC, c/o Omni Agent Solutions, 5955 DeSoto Avenue, Suite 100, Woodland Hills, CA 91367.

The Debtor believes that the Plan is in the best interests of creditors and other stakeholders and is a fair and equitable means of moving this Chapter 11 Case toward efficient resolution. All creditors entitled to vote on the Plan are urged to vote in favor of it.

THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT IS INCLUDED FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN OF LIQUIDATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE PROPOSED BY THE DEBTOR AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY PROVIDE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

ALL HOLDERS OF GENERAL UNSECURED CLAIMS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT (INCLUDING EXHIBITS) AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT WITH RESPECT TO THE PLAN ARE QUALIFIED IN THEIR ENTIRETY BY

[1] Capitalized terms not otherwise defined in this Disclosure Statement have the meanings ascribed to such terms in the Plan.

REFERENCE TO THE PLAN, THE EXHIBITS ATTACHED TO THE PLAN, AND ANY PLAN SUPPLEMENT(S). THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT ANY TIME AFTER THE DATE HEREOF.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(b) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (THE "BANKRUPTCY RULES") AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-APPLICABLE BANKRUPTCY LAWS. THIS DISCLOSURE STATEMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), AND THE SEC HAS NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING, OR TRANSFERRING SECURITIES OR CLAIMS OF THE DEBTOR SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSES FOR WHICH THEY WERE PREPARED.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, LITIGATIONS, AND APPEALS, INCLUDING, FOR THE AVOIDANCE OF DOUBT, LITIGATION CLAIMS PENDING AS OF THE FILING OF THIS CHAPTER 11 CASE OR COMMENCED AFTER THE FILING OF THIS CHAPTER 11 CASE, THIS DISCLOSURE STATEMENT WILL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING, NOR WILL IT BE CONSTRUED TO CONSTITUTE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS IT RELATES TO HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTOR.

Rules of Interpretation

For purposes of this Disclosure Statement, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural; (b) each pronoun stated in the masculine, feminine, or neuter gender includes the masculine, feminine, and neuter gender; (c) any reference in this Disclosure Statement to an existing document or schedule filed or to be filed means such document or schedule, as it may have been or may be amended, modified, or supplemented; (d) any reference to an entity as a Holder of a Claim or Interest includes such Holder's successors and assigns; (e) all references in this Disclosure Statement to Sections, Articles, and Exhibits are references to Sections, Articles, and Exhibits of or to this Disclosure Statement; (f) the words "herein," "hereunder," and "hereto" refer to this Disclosure Statement in its entirety rather than to a particular portion of this Disclosure Statement; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Disclosure Statement; (h) any term used in capitalized form in this Disclosure Statement that is not otherwise defined in this Disclosure Statement or the Plan, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning assigned to such term in

the Bankruptcy Code or the Bankruptcy Rules, as applicable; (i) all references to docket numbers of documents filed in the Chapter 11 Case are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (j) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, unless otherwise stated; (k) in computing any period of time prescribed or allowed, the provisions of Bankruptcy Rule 9006(a) shall apply, and if the date on which a transaction may occur pursuant to this Disclosure Statement shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day; (l) unless otherwise specified, all references in this Disclosure Statement to monetary figures shall refer to currency of the United States of America; (m) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (n) to the extent this Disclosure Statement is inconsistent with the terms of the Plan, the Plan shall control; and (o) to the extent this Disclosure Statement is inconsistent with the Confirmation Order, the Confirmation Order shall control.

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I. EXECUTIVE SUMMARY OF THE PLAN OF LIQUIDATION[2]

The Plan is a liquidation of the Debtor's assets, premised upon (i) the Sale of substantially all of the Debtor's assets to 378SYWOOD LLC (as that term is defined in the Asset Purchase Agreement, the "Purchaser"), and pursuant to the Asset Purchase Agreement attached to the Receivership and Sale Order dated March 20, 2023 [ECF No. 233].

The Sale was the result of extensive good-faith negotiations among the Debtor and the Purchaser. As a result of the transfer of operations to the Temporary Receiver and pending an approval of sale by the New York Department of Health (the "DOH"), the Debtor has liquidated its primary tangible assets and its primary secured debt obligations will be assumed by the Purchaser.

The Plan requires any Excluded Assets (as defined herein and the Asset Purchase Agreement) be used to the extent necessary to satisfy the priorities set forth in the Bankruptcy Code and any remaining cash that is not required to be used to pay administrative expenses, other statutory priority claims or statutory secured claims, as required under the Bankruptcy Code, shall be distributed for the benefit of general unsecured creditors by the Plan Administrator, Martin Cauz, with oversight from the Post-Confirmation Committee. The Plan also provides that the Plan Administrator will continue to liquidate and wind down any remaining assets of the Debtor not sold prior to the Effective Date.

The Plan will allow the Debtor to expeditiously conclude the Chapter 11 Case and make distributions as soon as practicable. Accordingly, the Debtor believes that implementation of the Plan is in the best interests of the Debtor and its stakeholders and is the best possible alternative to maximize value for Holders of Allowed Claims. There can be no guarantee under either an alternative Chapter 11 plan or a Chapter 7 liquidation that Holders of Allowed General Unsecured Claims would receive any recovery. Other Claims senior to General Unsecured Claims may arise and become Allowed Claims and other unforeseeable and potentially material Claims or other necessary costs of administering the Estate may arise which may materially impact the distribution to unsecured creditors. In either case, there can be no assurance that an alternative plan will be proposed and no assurance that Holders of Allowed Claims will support such plan.

Confirmation of the Plan will be considered by the Bankruptcy Court at the Confirmation Hearing. Among other requirements, for the Plan to be confirmed, an impaired Class of Claims, which includes, Class 1 (Greystone Claim), Class 4 (General Unsecured Claims), and Class 5 (Personal Injury Claims) must vote to accept the Plan. An impaired Class of Claims has voted to accept the Plan if Holders of Allowed Claims in such Class that hold at least two-thirds in amount of and more than one-half in number of the Allowed Claims held by Holders of Claims in such Class (excluding insiders) have voted to accept the Plan.

If the Plan is not confirmed and consummated, there can be no assurance that the Chapter 11 Case will not be converted to a liquidation under Chapter 7 of the Bankruptcy Code. While a Chapter 7 liquidation would have the same goal, the Plan provides the best source of recovery because: (i) a chapter 7 liquidation likely will not provide for a timely distribution to Holders of Allowed Claims, as a chapter 7 trustee who is unfamiliar with any of the Debtor's assets and the administration of the Estate will be appointed; and (ii) distributions would likely be smaller due to additional administrative costs, including those of a Chapter 7 trustee and its professionals.

[2] The following is a summary of the Plan. This Executive Summary is not intended to be comprehensive. To the extent anything in this Executive Summary is contrary to the terms of the Plan, the Plan shall govern and control.

Accordingly, if the Plan is not confirmed, it is likely that creditors will realize lower recoveries, if any, on account of their Allowed Claims.

ACCORDINGLY, THE DEBTOR BELIEVES THAT THE TREATMENT CONTAINED IN THE PLAN OF HOLDERS OF CLAIMS IN THE IMPAIRED CLASSES THAT ARE ELIGIBLE TO VOTE WILL YIELD A GREATER RECOVERY FOR SUCH HOLDERS THAN WOULD BE AVAILABLE IN A CHAPTER 7 LIQUIDATION. ACCORDINGLY, THE DEBTOR BELIEVES THAT THE PLAN IS IN THE BEST INTEREST OF HOLDERS OF SUCH CLAIMS.

For the reasons discussed in this Disclosure Statement, the Debtor urges you to return your Ballot accepting the Plan by the Voting Deadline.

II. THE DEBTOR'S BUSINESS AND PREPETITION CAPITAL STRUCTURE AND DEBT OBLIGATIONS

A. Business, Organizational, Ownership and Capital Structure.

The Debtor is a limited liability company formed in July 2014 to purchase a skilled nursing and rehabilitation center in Woodbury, New York (the "Senior Care Facility"). The Senior Care Facility provides long-term care and rehabilitative services such as hospice, dementia care, medical needs, as well as short- and long-term rehabilitation care. The Senior Care Facility also operates a senior day program. As of the Petition Date, the Senior Care Facility had 588 beds and employed approximately 500 people. In 2023 the Senior Care Facility had approximately $75.5 million of annual gross revenue. The Debtor operated the Senior Care Facility until April 22, 2025, when the Receiver assumed operations.

The Debtor's capital structure is reasonably simple. It has virtually no secured debt and no public debt. Rather, its obligations are unsecured debt resulting from the trade debt to its landlord, vendors, employees, a union, taxes, professionals and others. While Greystone asserts a security interest in all of the Debtor's assets. The Purchaser will be assuming all obligations due to Greystone.

The members of the Debtor and their percentage ownership are Avi Philipson 4%, Joel Leifer 1%, Esther Farkovits 25%, Rochel David 45%, Leah Friedman 1% and the estate of Deb Philipson 24%.

B. The State Attorney General's Investigation Against the Debtor

On December 16, 2022, the New York State Attorney General ("AG") commenced Civil Action no. 617709/2022 against the Debtor and twenty-seven other Respondents (the "Non-Debtor Respondents") by filing a verified petition in the New York State Supreme Court for Nassau County. The Petition asserted seven causes of action against twenty-eight respondents, including the Debtor, asserting seven causes of action:

Count One – Violation of Executive Law § 63(12) for "Repeated and Persistent Fraud," alleging that the Respondents, through their agents and employees, repeatedly and persistently committed fraud by engaged in the above-described scheme to convert millions of dollars from Medicaid and Medicare funds that Cold Spring Hills received as reimbursement for services

purportedly rendered by Cold Spring Hills that did not conform with applicable laws and regulations, including refraining from engaging in unacceptable practices in violation of 18 NYCRR § 515.2.

Count Two – Violation of Executive Law § 63(12) for "Repeated and Persistent Fraud," alleging that the Respondents: (a) entered into complex real estate transactions, including but not limited to a collusive and/or self-dealing lease agreement obligating Cold Spring Hills to pay exorbitant rent in addition to mortgage expenses; (b) entered into a scheme that caused Cold Spring Hills to acquire a $16 million promissory note subject to 13% interest for the purpose of bolstering Respondents' personal up-front profit; and (c) engaged in unacceptable practices, in violation of 18 NYCRR § 515.2.

Count Three – Violation of Executive Law § 63(12) for "Repeated and Persistent Fraud," alleging that the Respondents: (a) failed to seek approval from DOH for withdrawals and transfers from Cold Spring Hills in excess of the disclosure thresholds as set forth in PHL § 2808(5)(c); (b) prepared, filed, and/or caused to be filed with DOH false annual financial and statistical reports (Medicaid Cost Reports) that failed to properly disclose related parties and submit required financial statements, pursuant to 10 NYCRR § 86-2.2; (c) prepared, filed, and/or caused to be filed with DOH false and/or misleading documents concerning an application for a Certificate of Need, on behalf of Cold Spring Hills; (d) prepared, filed, and/or caused to be filed with DOH false annual billing certifications; (e) submitted false and misleading information to DOH to effect the purchase of Cold Spring Hills; and (f) engaged in unacceptable practices, pursuant to 18 NYCRR § 515.2.

Count Four – Violation of Executive Law § 63(12) for "Repeated and Persistent Illegality," alleging that the Respondents repeatedly and persistently committed illegalities by failing to comply with their legal obligations to provide Cold Spring Hills' residents the care required under New York and federal regulations law by failing to: (a) fulfill each resident's right to adequate and appropriate medical care, as required by 10 NYCRR § 415.3 and PHL § 2803-c; (b) provide a safe, clean, comfortable and homelike environment, housekeeping and maintenance services necessary to maintain a sanitary, orderly and comfortable interior and comfortable and safe temperature levels, as required by 10 NYCRR § 415.5(h); (c) create comprehensive and timely care plans, provide services in accordance with comprehensive care plans and revise care plans as necessary to assure the continued accuracy of a resident's health assessment, as required by 10 NYCRR § 415.11(a)- (c) and 42 CFR §483.70(e); (d) provide the necessary quality of care and services to attain and maintain the highest practicable physical, mental, and psychosocial well-being, of each resident, including but not limited to failing to ensure that the residents' activities of daily living "do not diminish," as required by 10 NYCRR § 415.12; (e) ensure a resident who is unable to carry out activities of daily living receives the necessary services to maintain good nutrition, grooming, and personal and oral hygiene, as required by 10 NYCRR § 415.12(a)(3); (f) ensure that (1) a resident who enters the facility without pressure sores does not develop pressure sores unless the individual's clinical condition demonstrates that they were unavoidable despite every reasonable effort to prevent them; and (2) a resident having pressure sores receives necessary treatment and services to promote healing, prevent infection and prevent new sores from developing, as required by 10 NYCRR § 415.12(c) and 42 CFR § 483.25(b); (g) ensure that a resident maintains acceptable parameters of nutritional status, such as body weight and protein levels and receives a therapeutic diet when there is a nutritional problem, as required by 10

NYCRR § 415.12(i); (h) timely administer treatments, medications, diets, and other health services, as required by 10 NYCRR § 415.13; (i) maintain sufficient personnel on a 24-hour basis to provide nursing care to all residents in accordance with each resident's needs as set forth in a comprehensive care plan that Cold Spring Hills is required to develop, as required by 10 NYCRR § 415.13(a); (j) provide each resident with a nourishing, palatable, well-balanced and medically appropriate diet that meets residents' daily nutritional and special dietary needs, employ sufficient competent staff to carry out the functions of the dietary service, provide assistance with eating and special eating equipment and utensils for residents who need them and store, prepare, distribute and serve food under sanitary conditions, as required by 10 NYCRR § 415.14; (k) develop and implement medical services to meet the needs of its residents, as required by 10 NYCRR § 415.15; (l) maintain clinical records for each resident in accordance with accepted professional standards, as required by 10 NYCRR § 415.22; (m) have a governing body, or designated persons functioning as a governing body, that is legally responsible for establishing and implementing policies regarding the management and operation of the facility, as required by 10 NYCRR § 415.26(b); (n) employ on a full-time, part-time or consultant basis a sufficient number of professional staff members who are educated, oriented and qualified, as required by 10 NYCRR § 415.26(c); (o) Limit resident admissions, and accept and retain only those nursing home residents for whom they can provide adequate care, as required by 10 NYCRR § 415.26(i)(1)(ii); (p) maintain a safe, healthy, functional, sanitary, and comfortable environment for residents, as required by 10 NYCRR § 415.29; (q) protect and promote the rights of the resident, treat each resident in an environment that promotes maintenance or enhancement of his or her quality of life, recognizing each resident's individuality, and provide equal access to quality care regardless of diagnosis, severity of condition, or payment source, as required by 42 CFR § 483.10(a); (r) inform the resident, consult with the resident's physician, and notify the resident representative(s) when there is a change in condition, including accident, discharge, change of room, etc., as required by 42 CFR § 483.10(g)(14)(i); (s) provide care and services relating to a resident's activities of daily living, including bathing, dressing, grooming, oral care, transfer and ambulation, walking, toileting, eating and communication, as required by 42 CFR § 483.24(b); (t) ensure that residents receive treatment and care in accordance with professional standards of practice, the comprehensive person-centered care plan, and the resident's choices, as required by 42 CFR § 483.25; (u) maintain sufficient numbers of nursing staff with the appropriate competencies and skill sets to provide nursing and related services to assure the well-being of each resident, as required by 42 CFR § 483.35; and (v) maintain an effective infection control program designed to provide a safe, sanitary, and comfortable environment, as required by 10 NYCRR § 415.19 and 42 CFR § 483.80. This count further alleged that Respondents engaged in repeated or persistent illegality in the carrying on, conducting and transaction of business, in violation of Executive Law § 63(12), by engaging in unacceptable practices pursuant to 18 NYCRR § 515.2.

Count Five - Violation of Executive Law § 63(12) for "Repeated and Persistent Illegality," alleging that the Respondents failed to comply with their legal obligations to provide Cold Spring Hills' residents the care required under New York law by failing to: (a) refrain from engaging in unacceptable practices, in violation of 18 NYCRR § 515.2; (b) seek approval from DOH for withdrawals and transfers from Cold Spring Hills in excess of the disclosure thresholds, in violation of 10 NYCRR § 400.19(b)(1) and PHL § 2808(5)(c); (c) provide adequate and appropriate medical care to each resident in violation of PHL § 2803-c(3)(e); (d) provide courteous, fair, and respectful care and treatment to each resident in violation of PHL § 2803-

c(3)(g); and (e) refrain from submitting an incorrect or improper claim, or refrain from causing such claim to be submitted, or refrain from receiving payment for the incorrect or improper claim, in violation of NYCRR § 518.3(a). This count further alleged that Respondents were liable for violation of federal Medicare payment statutes and regulations, including 42 U.S.C. 1320a-7k.

Count Six – Violation of Executive Law § 63-c for Misappropriation of Public Funds alleging that the Respondents obtained, received, converted, or disposed of funds, either directly or indirectly, from the Medicaid and Medicare Programs to which they were not entitled.

Count Seven – Common Law Unjust Enrichment, alleging that the Respondents were not entitled to receive or retain payment from the Medicaid and Medicare Programs for the services purportedly rendered by Cold Spring Hills, as they were not in conformance with applicable laws and regulations, and that accordingly, they have been unjustly enriched to the detriment of the Medicaid and Medicare Programs and it would be against equity and good conscience to permit them to retain the payments they received under the Programs.

Relief Requested by the AG –As a remedy for these alleged violations, the AG sought, among other things: (i) "restitution," "disgorge[ment], and other compensatory and punitive damages;" (ii) the appointment of "a financial monitor" with "plenary powers of visitation and inspection, and specific authority to withhold any payments to any Respondent or related person and decide any order of payments;" and (iii) the appointment of "an independent healthcare monitor" with authority to "oversee Cold Spring Hills' healthcare operations and ensure that Cold Spring Hills improves healthcare outcomes for the residents."

Relief Granted in Favor of the AG – The Debtor and Non-Debtor Respondents denied all counts and disputed all allegations of impropriety. On March 15, 2024, Justice Lisa A. Cairo of the New York State Supreme Court, Nassau County ruled on the Petition and all supporting papers filed in the Special Proceeding and issued a decision that: (1) held Cold Spring Hills and its Managing Members, Avi Philipson and Joel Leifer, liable under Executive Law § 63(12) for repeated illegality stemming from their failure to meet the standard of care for nursing home residents required by the New York Public Health Law and governing regulations; (2) found that Cold Spring Hills and its Managing Members, Avi Philipson and Joel Leifer, failed to operate the nursing home with sufficient staff adequate to meet the residents' needs; and (3) granted injunctive relief in the form an IHM to remedy such failures.

On March 20, 2024, the court issued a final decision on all seven causes of action, only finding the Debtor liable for "repeated and persistent illegality in the care of residents," based on nine examples of inadequate patient care at the facility over a several-year period. The court did not find the Debtor liable for any acts of fraud or other financial impropriety. The court appointed an Independent Health Monitor ("IHM") and ordered restitution on one of the Debtor's real estate loans from the Debtor's lending partners.[3]

Subsequently, on April 12, 2024, the New York State Supreme Court, Nassau County appointed Capital Health Consulting, LLC as the IHM with broad powers to ensure Cold Spring

[3] Prior to the Petition Date, each of the Debtor's lending partners repaid the full amount of the court-ordered restitution to the Debtor.

Hills' compliance with the law and regularly report to the court. The IHM began monitoring Cold Spring Hills in April 2024 and remained active and onsite until approximately January 14, 2026, at which time the New York State Supreme Court issued an order terminating the IHM. Prior to that time, the IHM issued reports to the New York State Supreme Court. Each report has indicated adequate staffing and reflected that the residents are well taken care of.

Removal to Bankruptcy Court, Remand and Limited Stay Relief – On January 7, 2025, the Debtor filed a notice of removal of the Special Proceeding. Thereafter, on January 27, 2025, the AG moved to remand the Special Proceeding and lift the automatic stay. On May 14, 2025, the Bankruptcy Court entered orders granting the motion to remanding the Special Proceeding and lifting the automatic stay as to all non-Debtor parties. The orders also made clear that neither the orders "or the Bankruptcy Case is a bar to any valid exercise of the police powers by the state of New York that might be necessary to protect the health and welfare of individuals at the Facility."

Thereafter, the AG moved to replace the IHM. On January 14, 2026, the NY Supreme Court issued a Decision and Order terminating Capital Health Consulting, LLC as the IHM and denying the request to appoint a replacement IHM.

Potential Causes of Action Related to the AG's Allegations in the Special Proceeding
Certain parties, including the Committee, have alleged that causes of action may exist based on allegations made by the AG in the Special Proceeding, including arising from the conduct of insiders of the Debtor. The Examiner was appointed to investigate whether any meritorious causes of action exist. The Examiner's investigation is ongoing. The Debtor understands that the Committee's attorney and financial advisor also have investigated such causes of action (and/or participated in the Examiner's investigation) and that the Committee's investigation also is ongoing.

In the event the Examiner or the Committee identify any meritorious causes of action, the Plan Administrator will consider the merits of each cause of action that is identified and consider whether to prosecute such causes of action. The Plan Administrator expects to prosecute any meritorious causes of action that can be prosecuted cost effectively, such that they are likely to result in net positive recovery to the estate.

C. Trade, Lease, and Other Obligations

Trade Debt. The Debtor has substantial unsecured indebtedness. Specifically, the Debtor is obligated to its trade creditors in excess of $20,000,000.

Rent. The Debtor owes approximately $21,803,468 to its landlord, Cold Spring Realty Acquisition LLC ("Realty"), which holds a judgment in that amount against the Debtor. Bent Phillipson, Avi Phillipson's father, is a member of Realty. Thus, Realty is an insider of the Debtor. The Debtor has not paid full rent to Realty since approximately 2016. Since that time, however, the Debtor has paid Realty a lesser amount, which has varied from month to month, but no payments have been made since the first quarter of 2024.

Union. The Debtor owes substantial sums to 1199SEIU United Healthcare Workers East (the "Union") and 1199SEIU Benefit and Pension Funds (the "Funds"). As of the Petition Date,

the Union was the collective bargaining representative for approximately 410 current and former employees of the Debtor, and the Funds are multi-employer benefit welfare and pension plans maintained under a collective bargaining agreement. The Union and Funds assert Claims in excess of approximately $62,463,549.00 (consisting of administrative expense claims of roughly $2,737,214.76, priority claims of roughly $9,420,497.84 and general unsecured claims of roughly $50,305,836.40). The Debtor disputes these claims as described in greater detail in the "SEIU's Claims Against the Debtor" section of the Liquidation Analysis (Exhibit B).

Residents. The Debtor also owes its residents a total of approximately $22,966.43. These funds are deposited by or on behalf of the residents for their personal needs. The Debtor holds these funds in a separate account in trust for the residents. The Debtor has always treated these funds as property of the residents, not property of the Debtor.

DIP. In the interest of continuing operations of the Senior Care Facility throughout the course of this restructuring, the Debtor filed a motion to approve Debtor-in-Possession financing. *See* ECF No. 10. In the months leading up to the Petition Date, the Debtor accepted pre-petition bridge financing from RAP 118, LLC, an entity related to Bent Phillipson (who is also a member of Realty) in the amount of $2,740,000. The DIP Lender agreed to support this Chapter 11 Case so that the Debtor could continue to provide care to its residents and maximize value for all creditors and parties in interest. Specifically, the DIP Lender agreed to provide up to $4,000,000 in a secured, superpriority, debtor-in-possession, credit facility, $2,000,000 of which was made available upon the entry of an Interim DIP Order [ECF No. 35]. The Debtor has now repaid the DIP Lender in full, and thereby satisfied any and all DIP Facility Claims. The Debtor has no further obligation to repay the DIP Lender.

Greystone. Greystone Funding Company, LLC ("Greystone") has asserted a pre-petition Claim against in the amount of $75,925,320 and a post-petition Administrative Claim in the amount of $3,617,232. Greystone also asserts a security interest in all of the Debtor's assets. Negotiations between the Debtor, the Purchaser and Greystone, however, resulted in Greystone's consent to the sale of the Senior Care Facility and the Purchaser's assumption of all obligations due to Greystone.

III. THE CHAPTER 11 CASE AND THE POSTPETITION SALE PROCESS

A. "First Day Relief"

The Debtor commenced this Chapter 11 Case on the Petition Date by filing a voluntary petition for relief with the Bankruptcy Court. To ease its transition into chapter 11, the Debtor filed various customary "First Day" motions. Broadly speaking, the motions sought authorization for the Debtor to continue certain regular business practices that may not be specifically authorized by the Bankruptcy Code or for which the Bankruptcy Code requires prior approval from the Bankruptcy Court.

In particular, the Debtor filed motions requesting permission for administrative relief, including motions authorizing the filing of documents containing patient information under seal (the "Patient Records Motion") [ECF No. 8] and seeking an extension of time to file schedules and statements ("Extension Motion") [ECF No. 12]. The Bankruptcy Court entered a final order

approving the Patient Records Motion on February 21, 2025 [ECF No. 169] and entered interim orders granting the Extension Motion on January 28, 2025 and February 21, 2025. [ECF Nos. 100, 170, 171].

Additionally, the Debtor filed motions and applications that would enable it to continue operating its business, including:

1. A proposed consent order directing the appointment of a Patient Care Ombudsman, upon motion of the U.S. Trustee [ECF No. 3] (the "Ombudsman Motion"). On January 13, 2025, the Bankruptcy Court entered an order granting the Ombudsman Motion [ECF No. 34];

2. A motion to make payments necessary to maintain certain insurance policies and programs [ECF No. 7] (the "Insurance Motion"). On January 8, 2025 the Bankruptcy Court entered an interim order granting the Insurance Motion [ECF No. 32]. On January 28, 2025, the Bankruptcy Court entered a second interim order. On February 21, 2025 the Bankruptcy Court entered a final order granting the Insurance Motion [ECF No. 168];

3. A motion authorizing the Debtor to pay prepetition wages, compensation, and employee benefits [ECF No. 15] (the "Wage Motion"). On January 8, 2025, the Bankruptcy Court entered an interim order granting the Wage Motion [ECF No. 31], and on February 27, 2025 the Bankruptcy Court entered a final order granting the Wage Motion [ECF No. 192];

4. A motion to continue using its existing cash management system [ECF No. 14] (the "Cash Management Motion"). On January 8, 2025, the Bankruptcy Court entered an interim order granting the Cash Management Motion [ECF No. 30], and on March 21, 2025 the Bankruptcy Court entered a final order granting the Cash Management Motion [ECF No. 235];

5. A motion to pay prepetition taxes [ECF No. 5] (the "Tax Motion"). On January 28, 2025 the Bankruptcy Court entered a final order granting the Tax Motion [ECF No. 191];

6. A motion prohibiting utility companies from altering or discontinuing service [ECF No. 13] (the "Utility Motion"). On February 21, 2025, the Bankruptcy Court entered a final order granting the Utility Motion [ECF No. 172]; and

7. On January 8, 2025, the Debtor filed applications authorizing the retention and employment of Omni Agent Solutions, Inc. ("Omni') as claims and noticing agent for the Debtor [ECF No. 27] (the "Claims and Noticing Agent Application") and administrative agent for the Debtor [ECF No. 28] (the "Administrative Agent Application"). On February 21, 2025 the Bankruptcy Court entered orders granting the Claims and Noticing Agent Application [ECF No. 175] and Administrative Agent Application [ECF No. 174].

B. Appointment of the Committee, Examiner and Patient Care Ombudsman

On January 15, 2025, the U.S. Trustee appointed David Crapo as the Patient Care Ombudsman [ECF No. 55]. To date, the Patient Care Ombudsman has filed two reports during this Chapter 11 Case, each generally positive. [ECF Nos. 226, 351].

On January 16, 2025, the U.S. Trustee filed its *Motion Pursuant to 11 U.S.C. § 1104 For An Order Directing the Appointment of a Chapter 11 Trustee*. [ECF No. 59] (the "Trustee Motion"). Citing, among other things to the allegations made by the AG, the U.S. Trustee raised concerns about management of the Debtor. Partly in response to these and partly in response to the desire of the Debtor's managing members to terminate their role, John Brecker, Craig Jalbert and Haywood Miller were appointed as independent directors, with sole authority to govern the Debtor. Following negotiations between the Debtor and U.S. Trustee, a stipulation was entered on January 23, 2025, resolving the Trustee Motion, and consenting to the appointment of an examiner. [ECF No. 74].

The U.S. Trustee appointed Leslie A. Berkoff as the Examiner. [ECF No. 167]. The Bankruptcy Court entered an order on the scope of the Examiner's investigation [ECF No. 239]. The time for the Examiner to file her report has been extended by the Bankruptcy Court through February 28, 2026. [ECF No. 365].

On January 23, 2025 the U.S. Trustee appointed the Creditor's Committee. [ECF No. 73].

C. The DIP Financing

On the Petition Date, the Debtor filed a motion [ECF No. 10] (the "DIP Financing Motion") to approve the DIP Facility. The DIP Financing Motion authorized the Debtor to enter into an agreement (the "DIP Loan Agreement"). The financing provided by the DIP Facility was secured by superpriority liens (the "DIP Liens") on and security interest in substantially all of the Debtor's assets, including real and personal property, cash, deposit accounts, securities, receivables, intellectual property, insurance proceeds, tax refunds, and intercompany debt. The DIP Liens were only subject to certain valid and enforceable existing liens as of the Petition Date, as well as a carve-out for unpaid post-petition fees and expenses of professionals retained by the Debtor (the "Carve-out"), any committees, as well as fees and expenses of the U.S. Trustee and Court.

The Debtor, DIP Lender, and U.S. Trustee proceeded to consensually resolve informal objections and concerns raised by the U.S. Trustee, and on January 13, 2025 the Bankruptcy Court entered an order approving the DIP Financing Motion on an interim basis. [ECF No. 35]. Thereafter, the Debtor borrowed $1,250,000. The Debtor has now repaid the DIP Lender in full and has no remaining obligations to the DIP Lender.

On January 25, 2025, the Debtor filed a notice of proposed order and proposed order granting the DIP Financing Motion on a final basis. [ECF Nos. 91, 91-1]. No final order approving the DIP Loan Agreement was entered because, based on the existing circumstances and uncertainty of whether the Purchaser would move forward, the DIP Lender was unwilling to make additional loans.

D. Postpetition Sale and Receivership Motions

On January 13, 2025, the Debtor filed a *Motion for Order Authorizing Debtor to Enter Into and Perform Agreement Providing for Appointment of Temporary Receiver* [ECF No. 39] (the "Receivership Motion"), which sought approval for the Debtor to enter into the Receivership Agreement and to appoint the Purchaser as temporary receiver of the Senior Care Facility under New York Public Health Law § 2810. The Receivership Agreement provided for the Purchaser to operate the Senior Care Facility, fund operating expenses, and assume all financial responsibility for operation of the Senior Care Facility.

The Receivership Agreement was intended as a temporary measure to bridge the gap until DOH approval of the Sale. Accordingly, on January 13, 2025, the Debtor also filed its *Motion for An Order (I) Approving Asset Purchase Agreement and Authorizing the Private Sale of Substantially All of the Assets of the Debtor Outside of the Ordinary Course of Business, (II) Authorizing Sale of Assets Free and Clear of All Liens and Interests, and (III) Granting Related Relief* [ECF No. 40] (the "Sale Motion"). The Sale Motion sought Bankruptcy Court approval of that Asset Purchase Agreement dated December 18, 2024. The Asset Purchase Agreement proposed to sell substantially all of the Debtor's assets to the Purchaser except for the certain exclusions including accounts receivable from prior to the date of receivership, and cash on hand.

E. 1199SEIU's Objections to the DIP Financing, Sale and Receivership Motions

Before a hearing on the Sale and Receivership Motions, the process was soon stalled as a result of issues between the Purchaser and 1199SEIU. On January 20, 2025, at the request of the Purchaser, the Debtor filed a *Notice of Condition Precedent to Sale Closing* (the "Condition Precedent Notice") [ECF No. 63]. At that point, the Purchaser informed the Debtor that it would not consummate the Asset Purchase Agreement unless a separate agreement was reached with 1199SEIU to enter a modified collective bargaining agreement.

On January 24, 2025, 1199SEIU filed a response to the Condition Precedent Notice [ECF No. 81]. 1199SEIU opposed certain modifications of the collective bargaining agreement and preliminarily objected to the Sale and Receivership Motions on that basis.

Also on January 24, 2025, 1199SEIU filed a limited objection to the DIP Financing Motion [ECF No. 80], on the grounds that the proposed budget would lead to diminution of the liens asserted by 1199SEIU and that the Debtor could not provide adequate protection for 1199SEIU.

F. Breakdown in Negotiations Over the Sale and Motion to Close

Thereafter, the Purchaser and 1199SEIU engaged in mediation, but by early February negotiations had broken down. Meanwhile, as of February 3, 2025, the Debtor was operating at a weekly loss of approximately $625,000, and was projected to soon run out of the funds to continue operating the Senior Care Facility. *See* ECF No. 121, ¶ 6.

Facing administrative insolvency, on January 31, 2025, the Debtor submitted a Closure Plan to DOH (the "Closure Plan"). The Closure Plan provided for closure of the Senior Care Facility and termination of operations and services. Its terms included a moratorium on new admissions to the Senior Care Facility, a target closing date of May 15, 2025, and the discharge of all residents. On February 3, 2025, the Debtor filed the *Motion for Entry of Order Approving*

Closure Plan [ECF No. 119] (the "Closure Motion"). At the request of DOH, the Debtor filed a *Notice of Presentment of Revised Proposed Order* on February 6, 2025 [ECF No. 139].

On February 14, 2025, the Bankruptcy Court entered an order approving the Closure Plan, subject to DOH approval [ECF No. 160] (the "Closure Order"). On February 19, 2025, DOH approved the Closure Plan. [ECF No. 165].

G. Sale and Receivership Restarts

As the Debtor began to close the Senior Care Facility and residents were being moved to other facilities, negotiations between 1199SEIU and the Purchaser resumed. Ultimately, the two parties reached an agreement. On March 19, 2025, the Debtor filed a letter informing the Court of these developments. On March 20, 2025, the Bankruptcy Court entered the Receivership and Sale Order [ECF No. 233] and granted both the Receivership and Sale Motions.

After receiving the Bankruptcy Court approval, the Receivership Agreement was executed on April 3, 2025 [ECF No. 269]. The Purchaser commenced operations as Receiver of the Senior Care Facility on April 22, 2025. The Debtor no longer operates the Senior Care Facility. The Asset Purchase Agreement is not yet consummated, as the Debtor and Purchaser are waiting on DOH approval of the sale. The Purchaser has filed its application for approval and has been working with the DOH to address questions and concerns raised by the DOH.

H. Professionals

Pursuant to orders of the Bankruptcy Court, the Debtor, Examiner and the Creditors' Committee have employed certain Professionals as permitted by the Bankruptcy Code.

The Professionals are: (a) Manatt, Phelps & Phillips, LLP as Debtor's bankruptcy counsel [ECF No. 208]; (b) Martin Cauz of Beechwood Consulting Group, Chief Restructuring Officer [ECF No. 209] (c) Schwartz Sladkus Reich Greenberg Atlas, LLP as special counsel focused on certain collections matters [ECF No. 325], (d) Garfunkel Wild, P.C. [ECF No. 326] as special counsel focused on certain transactional and healthcare regulatory matters, and (e) Pryor Cashman LLP [ECF No. 327], as special counsel focused on labor and employment issues, (f) Martin Freidman CPA, P.C. as accountants [ECF No. 328], and (g) Omni as Administrative Agent [ECF No. 174].

The Creditors' Committee's counsel is Rimon P.C. [ECF No. 340], and financial advisor is Kroll Associates, Inc [ECF No. 348].

The Examiner's counsel is Moritt Hock & Hamroff LLP [ECF No. 287].

The Debtor also previously filed an application to Employ Capital Health Consulting, LLC ("Capital Health") as Independent Health Monitor [ECF No. 135]. Following an objection from the New York Attorney General and after discussions with the U.S. Trustee, the Debtor instead filed a motion and proposed order to authorize ordinary course payments to Capital Health [ECF No. 228]. The Bankruptcy Court entered an order authorizing ordinary course payments to Capital Health on April 7, 2025. [ECF No. 258]. On January 14, 2026, at which time the New York State Supreme Court issued an order terminating the IHM.

I. Summary of the Debtor's Assets and Liabilities

On February 24, 2025, the Debtor filed its Schedules [ECF No. 179]. The Debtor listed approximately $14.4 million in assets against an estimated $133 million in liabilities, including contingent and disputed claims.

By order dated April 24, 2025 [ECF No. 281], the Bankruptcy Court established June 2, 2025 at 5:00 p.m. (Eastern Time) as the General Bar Date and July 7, 2025 at 5:00 p.m. (Eastern Time) as the governmental bar date.

By order dated July 8, 2025 [ECF No. 359], the Bankruptcy Court established August 18, 2025 at 5:00 p.m. (Eastern Time) as the Administrative Claims Bar Date.

The Debtor estimates that total amount of General Unsecured Claims that should be allowed is approximately 123,311,086, excluding personal injury claims, although the total amount could be higher as a result of Claims that are Allowed and other claims that are contingent, unliquidated and disputed Claims, which include, but are not limited to litigation Claims, for which the Debtor may be determined to be liable, in part or otherwise.

The Debtor's remaining assets consist of approximately $1,292,524 of unrestricted cash and cash equivalents on hand (as of September 30, 2025), $2,300,987 in accounts receivable representing amounts owed to the Debtor primarily by government agencies and insurance carriers for services provided to residents, $4,330,602 in other recoveries representing amounts owed by government agencies and insurance carriers, and preference recoveries. The amount of these assets, with the exception of cash, is an estimate of the total amount due and subject to reduction for various reasons. The actual amounts to be recovered are expected to be lower.

The Debtor is also a defendant in an adversary proceeding commenced by M&T Bank ("M&T") which alleges that the Debtor transferred $550,454.57 (the "Transferred Funds") held in an account at M&T that were not the property of the Estate. *M&T Bank v. Cold Spring Acquisition*, Case No. 25-07011 (Bankr. S.D.N.Y. May 30, 2025) [hereinafter, the "M&T Adversary"] [ECF No. 1]. M&T filed a *Motion for a Temporary Restraining Order and/or Preliminary Injunction* seeking to enjoin Debtor from using or transferring the Transferred Funds [M&T Adversary, ECF No. 2]. The Court granted M&T's motion in part, requiring the Debtor to maintain the Transferred Funds on administrative hold [M&T Adversary, ECF No. 10]. The Court has since extended the administrative hold, most recently up to and including October 29, 2025 [M&T Adversary, ECF Nos. 11, 13–15]. The Debtor and M&T have engaged in substantial settlement discussions and reached an agreement to resolve the M&T Adversary, pursuant to which the Debtor will pay $455,454.57 to M&T and the Debtor will retain all further amounts. On February 3, 2026, the Debtor filed a motion pursuant to Bankruptcy Rule 9019, seeking approval of the settlement. A hearing is scheduled to consider the motion on March 10, 2026.

J. Extension of Exclusivity

By order dated May 23, 2025 [ECF No. 317], the Debtor's exclusive right to propose a chapter 11 plan and solicit votes with respect thereto was extended through September 1, 2025 and May 23, 2026, respectively. The Chapter 11 Plan of Liquidation for Cold Spring Acquisition, LLC was filed on September 2, 2025. Subsequently, as the Debtor engaged in negotiations with its

various constituencies, the Debtor sought and was granted further extensions of its exclusive right to solicit votes, which now expires on February 10, 2026 [ECF No. 415, 586]. The Debtor has sought an additional extension through February 28, 2026 [ECF No. 596] and a hearing to consider this extension is scheduled for February 10, 2026.

If the Plan is not confirmed, there is a risk that the Chapter 11 Case may be converted to a case under chapter 7 of the Bankruptcy Code and/or that distributions to creditors will be less than that proposed under the Plan. In addition, distributions will likely be delayed and there is no guarantee that any distributions will be made at all.

IV. SUMMARY OF THE PLAN OF LIQUIDATION

THE FOLLOWING SUMMARY HIGHLIGHTS CERTAIN PROVISIONS OF THE PLAN AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN (A COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT A). IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE PLAN AND THIS DISCLOSURE STATEMENT, THE PLAN SHALL CONTROL.

A. Potential Future Recoveries

As described in more detail in the Liquidation Analysis, the Debtor expects to receive additional funds from the collection of accounts receivable and litigation causes of action.

These causes of action include recovery of avoidance claims arising under Section 547 of the Bankruptcy Code, including without limitation the payments listed on the Debtor's Statement of Financial Affairs, question 3. In the summer of 2025, the Debtor contacted numerous firms seeking assistance in pursuing such claims on an efficient basis. After discussions with various firms, many of whom declined to handle the work, the Debtor recommended the hiring of Porzio, Bromberg & Newman, who agreed to prosecute these claims on a contingency basis. At the request of the Committee, however, the Debtor delayed their engagement and the prosecution of these claims.

The Debtor expects the Examiner's report to be filed within the next thirty to sixty days. The Examiner's report is expected to identify what, if any, potential causes of action may have merit and can be asserted. Upon receipt of the report, the Plan Administrator will consider the merits of each cause of action that is identified and consider whether to prosecute such causes of action. The Plan Administrator will have authority to and expects to prosecute any meritorious causes of action that can be prosecuted cost effectively, such that they are likely to result in net positive recovery to the estate. Nothing contained herein shall constitute a waiver of any cause of action. All causes of action are preserved to the fullest extent possible.

B. Unclassified Claims

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims (including Professional Fee Claims) and Priority Tax Claims are not classified and are not entitled to vote on the Plan.

1. *Administrative Claims*

All Administrative Claims which arose prior to the Administrative Claims Bar Date were required to be filed by the Administrative Claims Bar Date.

To the extent not required to be filed by the Administrative Claims Bar Date, all requests for payment of Administrative Claims (other than (i) Professional Fee Claims, and (ii) Administrative Claims that have been Allowed on or before the Effective Date), must be in writing and filed with the Bankruptcy Court and served on the Debtor, the Creditors' Committee, the Plan Administrator, and the U.S. Trustee so as to be received by 5:00 p.m. (Eastern Time) on the date that is thirty (30) days after filing of the Effective Date Notice. Such request for payment must include at a minimum: (A) the name of the holder of the asserted Administrative Claim; (B) the amount of the Administrative Claim; (C) the basis of the Administrative Claim; and (D) supporting documentation for the Administrative Claim. Failure to file and serve such proof of Administrative Claim timely and properly shall result in the Administrative Claim being forever barred and released and the Holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset, or recover such Administrative Claim.

FAILURE TO FILE AND SERVE SUCH PROOF OF ADMINISTRATIVE CLAIM TIMELY AND PROPERLY SHALL RESULT IN THE ADMINISTRATIVE CLAIM BEING FOREVER BARRED AND RELEASED AND THE HOLDER THEREOF SHALL BE ENJOINED FROM COMMENCING OR CONTINUING ANY ACTION, EMPLOYMENT OF PROCESS OR ACT TO COLLECT, OFFSET, OR RECOVER SUCH ADMINISTRATIVE CLAIM.

On or as soon as reasonably practicable after the earlier of (a) the Effective Date or (b) the first Business Day after the date that is thirty (30) calendar days after the date on which an Allowed Administrative Claim becomes Allowed or payable under any agreement related thereto, unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Plan Administrator each Holder of an Allowed Administrative Claim shall receive, in full and final satisfaction, settlement, and release, and in exchange for, such Allowed Administrative Claim, Cash equal to the unpaid portion of such Allowed Administrative Claim.

2. *U.S. Trustee Fees*

On the Effective Date, the Debtor shall pay all accrued and outstanding U.S. Trustee Fees, if any. Following the Effective Date, the Plan Administrator shall remain obligated to pay quarterly fees to the U.S. Trustee on behalf of the Estate, if any, in accordance with Section 12.1 of the Plan.

3. *Professional Fee Claims*

To the extent not filed prior to the Effective Date, Professionals shall submit final fee applications seeking approval of all Professional Fee Claims by the Bankruptcy Court no later than thirty (30) days after filing of the Effective Date Notice, unless such deadline is extended in writing by the Plan Administrator in his sole discretion. These applications remain subject to Bankruptcy Court approval under the standards established by the Bankruptcy Code, including the requirements of sections 327, 328, 330, 331, 363, 503(b), and 1103 of the Bankruptcy Code, as applicable.

Allowed Professional Fee Claims shall be paid in full in Cash to such Professionals when such Claims are Allowed by an order of the Bankruptcy Court.

The Debtor and the Plan Administrator, as applicable, are authorized to pay compensation for services rendered or reimbursement of expenses incurred after the Effective Date in the ordinary course without the need for Bankruptcy Court approval or notice to any person.

4. *Priority Tax Claims*

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement, and release of, and in exchange for, each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code.

5. *DIP Facility Claims*

The outstanding balance under the DIP Loan Agreement was paid in full. Accordingly, the DIP Lender will not receive any distribution under the Plan.

C. Classification and Treatment of Claims and Interests

The Classes of Claims entitled to vote on the Plan are 1 (Greystone Claim); 4 (General Unsecured Claims); and 5 (Personal Injury Claims). Classes 2 (Other Secured Claims) and 3 (Other Priority Claims) are Unimpaired under the Plan, which means such Classes are not entitled to vote and are deemed to have accepted the Plan. Class 6 (Interests) is Impaired under the Plan and will not receive or retain any property under the Plan. Accordingly, Class 6 is not entitled to vote and is deemed to have rejected the Plan. The proposed treatment of each Class of Claims and Interests is set forth in Sections 3.2 and 3.3 of the Plan.

The following table summarizes the classification and treatment of all Claims against and Interests in the Debtor.

Class	Summary of Treatment	Total Asserted & Projected Allowed Claims[4]	Estimated Recovery	Entitled to Vote
Class One (Greystone Claim)	Greystone shall not receive any distribution under the Plan, as the Purchaser has agreed to assume all obligations due to Greystone.	Total **Asserted**: $79,542,553 Projected Allowed: $79,542,553	100 % Impaired	Yes

[4] This column reflects the total scheduled and filed Claims in each Class, and the Debtor's projected Allowed claims.

Class	Summary of Treatment	Total Asserted & Projected Allowed Claims[4]	Estimated Recovery	Entitled to Vote
Class Two (Other Secured Claims)	Except to the extent that a Holder of an Allowed Other Secured Claim agrees to different, less favorable treatment each Holder of an Allowed Other Secured Claim will receive, in full and final satisfaction, settlement, and in exchange for such Allowed Other Secured Claim, Cash in an amount equal to the Allowed amount of such Other Secured Claim on the earlier of (x) the Effective Date and (y) as soon as practicable after its Other Secured Claim becomes Allowed.	Total Asserted: $4,706,493 Projected Allowed: $0	100 % Unimpaired	No (Deemed to Accept)
Class Three (Other Priority Claims)	Except to the extent that a Holder of an Allowed Other Priority Claim agrees to a different, less favorable treatment, each Holder of an Allowed Other Priority Claim will receive, in full and final satisfaction, settlement, and in exchange for such Allowed Claim, Cash in an amount equal to such Holder's Allowed Other Priority Claim on the earlier of (x) the Effective Date and (y) as soon as practicable after its Other Priority Claim becomes Allowed.	Total Asserted: $17,017,742 Projected Allowed: $52,519	100 % Unimpaired	No (Deemed to Accept)
Class Four (General Unsecured Claims)	Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to different, less favorable treatment, in full and final satisfaction, settlement, and release of, and in exchange for, all such Allowed Claims, each Holder of an Allowed General Unsecured Claim shall receive such Holder's *Pro Rata* share of cash available for Distribution on each such Distribution Date as determined by the Plan Administrator.	Total Asserted: $184,171,372 Projected Allowed: $123,311,086	0.42% Impaired	Yes

Class	Summary of Treatment	Total Asserted & Projected Allowed Claims[4]	Estimated Recovery	Entitled to Vote
Class Five (Personal Injury Claims)	Except to the extent that a Holder of a Personal Injury Claim agrees to different, less favorable treatment, in full and final satisfaction, settlement, and release of, and in exchange for, all such Allowed Claims, each Holder of an Allowed General Unsecured Claim shall receive any amounts available under applicable insurance policies and all other damages (including extra-contractual damages), awards, judgments over policy limits, penalties, punitive damages and attorney's fees and costs that may be recoverable against any insurance company because of their conduct regarding, or defense or settlement of, any Personal Injury Claim, and recoveries for any such judgments or awards will be against only the insurance company in accordance with the Plan and not at any time against any Covered Party or any property or interest in property of any Covered Party, beyond available Insurance Recoveries. However, Personal Injury Claims will not be released or enjoined as against any applicable insurance until such Claims are settled with the Debtor, any other Covered Party, and the Debtor's insurance companies or are fully adjudicated, resolved, and subject to Final Order.	Total Asserted: $33,800,000 Projected allowed: $32,200,000	0% Impaired	Yes
Class Six (Interests)	On the Effective Date, all Interests shall be eliminated, and Holders of Interests shall not receive or retain any property under the Plan on account of such Interests.		0 % Impaired	No (Deemed to Reject)

D. 1199SEIU's Claims Against the Debtor

1199SEIU filed a series of claims asserting Administrative, Other Priority, and General Unsecured Claims. If allowed, 1199SEIU's Administrative and Other Priority Claims would need to be paid before unsecured creditors. If allowed, the amount of these claims represents a significant amount of the Estate and would substantially impair recovery to subordinate creditors. Upon review of 1199SEIU's claims, however, the Debtor believes 1199SEIU's claims are not entitled to Administrative or Other Priority treatment and instead may be Allowed, if at all, as General Unsecured Claims. A brief summary of 1199SEIU's claims as asserted is set forth in the table below:

Claim No.	Amount	Purpose
111	$0 (General Unsecured Claim)	1199SEIU United Healthcare Workers East
176	$0 (Administrative)	1199SEIU United Healthcare Workers East
182	$1,370,999.11 (Admin)	Administrative Expenses Incurred by 1199SEIU Health Care Employees Pension Fund Including Award and Related Interest, Fees, and Costs
183	$304,260.28 ($81,009.32 – Other Priority)	1199SEIU League Training & Upgrading Fund
184	$44,142,690.60 ($1,766,010.15 – Other Priority)	1199SEIU Health Care Employees Pension Fund
185	$304,385.37 ($81,009.32 – Other Priority)	1199SEIU Employer Child Care Fund
186	$21,955,336.80 ($6,392,957.68 – Other Priority)	1199SEIU National Benefit Fund for Health and Human Service Employees

- **Claims 111 and 176**: Claims number 111 and 176 were filed by the Union as unliquidated claims for pre and postpetition wages, wage increases, uniform allowances, unpaid benefits, grievances and accrued PTO for bargaining unit employees. 1199SEIU has not provided any information as to the basis that these claims are entitled to Administrative Claim priority, including the amounts of these claims. These unliquidated claims were filed at $0 and therefore the Debtor believes that these claims are not entitled to any payment.

- **Claim 182**: 1199SEIU fails to provide any detailed basis for the amounts asserted in this claim. Nor does 1199SEIU provide any basis for its assertion that these amounts are entitled to Administrative Claim priority. The claim refers to arbitration awards, but these do not provide any information as to the amounts asserted or priority. Moreover, these arbitration proceedings were conducted in violation of the automatic stay of Section 362 of the Bankruptcy Code. Nor has 1199SEIU provided any information as to the basis to demonstrate that this claim is entitled to Administrative Claim priority. Moreover, arbitration fees, interest and costs are not entitled to Administrative Claim priority.

- **Claims 183 and 185**: These nearly identical claims are not entitled to priority and are solely General Unsecured Claims. Under Section 507(a)(5) of the Bankruptcy Code, "allowed unsecured claims for contributions to an employee benefit plan arising from services rendered within 180 days before the date of the filing of the petition or the date of the cessation of the debtor's business" are granted priority status. Section 507(a)(5) is intended to provide priority status to "fringe benefits" that complement or operate as a substitute for wages. *Howard Delivery Serv., Inc. v. Zurich Am. Ins. Co.*, 547 U.S. 651, 658-59 (2006). Here, both the League Training Fund (Claim 183) and Child Care Fund (Claim 185) contribute to programs that are not substitutes for wages. Rather, they are payable solely to 1199SEIU funds and are not programs that "substitute[] for wages."

- **Claim 184**: 1199SEIU fails to provide a sufficiently detailed basis for the priority amount it seeks to allow the Debtor to determine the amount owed "from services rendered" in accordance with Section 507(a)(5) of the Bankruptcy Code. By failing to show a calculation breaking out the amount of priority owed to each employee, 1199SEIU fails to provide a basis tying its claim to the amount of services rendered. Nor has 1199SEIU demonstrated that the amounts sought do not exceed the cap of Section 507(a)(4) of the Bankruptcy Code (which is combined with claims under Section 507(a)(5) of the Bankruptcy Code). Moreover, 1199SEIU attempts to claim a significant amount in unmatured interests that accrued during the priority period, which is not entitled to priority.

- **Claim 186**: This claim asserts priority for $6,392,957.68 allegedly due for healthcare benefits. On April 24, 2024, 1199SEIU terminated health benefits for the Debtor's employees. The Debtor independently obtained replacement health coverage for its employees. Accordingly, the Debtor's employees have been covered since the Fund's termination and, thus, any priority would not provide them with benefits "arising from services rendered."

Note: This is simply a brief summary of the Debtor's position, which is subject to amendment.

It is not intended to be an entire statement of all possible objections to 1199SEIU's claims.

Statement from 1199SEIU

1199SEIU United Healthcare Workers East (the "Union") and the 1199SEIU Benefit and Pension Funds (the "Funds") emphasize that the projected allowed amounts of administrative and other priority claims set forth in the plan, disclosure statement and liquidation analysis exclude approximately $2,737,214.76 of administrative and $9,420,497.84 in priority claims filed by the Union and the Funds.

The Debtor's statement regarding the Union's administrative and priority claims contains misrepresentations, and the Debtor has not offered any factual or legal basis herein for disputing, reclassifying or otherwise excluding the Union's $1.36 million administrative claim or its $1.1 million priority claim from projected allowed amounts in the plan, disclosure statement and liquidation analysis.

The Union and Funds strongly caution that the justifications provided by the Debtor for excluding the Pension Fund's $1.37 million administrative claim and the Funds' $8.32 million priority claims from projected allowed amounts in the plan, disclosure statement and liquidation analysis contain unsupportable legal positions and factual misrepresentations.

E. Means For Implementation Of The Plan and The Plan Administrator

On and after the Effective Date, the Plan will be implemented by the Plan Administrator, in a manner consistent with the terms and conditions set forth in the Plan, the Plan Administrator Agreement and the Confirmation Order.

On the Effective Date, all property of the Estate, including any Causes of Action and any Excluded Assets under the Asset Purchase Agreement, and any property acquired by the Debtor re-vest in the post-confirmation Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, the Plan Administrator may take any action, including to use, acquire, or dispose of property and maintain, prosecute, abandon, compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, subject only to those restrictions expressly imposed by this Plan or the Confirmation Order.

The primary source of funding the Distributions and payments required to be made under the Plan shall be the Cash on hand as of the Effective Date, any future collections of accounts receivable and any proceeds of Causes of Action

The Confirmation Order shall provide for the appointment of the Plan Administrator. The compensation of the Plan Administrator shall be as set forth in the Plan Administrator Agreement. The Plan Administrator shall be deemed the Estate's sole and exclusive representative in accordance with section 1123 of the Bankruptcy Code and shall have all powers, authority, and

responsibilities of the Debtor, including without limitation, those specified under sections 704 and 1106 of the Bankruptcy Code, including without limitation, the right to commence, continue and prosecute any litigation and the right to assert any privilege, including without limitation, attorney client and work product.

Following the Effective Date, the Plan Administrator may engage in any business or take any actions, necessary to consummate the Plan and wind down the Debtor's affairs, free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules. The Plan Administrator may act for the Debtor's Estate in a fiduciary capacity for the Estate, subject to the provisions of the Plan. On the Effective Date, the Plan Administrator shall succeed to all of the rights of the Debtor with respect to all assets, rights and privileges of the Estate. The powers and duties of the Plan Administrator shall include, without further order of the Bankruptcy Court, the following rights or obligations:

(I). To take such steps as may be necessary or otherwise desirable to administer and close any and all of the transactions as may be contemplated by the terms of the Sale or this Plan;

(II). To invest Cash and withdraw and make Distributions of Cash to holders of Allowed Claims and to pay taxes and other obligations owed by the Estate or incurred by the Debtor or the Plan Administrator in connection with the wind-down of the Estate in accordance with the Plan;

(III). To receive, manage, invest, supervise, and protect the assets, including paying taxes or other obligations incurred in connection with administering the assets;

(IV). To engage attorneys, consultants, agents, employees, and all Professionals, to assist with respect to the Plan Administrator's responsibilities;

(V). To pay the fees and expenses for the attorneys, consultants, agents, employees and Professionals engaged by the Plan Administrator and to pay all other expenses in connection with administering the Plan and for winding down the affairs of the Estate in accordance with the Plan;

(VI). To satisfy any liabilities, expenses, and other Claims incurred by the Debtor and/or Plan Administrator in the ordinary course of business and without further order of the Bankruptcy Court;

(VII). To execute and deliver all documents, and take all actions, necessary to consummate the Plan and close the Chapter 11 Case;

(VIII). To dispose of, abandon or deliver title to others of, or otherwise realize the value of, all the remaining Assets in accordance with the terms provided for herein;

(IX). To oversee compliance with any accounting, finance, and reporting obligations;

(X). To prepare such periodic reports as may be required by the U.S. Trustee;

(XI). To object to Claims against the Estate;

(XII). To compromise and settle Claims against the Estate;

(XIII). To implement and/or enforce all provisions of the Plan;

(XIV). To implement and/or enforce all agreements entered into prior to the Effective Date;

(XV). To perform the duties, exercise the powers, and assert the rights of a trustee under sections 704 and 1106 of the Bankruptcy Code, including, without limitation, enforcing contracts, and asserting claims, defenses, offsets, and privileges;

(XVI). To investigate, prosecute, settle and collect upon potential Claims, including accounts receivable;

(XVII). To use such other powers as may be vested in or assumed by the Plan Administrator pursuant to the Plan or order of the Bankruptcy Court or as may be necessary and proper to carry out the provisions of the Plan and to act on behalf of the Debtor or the Estate from and after the Effective Date.

(XVIII). Nothing contained in or omitted from this Section shall in any way limit or abridge the rights or authority of the Plan Administrator to act on behalf of the Debtor or the Estate from and after the Effective Date.

Unless otherwise provided in the Plan, any Distributions and deliveries to be made under the Plan shall be made on the Effective Date or as soon thereafter as is practicable, in the Plan Administrator's sole discretion. For the avoidance of doubt, no Holder of an Allowed Claim shall receive any Distribution on account of such Allowed Claim until all proper reserves have been established by the Plan Administrator. For any Disputed Claim, the Plan Administrator shall establish reserves in the full liquidated amount of the filed claim. For any Disputed Claim filed as fully contingent or unliquidated, unless the claimant agrees to different treatment, the Plan Administrator shall establish reserves in the full estimated amount determined by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code in accordance with section 7.3 of the Plan. Further, the Plan Administrator may withhold from Distributions and retain such amounts as are reasonably necessary to (i) to pay Post-Effective Date Expenses, (ii) satisfy other liabilities to which the Plan Administrator is otherwise subject, in accordance with the Plan and the Plan Administrator Agreement, and (iii) establish any necessary reserve(s).

All Distributions to the holders of Allowed Claims shall be made in accordance with the Plan. The Plan Administrator may withhold from amounts distributable to any person any and all amounts determined in the Plan Administrator's reasonable discretion to be required by any law, regulation, rule, ruling, directive or other governmental requirement. Holders of Allowed Claims shall, as a condition to receiving Distributions, provide such information and take such steps as the Plan Administrator may reasonably require to ensure compliance with withholding and reporting requirements and to enable them to obtain certifications and information as may be necessary or appropriate to satisfy the provisions of any tax law. In the event that a holder of an Allowed Claim does not comply with the Plan Administrator's requests in the preceding sentence

within thirty (30) calendar days, no Distribution shall be made on account of such Allowed Claim, such holder shall have forfeited its right to Distributions under the Plan, and the Plan Administrator shall reallocate such Distribution for the benefit of all other holders of Allowed Claims as the case maybe, in accordance with the Plan.

F. Post-Effective Date Management of the Debtor

The Plan provides that on the Effective Date the employment of all officers and directors of the Debtor shall be terminated and after the Effective Date the Debtor shall be managed solely by the Plan Administrator with oversight from the Post-Confirmation Committee.

The Plan Administrator will have the obligation to cooperate with and provide reports to the Post-Confirmation Committee regarding the Estate and ongoing wind down. The Post-Confirmation Committee also may make inquiries and requests for information to the Plan Administrator and may that the Plan Administrator take actions subject to the Plan Administrator's judgment. The Plan further contains a dispute resolution mechanism to allow the Post-Confirmation Committee and Plan Administrator to resolve any issues at minimal anticipated expense to the Estate.

G. Other Miscellaneous Plan Provisions

The Plan also contains various provisions relating to:

- Procedures for making Distributions and the rights and powers of the Disbursing Agent (*see* Article VI);
- Procedures for the reconciliation of Claims and Proofs of Claim and related matters, such as objections and estimation for any Disputed Claims (*see* Article VII); and
- The treatment of Executory Contracts (*see* Article VIII); and the effect of Confirmation, the Bankruptcy Court's retention of jurisdiction with respect to certain matters, and miscellaneous other implementation and effectuating provisions (*see* Articles X, XI, & XII).

H. Exculpation and Releases

1. ***Binding Effect.*** Following the Effective Date, the Plan shall be binding upon and inure to the benefit of the Debtor, the Estate, the Plan Administrator, all Exculpated Parties, all present and former Holders of Claims and Interests, whether or not such Holders voted in favor of the Plan, and their respective successors and assigns.

2. ***No Discharge of the Debtor.*** Because the Debtor is liquidating, the Plan does not include a discharge of obligations pursuant to section 1141 of the Bankruptcy Code.

3. ***Limitations on Recovery by Holders of Personal Injury Claims.***

(a). General Description of Insurance Coverage for Personal Injury Claims. Prior to the Petition Date, the Debtor obtained various insurance policies to cover personal injury claims. The coverage that may be available to the Holder of each Personal Injury Claim varies widely depending on the applicable policy, its limits, self-insured retention amount and other provisions (including exclusions). Since the Holders of Personal Injury Claims will not receive a distribution under the Plan, the details of each policy are extensive and the coverage will not affect the recovery of any other creditor, Holders of Personal Injury Claims are directed to contact counsel to the Debtor to obtain a copy of the applicable policy.

(b). Full Reservation of Rights Against Applicable Insurance. Holders of Personal Injury Claims that have timely filed a valid proof of claim specifically reserve, and do not release, any Claims they may have against the Debtor or any Covered Party that implicate coverage under the Debtor's insurance policies.

(c). Recovery Limited to Applicable Insurance. Recovery by Holders of Personal Injury Claims is limited to the insurance policies and all other damages (including extra-contractual damages), awards, judgments over policy limits, penalties, punitive damages and attorney's fees and costs that may be recoverable against any insurance company, including without limitation, because of their conduct regarding, or defense or settlement of, any Personal Injury Claim, and recoveries for any such judgments or awards will be against only the insurance company in accordance with the Plan and not at any time against any Covered Party or any property or interest in property of any Covered Party, beyond available Insurance Recoveries.

(d). Notice of Intent to Pursue Personal Injury Claims Required to be Served. Any Holder of a Personal Injury Claim seeking to pursue their Claim, must file a Notice of Intent to Pursue Personal Injury Claims ("Notice of Intent") in order to pursue such Claim in accordance with the Plan. The Notice of Intent must be substantially in the form attached to the Plan as Exhibit A. The requirement to provide notice applies to both Holders of Personal Injury Claims seeking to (a) pursue the continuation of an action commenced by such Holder of such Personal Injury Claim prior to the Petition Date or (b) commence a new action to the extent no such action to pursue such Personal Injury Claim was commenced prior to the Petition Date.

(e). Notices to Holders of Personal Injury Claims. In connection with the Solicitation Materials, the Debtor shall deliver notice substantially in the form annexed to the Plan as **Exhibit B** to the

Holders of Personal Injury Claims that have timely filed a valid proof of claim.

(f). Reservation of Personal Injury Claims Until Resolved. Personal Injury Claims will not be released or enjoined as against the Debtor or any other Covered Party for any Personal Injury Claim until such Claims are settled with the Debtor, any other Covered Party, and Debtor's insurance companies or are fully adjudicated, resolved, and subject to Final Order, but recovery shall be limited as described above.

4. ***Exculpation and Limitation of Liability.*** No Exculpated Party shall have or incur liability for, and each Exculpated Party is hereby exculpated from, any Claims or Causes of Action for any Claim related to any act or omission in connection with, relating to, or arising out of, directly or indirectly resulting from, in consequence of, or in any way attributable to, the Chapter 11 Case, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, the Plan (including, for the avoidance of doubt, the Plan Supplement and other restructuring documents), or any aspect of the Plan, including any related contract, instrument, release, or other agreement or document created or entered into in order to commence the Chapter 11 Case, the pursuit of confirmation, the pursuit of consummation, the administration and implementation of the Chapter 11 Case or the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence on or before the Effective Date, except for Claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted fraud, willful misconduct, gross negligence, or claims for legal malpractice, release of which is prohibited by Rule 1.8(h) of the New York Rules of Professional Conduct (22 N.Y.C.R.R. § 1200); provided, however, that, for the avoidance of doubt, such exculpation shall not act or be construed to channel, release, enjoin, or otherwise affect criminal enforcement actions or any Personal Injury Claim against the Debtor or any co-defendant (who is not an Exculpated Party) in litigation in which the Debtor is a defendant.

5. ***Injunctions Related to Exculpation.*** All Entities who have held, hold, or may hold Claims that are subject to exculpation are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, the Debtor, and the Exculpated Parties: (i) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims; (ii) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims; (iii) creating, perfecting, or enforcing any Lien or encumbrance of any kind against such Entities or the property of such Entities on account of or in connection with

or with respect to any such Claims; (iv) asserting any right of recoupment, setoff or subrogation of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims unless such Holder has filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a Claim or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (v) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims released or settled pursuant to the Plan; provided, however, that, for the avoidance of doubt, such exculpation shall not act or be construed to channel, release, enjoin, or otherwise affect (a) criminal enforcement actions or any Personal Injury Claim against the Debtor or any co-defendant (who is not an Exculpated Party) in litigation in which the Debtor is a defendant or (b) civil claims for conduct that occurred prior to the Petition Date or after the Effective Date.

Upon entry of the Confirmation Order, all Holders of Claims and their respective Representatives shall be enjoined from taking any actions to interfere with the implementation or Consummation of the Plan. Each Holder of an Allowed Claim, as applicable, by accepting, or being eligible to accept, distributions under or reinstatement of such Claim, as applicable, pursuant to the Plan, shall be deemed to have consented to the injunction provisions set forth in the Plan; provided, however, that, for the avoidance of doubt, such exculpation shall not act or be construed to channel, release, enjoin, or otherwise affect criminal enforcement actions or any Personal Injury Claim against the Debtor or any co-defendant (who is not an Exculpated Party) in litigation in which the Debtor is a defendant.

6. ***Automatic Stay and Bankruptcy Injunction Continues.*** All injunctions or stays arising under or entered during this Chapter 11 Case under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect. For the avoidance of doubt, the automatic stay shall remain in full force and effect to preclude any action by (a) New York State Attorney General's Office against the Debtor, including without limitation the prosecution of the NYAG Action and (b) Holders of Personal Injury Claims.

7. ***Post-Effective Date Retention of Professionals.*** Upon the Effective Date, any requirement that professionals comply with sections 327 through 331 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date will terminate and the Plan Administrator will be permitted to employ and pay professionals in the ordinary course of business.

V. SOLICITATION PROCEDURES AND SOLICITATION PACKAGE

The Debtor is causing packages (the "Solicitation Packages") to be distributed to Holders of Claims in Class 1 (Greystone Claim); Class 4 (General Unsecured Claims); and Class 5 (Personal Injury Claims). Such Solicitation Packages include:

a. A notice of the hearing (the "Confirmation Hearing") to consider Confirmation of the Plan;

b. The order of the Bankruptcy Court (the "Solicitation Procedures Order"), excluding the exhibits attached thereto, approving the procedures for soliciting votes with respect to the Plan and dates and deadlines related to the Bankruptcy Court's approval of the Plan (referred to as "Confirmation");

c. Instructions detailing how to access copies of this Disclosure Statement and Plan on the Voting Agent's (defined below) website at https://cases.omniagentsolutions.com/?clientId=3724 and how to request hard copies of the Disclosure Statement and Plan, which the Voting Agent will send a copy to the requesting party at the Debtor's expense; and

d. A ballot to cast a vote on the Plan (each, a "Ballot").

Holders of Claims and Interests in Class 2 (Other Secured Claims); Class 3 (Other Priority Claims); and Class 6 (Interests), which not entitled to vote on the Plan (the "Non-Voting Classes") will receive only the Confirmation Hearing notice which will provide, among other things, notice of such holder's non-voting status.

Members of the Voting Classes and Non-Voting Classes are entitled to obtain copies of the Disclosure Statement and the Plan, as well as the exhibits thereto, free of charge:

(a) at the Debtor's case website maintained by the Voting Agent at https://cases.omniagentsolutions.com/?clientId=3724;

(b) in writing at Cold Spring Acquisition, LLC, c/o Omni Agent Solutions,5955 DeSoto Avenue, Suite 100, Woodland Hills, CA 91367,

(c) by calling 888-479-9221 (US & Canada toll free) and 818-574-3136 (International), or

(d) via email at Coldspringballots@omniagnt.com

A. Voting Procedures and Voting Deadline

The rules, requirements, and procedures regarding the submission of your Ballot is set forth in the Solicitation Procedures Order and the Ballot and summarized below for your convenience.

After carefully reviewing the Plan, this Disclosure Statement, and the detailed instructions accompanying your Ballot, please indicate your acceptance or rejection of the Plan by voting in favor of (*i.e.*, to accept) or against the Plan (*i.e.*, to reject) on the Ballot. **To be counted, your Ballot must be duly completed, executed, and actually received by Omni Agent Solutions,**

Inc. (the "Voting Agent") by 5:00 p.m. (Eastern Time) on the Voting Deadline (_____, 2026). Ballots may either be delivered:

(a) via electronic, online transmission by utilizing the eBallot platform on the Debtor's case website (https://cases.omniagentsolutions.com/?clientId=3724**), or**

(b) by paper copy to Cold Spring Acquisition, LLC c/o Omni Agent Solutions, 5955 De Soto Ave., Suite 100, Woodland Hills, CA 91367.

BALLOTS MUST BE DELIVERED BY MAIL, COURIER, OR DELIVERY SERVICES OR ELECTRONICALLY VIA THE CASE WEBSITE. FACSIMILE BALLOTS WILL NOT BE ACCEPTED. ANY COMPLETED BALLOTS THAT DO NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN, OR THAT CONTAIN BOTH AN ACCEPTANCE AND REJECTION OF THE PLAN, WILL NOT BE COUNTED.

Ballots not timely submitted by the Voting Deadline (or such other deadline as ordered by the Bankruptcy Court or agreed to by the Debtor, in its sole discretion) may be considered invalid.

If you have any questions about how to vote, the Solicitation Package you receive, or the amount of your Claim, or if you wish to receive additional copies of the Plan, this Disclosure Statement, or any Exhibits thereto or hereto, please contact:

Email:	Coldspringballots@omniagnt.com
Phone:	888-479-9221 (US & Canada toll free) 818-574-3136 (International)

B. Confirmation Hearing and Deadline for Objections to Final Disclosure Statement Approval and Plan Confirmation

The Debtor intends to seek the Bankruptcy Court's Confirmation of the Plan. The Bankruptcy Court has scheduled the Confirmation Hearing for **__:00 a.m. (Prevailing Eastern Time) on _____, 2026**. The Debtor may adjourn the Confirmation Hearing by filing a notice on the docket of the Chapter 11 Case or by announcing an adjournment on the record of a hearing or status conference held with the Bankruptcy Court.

Any objections to Confirmation of the Plan must be filed with the Bankruptcy Court and served on the parties indicated in the box immediately below by no later than **5:00 p.m. (Eastern Time) on _____, 2026 (the "Objection Deadline").** Unless such an objection is timely filed and served, such objection may not be considered by the Bankruptcy Court at the Confirmation Hearing. Such objection must be filed with the Bankruptcy Court and served so that it is **actually received** by the Bankruptcy Court and the following parties by no later than the Objection Deadline:

Counsel for the Debtor	**MANATT, PHELPS & PHILLIPS LLP** Schuyler G. Carroll (scarroll@manatt.com) Russell E. Potter (rpotter@manatt.com) Thomas A. Whittington (twhittington@manatt.com) 7 Times Square New York, New York 10036 Tel: (212) 790-4500
Counsel for the Creditors' Committee	**RIMON P.C.** 100 Jericho Quadrangle, Suite 300 Jericho, New York 11753 Attn: Brian Powers, Esq. (Brian.Powers@Rimonlaw.com)
The U.S. Trustee	Office of the United States Trustee One Bowling Green, Room 534 New York, New York 10004 Attn.: Andrea B. Schwartz, Esq. (Andrea.B.Schwartz@usdoj.gov)

UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

VI. REQUIREMENTS FOR CONFIRMATION OF THE PLAN

A. Requirements of Section 1129(a) of the Bankruptcy Code

At the Confirmation Hearing, the Bankruptcy Court will determine whether the following confirmation requirements specified in section 1129 of the Bankruptcy Code have been satisfied:

(i) The Plan complies with the applicable provisions of the Bankruptcy Code.

(ii) The Debtor has complied with the applicable provisions of the Bankruptcy Code.

(iii) The Plan has been proposed in good faith and not by any means proscribed by law.

(iv) Payment made or promised by the Debtor or by a person issuing securities or acquiring property under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Case, or in connection with the Plan and incident to the Chapter 11 Case, has been approved or is subject to the approval of the Bankruptcy Court as reasonable.

(v) The Debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Debtor, an affiliate of the Debtor participating in a joint plan with the Debtor, or a successor to the Debtor under the Plan, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and equity holders and with public policy.

(vi) With respect to each Class of Claims or Interests, each Holder of an Impaired Claim or Impaired Interest either has accepted the Plan or will receive or retain under the Plan on account of such Holder's Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount such Holder would receive or retain if the Debtor was liquidated on the Effective Date under Chapter 7 of the Bankruptcy Code. *See* discussion of "Best Interests Test" below.

(vii) Except to the extent the Plan meets the requirements of section 1129(b) of the Bankruptcy Code (discussed below), each class of Claims or Interests has either accepted the Plan or is not Impaired under the Plan.

(viii) Except to the extent that the Holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Expense Claims will be paid in full on the Effective Date.

(ix) At least one class of Impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in such class.

(x) Confirmation of the Plan is not likely to be followed by the need for further financial reorganization of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

(xi) All fees payable under section 1930 of title 28, as determined by the Bankruptcy Court at the hearing on confirmation of the Plan, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

B. Best Interests Test and Liquidation Analysis

Under the Bankruptcy Code's "best interests test," each holder of an impaired Claim or Interest must either accept the Plan or receive property valued at least as much as they would in a chapter 7 liquidation. Section 1129(a)(7) requires comparing the value creditors would obtain from a chapter 7 liquidation to what is offered under the Plan. The Debtor believes the Plan meets this requirement, as it provides equal or greater value than chapter 7 liquidation, and avoids additional administrative costs and fees associated with chapter 7 liquidation. A supporting Liquidation Analysis (the "Liquidation Analysis"), is attached hereto as **Exhibit B**. The Liquidation Analysis satisfies the requirements of section 1129(a)(7) and properly considers Chapter 7 asset realization, costs and timing, the distribution of various classes by priority, and the relative recovery under the Plan versus a hypothetical Chapter 7 liquidation. Thus, the Debtor submits that the Plan is in the best interests of creditors and that all creditors are receiving value greater than or at least equal to the value, as of the Effective Date, of the Distribution that each such Holder would receive were the Estate liquidated under chapter 7 of the Bankruptcy Code.

The Liquidation Analysis is based on unaudited, pro forma financial information, and therefore the Debtor makes no representations or warranties regarding the accuracy of the estimates or assumptions therein, or the ability of the hypothetical chapter 7 trustee to achieve forecasted results. In the event that a chapter 7 liquidation occurs, actual results could vary materially from the estimates incorporated into the Liquidation Analysis.

C. Requirements of Section 1129(b) of the Bankruptcy Code

The Bankruptcy Court may confirm the Plan over the rejection or deemed rejection of the Plan by a Class of Claims or Interests if the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such Class.

1. No Unfair Discrimination

The "no unfair discrimination" test applies to classes of claims or equity interests that are of equal priority and are receiving different treatment under a plan. A Chapter 11 plan of reorganization does not discriminate unfairly, within the meaning of the Bankruptcy Code, if the legal rights of a dissenting class are treated in a manner consistent with the treatment of other classes whose legal rights are substantially similar to those of the dissenting class and if no class of claims or equity interests receives more than it legally is entitled to receive for its claims or equity interests. This test does not require that the treatment be the same or equivalent, but that such treatment is "fair."

The Debtor believes that, under the Plan, all Impaired Classes of Claims and Interests are treated in a manner that is fair and consistent with the treatment of other Classes of Claims and Interests having the same priority. Accordingly, the Debtor believes the Plan does not discriminate unfairly as to an Impaired Class of Claims or Interests.

2. Fair and Equitable Test

The "fair and equitable" test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the allowed amount of the claims in such class. The test sets forth different standards for what is fair and equitable, depending on the type of claims or interests in such class. In order to demonstrate that a plan is "fair and equitable," the plan proponent must demonstrate the following:

Secured Creditors. With respect to a class of impaired secured claims, a proposed plan must provide the following: (A) that the holders of secured claims retain their liens securing such claims, whether the property subject to such liens is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such claims, and receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the Plan, of at least the value of such holder's interest in the estates' interest in such property, or (B) for the sale, subject to section 363 of the Bankruptcy Code, of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under clause (A) or (C) of this paragraph, or (C) that the holders of secured claims receive the "indubitable equivalent" of their allowed secured claim.

The Debtor believes that the Plan satisfies the "fair and equitable" test with respect to all secured Claims.

Unsecured Creditors. With respect to a class of impaired unsecured claims, a proposed plan must provide the following: either (A) each holder of an impaired unsecured claim receives or retains under the plan property of a value equal to the amount of its allowed claim or (B) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the plan.

The Debtor believes that the Plan satisfies the "fair and equitable" test with respect to all unsecured Claims.

Holders of Interests. With respect to a class of equity interests, a proposed plan must provide the following: (A) that each holder of an equity interest receive or retain on account of such interest property of a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest or (B) that the holder of any interest that is junior to the interests of the class of equity interests will not receive or retain under the Plan on account of such junior interest any property.

The Debtor believes that the proposed treatment of Interests under the Plan meets the "fair and equitable" test with respect to all Interests.

VII. RISK FACTORS TO BE CONSIDERED

Holders of General Unsecured Claims and Personal Injury Claims should read and carefully consider the following factors, as well as the other information set forth in this Disclosure Statement and the Plan and their respective Exhibits, before deciding whether to vote to accept or to reject the Plan. This information, however, does not describe the only risks involved in connection with the Plan and its implementation.

The statements contained in this Disclosure Statement are made by the Debtor 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 Debtor has no duty to update this Disclosure Statement except as may be required by applicable law.

The contents of this Disclosure Statement should not be construed as legal, business, or tax advice, and nothing contained in the Plan will constitute an admission of, or be deemed evidence of, the tax or other legal effects of the Plan on the Debtor or on Holders of Claims or Interests. Each Holder of a Claim or Interest should consult his, her, or its own legal counsel and accountant as to legal, tax, and other matters concerning his, her, or its Claim or Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine whether to vote to accept the Plan.

A. There May Not Be Recoveries for Holders of Allowed General Unsecured Claims

There can be no assurances of actual recoveries to Holders of Allowed General Unsecured Claims in light of the potential claims that could be asserted against the Debtor. These Claims currently include unliquidated litigation claims that have been asserted both by individual creditors and on behalf of purported class action claimants. The amount of the Debtor's ultimate exposure to these claims is inherently unknowable, and the Debtor currently disputes any liability in these litigations. Ultimately, however, these Claims must be liquidated—including to $0— before the Debtor can make a distribution to a Holder of Allowed General Unsecured Claims. Accordingly, there is no guarantee that Holders of Allowed General Unsecured Claims will receive any recovery.

B. Recoveries on Account of Retained Causes of Action are Speculative and Uncertain

The ultimate recoveries, if any, from certain causes of action are speculative and uncertain due to many risk factors, including the risk of success on the merits and the potential difficulties of collection and enforcement of any judgments. Moreover, there may be limitations on the Debtor's ability to recover proceeds under applicable insurance policies.

C. Failure to Identify Litigation Claims or Projected Objections

No reliance should be placed on the fact that a particular Claim or Cause of Action or projected objection to a particular Claim is, or is not, identified in this Disclosure Statement. The Plan Administrator may seek to investigate, file, and prosecute claims and Causes of Action, and may object to Claims, after the Effective Date irrespective of whether this Disclosure Statement, the Plan, the Exhibits hereto or thereto, or the Plan Supplement identifies such Causes of Action or objections to such Claims.

D. Potential Tax Obligations

The Debtor has filed federal and state tax returns through 2024. The Debtor will also need to file tax returns for 2025. Accordingly, tax liability could be assessed once returns are filed. Recoveries to Holders of Allowed General Unsecured Claims could be materially impacted in light of the potential tax obligations.

E. Tax Consequences

The federal income tax consequences of the implementation of the Plan to the Holders of Allowed Claims will depend, among other things, on the consideration to be received by the holder, whether the holder reports income on the accrual or cash method, whether the holder's claim is allowed or disputed on the Effective Date, and whether the holder has taken a bad debt deduction or a worthless security deduction with respect to its claim. It is possible that additional issues may exist that could affect the federal income tax consequences of the Plan or other federal income tax matters discussed herein and this discussion does not consider or provide any conclusions with respect to any such issues. **Each taxpayer is strongly urged to seek advice based on the taxpayer's particular circumstances from such taxpayer's independent tax advisor.**

F. Risk of Delayed Effective Date

There can be no assurance that any or all of the conditions in the Plan will be satisfied (or waived). Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Plan will be consummated. If the Plan is not consummated, there can be no assurance that the Chapter 11 Case would not be converted to a Chapter 7 liquidation or that any alternative Chapter 11 plan would be as favorable to Holders of General Unsecured Claims or Personal Injury Claims as the current Plan. Either outcome may materially reduce or eliminate distributions to Holders of Allowed General Unsecured Claims or Personal Injury Claims.

Although in the process of winding down, the Debtor continues to incur administrative costs. Any material delay in confirming the Plan may result in insufficient funds to consummate the Plan.

G. Risk of Insufficient Funds To Consummate Plan

Certain claims must be paid in full on the Effective Date. There can be no guarantee that the Debtor will have sufficient funds to make all such payments on the Effective Date. In such event, the Bankruptcy Court may decline to confirm the Plan and/or the Plan may not go effective and/or may not be consummated.

H. No Representations Outside This Disclosure Statement Are Authorized

No representations concerning or related to the Debtor, the Chapter 11 Case, 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.

VIII. CONCLUSION AND RECOMMENDATION

The Debtor believes that Confirmation and implementation of the Plan is preferable to any other alternative. The Debtor urges all Holders of Claims entitled to vote to cast their Ballots to accept the Plan in accordance with the instructions provided herein and in the Solicitation Packages.

Dated: February 9, 2026
New York, New York

COLD SPRING ACQUISITION, LLC

By: */s/ Martin Cauz*
Name: Martin Cauz
Title: Chief Restructuring Officer

Exhibit B

LIQUIDATION ANALYSIS

Category[5]	Plan Distribution		Chapter 7 Distribution	
	Claim Amount	**Estimated Recovery**	**Claim Amount**	**Estimated Recovery**
Greystone Claims	$79,542,553	100%	$79,542,553	100%
Other Secured Claims	$0	N/M	$0	N/M
Administrative & 503(b)(9) Claims	$62,113	100%	$62,113	0%
Priority Tax Claims	$339	100%	$339	0%
Other Priority Claims	$52,219	100%	$52,219	0%
Chapter 11 Professional Fees	$2,150,000	100%	$2,150,000	94%
Other Professional Fees	$300,000	100%	$400,000[6]	0%

[5] The Plan contains only six Classes. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, 503(b)(9) Claims, and Priority Tax Claims are not classified or entitled to vote on the Plan. In the interest of disclosure, the Liquidation Analysis also discloses the recoveries of (i) Other Administrative & 503(b)(9) Claims, and (ii) Priority Tax Claims. Pursuant to the Plan, both of these categories are estimated receive a full 100% recovery. This table does not include a line for Interests because the Liquidation Analysis estimates no recovery for that Class.

[6] The increase in Professional Fees under the chapter 7 liquidation is attributable to the need for new professionals to get acclimated to the issues in the case.

Chapter 7 Trustee Fee	N/A	N/A	$91,063	0%
Personal Injury Claims	$32,200,000[7]	0%	N/A[8]	0%
General Unsecured Claims	$123,311,086	0.42%	$123,311,086	0.00%

Presentation of Liquidation Analysis

Introduction

The Liquidation Analysis has been prepared based upon certain assumptions discussed in the Disclosure Statement and in the following notes.

To prepare the Liquidation Analysis, the Debtor has: (a) estimated the Cash proceeds that the hypothetical trustee would generate if the Chapter 11 Case were converted to a chapter 7 case on the Conversion Date (as defined below) and any remaining assets of the Debtor were liquidated or sold; (b) estimated the distribution that each Holder of an Allowed Claim would receive in a hypothetical chapter 7 liquidation; and (c) compared each Holder's distribution to the estimated distribution under the Plan. The Liquidation Analysis reflects the estimated recovery that each Holder of an Allowed Claim would receive in a chapter 7 liquidation and such Holder's distribution under the Plan.

THE DEBTOR MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE ACCURACY OF THE ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN (WHICH RELY UPON PRO FORMA, UNAUDITED FINANCIAL INFORMATION OF THE DEBTOR), OR A TRUSTEE'S ABILITY TO ACHIEVE FORECASTED RESULTS. IN THE EVENT THIS CHAPTER 11 CASE IS CONVERTED

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[7] Under the Plan, Personal Injury Claims are separately classified, will be satisfied solely from insurance recoveries and will receive any distribution from the Debtor. In a hypothetical chapter 7 liquidation, Personal Injury Claims would be treated as General Unsecured Claims, with no separate classification or structured insurance recovery. Thus, recoveries to Holders of all General Unsecured Claims in a hypothetical chapter 7 liquidation would be procedurally complex and likely delayed until (a) all Personal Injury Claims are fully litigated or settled or (b) a reserve is established for distributions to remaining Personal Injury Claims. As a result, recoveries to Holders of all General Unsecured Claims in a hypothetical chapter 7 liquidation would likely be reduced below the recovery estimated in the Liquidation Analysis.

Recoveries to Holders of Personal Injury Claims, however, will not be reduced under the Plan, despite that they will not receive any distribution from the Debtor, because any distribution from the Debtor would reduce the amount such Holder could recover from insurance.

[8] In a chapter 7 liquidation, Personal Injury Claims will not be separately classified, but instead included in General Unsecured Claims.

TO A LIQUIDATION UNDER CHAPTER 7 OF THE BANKRUPTCY CODE, ACTUAL RESULTS COULD VARY MATERIALLY FROM THE ESTIMATES AND PROJECTIONS SET FORTH IN THE LIQUIDATION ANALYSIS.

Basis of Presentation

For purposes of the Chapter 7 Distribution, the Liquidation Analysis assumes that the Chapter 11 Case is converted to chapter 7 on or about the same time as the Effective Date of the Plan (the "Conversion Date"). Except as otherwise noted herein, the Liquidation Analysis is based upon the Debtor's unaudited pro forma balance sheet as of January 31, 2026, and those values are assumed to also be representative of the Debtor's assets and liabilities as of the Conversion Date unless otherwise noted. Any projected percentages and amounts presented in the liquidation analysis are intended to be an estimate for comparison purposes only.

The Liquidation Analysis represents an estimate of recovery values and percentages based upon a hypothetical liquidation if the Chapter 11 Case were converted to a case under chapter 7 of the Bankruptcy Code and a trustee were appointed to liquidate the Debtor. The determination of the hypothetical proceeds from the liquidation of assets is a ***highly uncertain*** process involving the use of estimates and assumptions which, although considered reasonable by the Debtor, and its advisors, are inherently subject to significant economic, operational, legal, and other uncertainties and contingencies beyond the Debtor's control.

The Liquidation Analysis assumes that a chapter 7 trustee would promptly commence an expedited wind-down process, with only limited, short-term personnel and operating expenses carried during the liquidation period. Some of these Claims and/or costs could be material and/or entitled to priority over General Unsecured Claims. Estimates for certain of these incremental chapter 7 costs and Claims—such as the trustee's commissions, professional fee claims and liquidation wind-down costs—are included in the Liquidation Analysis. The Liquidation Analysis also doesn't include assumptions for all possible inflows during a hypothetical chapter 7 liquidation. Consistent with these assumptions, the Liquidation analysis does not include estimates for:

- recoveries (or related litigation costs) from potential preference claims and/or avoidance actions;
- insurance proceeds (including professional/general liability policies); or
- the federal, state or local tax consequences that may be triggered by asset sales or liquidation;
- the potential that conversion to chapter 7 may derail efforts to complete the sale to the Purchaser; or
- other claims that may arise upon conversion to chapter 7.

Although each of the above are more likely to result in negative consequences in a chapter 7 liquidation, for purposes of the Liquidation Analysis the Debtor has assumed that the costs of and recoveries from the above are likely to be similar in chapter 11 compared to chapter 7. Thus, they

are not included in the Liquidation Analysis.

Liquidation Process

The Debtor's liquidation would be conducted in a chapter 7 case with a trustee managing the Debtor's Estate to maximize recovery. The trustee's initial step would be to develop a liquidation plan to maximize recovery from any remaining assets for distribution to creditors. The three major elements of the liquidation are as follows:

- generation of Cash proceeds from the sale of remaining assets;
- payment of costs related to the liquidation process, such as post-conversion personnel retention costs, estate wind-down costs, fees and expenses of the trustee and other professionals, and other administrative fees and expenses; and
- distribution of Cash and the net proceeds generated from asset sales to claimants in accordance with the priority scheme under chapter 7 of the Bankruptcy Code.

The Debtor has assumed that the liquidation would occur over a period of approximately six months which, in the Debtor's view, is the minimum time period that would be required to complete the sale of the Debtor's remaining assets, monetize and collect receivables and administer and wind down the Estate. In an actual chapter 7 liquidation, the wind-down process and time period(s) likely would be much longer and could vary significantly, thereby impacting (likely reducing) recoveries. For example, the uncertain duration and potential outcomes of the process to liquidate and allow Claims, including priority, contingent, litigation, rejection, and other Claims, could substantially impact both the timing and the amounts of the distributions of asset proceeds to creditors. Accordingly, there can be no assurance that the values reflected in the Liquidation Analysis would be realized if the Debtor were, in fact, to undergo such liquidation. Pursuant to section 726 of the Bankruptcy Code, administrative expenses incurred by the trustee, including expenses associated with selling the Debtor's assets, are entitled to payment in full prior to any distributions on account of any claims incurred prior to the Conversion Date. For purposes of section 1129(a)(7), the Debtor assumes that any timing differences over the six-month liquidation period would not materially affect present value; if anything, time-value discounting would further reduce chapter 7 recoveries. Likewise, delays in the Conversion Date would further reduce chapter 7 recoveries.

Conclusion

The Liquidation Analysis was prepared before the completion of the Claims reconciliation and allowance process. As a result, the Debtor has not had an opportunity to fully evaluate Claims or to adjudicate such Claims. Accordingly, the amount of the final Allowed Claims likely will differ from the estimated Claim amounts used in the Liquidation Analysis.

The Debtor determined, as summarized in the foregoing analysis, that upon the Effective Date, the Plan Distribution will provide all Holders of Claims with a recovery that is not less than what they would otherwise receive under chapter 7 of the Bankruptcy Code. Accordingly, the Debtor believes that the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code.

Notes and Assumptions Related to the Liquidation Analysis

Cash and Cash Equivalents:

- The Cash (including Cash equivalents) of the Debtor as of the Conversion Date based on the Debtor's most recent financial projections, segregated between restricted and unrestricted balances.

- The Debtor estimates a 100% recovery on the unrestricted Cash balances.

- The Debtor is holding $550,455 in restricted Cash, related to the M&T Adversary. The Liquidation Analysis assumes the result of the M&T Adversary, the administrative expense claim filed by M&T and the effect on recoveries to creditors will be the same under the Plan and under a chapter 7. Assuming the settlement reached between the Debtor and M&T is approved, M&T will receive approximately $455,454.57 and the balance will be released to the Debtor.

Gross Accounts Receivable:

- The recovery to creditors depends on collection of the amounts owed to the Debtor by customers or other parties as of the Conversion Date. Collection of these amounts is subject to credit risk and timing uncertainties; therefore, estimated recoveries are included at their expected net realizable value.

- The recovery on gross accounts receivable is estimated to be significantly higher under the Plan than chapter 7 because the Plan permits the Estate to retain collections counsel who will work with existing personnel, whereas in a chapter 7 liquidation of the accounts would likely be sold as a portfolio at a deep discount.

Other Recoveries, Net:

Accounts owed by government agencies and others as of the Conversion Date. This category includes DOH setoffs made on prepetition amounts due to the DOH that are nonpatient receivables subject to collection risk; insurance carrier setoffs made on prepetition amounts, and estimated preference recoveries. Thus, recoveries are estimated at discounted values under both the Plan and in a chapter 7 liquidation, due to uncertainty.

Costs of Liquidation under Chapter 7 and/or the Plan

Commissions for Recovery of Accounts Receivable

- The contingency commissions payable to the Estate's collection vendors for cash collections recovered from accounts receivable under the Plan. This expense is not included in the estimated chapter 7 liquidation recovery because, in a chapter 7 liquidation, the accounts receivable are assumed to be sold as a portfolio at a deep discount.

Other Wind Down Costs and Liquidation Wind Down Costs

- Non-professional, non-trustee Cash outlays to shut down and close the Estate, such as records and information technology archiving, notices, and termination logistics.

- Wind down costs are projected to be higher under a potential chapter 7 Liquidation than the Plan because the trustee would lack the benefit of ongoing operations and support from the Purchaser.

Hypothetical Recoveries by Claim Type[9]

Class 1: Greystone Claims:

- The Secured Claims held by Greystone, will be assumed in all respects by the Purchaser.

- Consists of a total claim of $79,542,553, secured by all of the Debtor's assets and a mortgage against the real estate occupied by the Debtor prior to the Purchaser taking possession of the Senior Care Facility. Greystone will receive no distribution from the Cash or Cash Equivalents of the Debtor, but recovery is estimated at 100% under either the Plan or chapter 7 liquidation because the Purchaser has agreed to assume the Greystone Claims in full.

Professional Fees

- Represents an estimated total amount of Final Fee applications, based on conservative current projections of the total amount of Professional Fee Claims.

- The Liquidation Analysis projects that the Professional Fees will recover 100% under the Plan and 94% under a chapter 7 liquidation.

Other Professional Fees:

- Fees payable to post-Effective Date professionals retained to administer the Plan, or liquidate the Estate in chapter 7. They are projected to consist of fees for, without limitation, claims reconciliation, prosecuting causes of action, making distributions, tax filings, and wind-down reporting. Due to the ramp-up costs associated with onboarding professionals, the Liquidation Analysis estimates that the cost of Other Professional Fees would be higher in a hypothetical chapter 7 liquidation than under the Plan.

- The amount of Other Professional Fees is based on the Debtor's best estimate of the size and nature of the case. This amount could fluctuate based on the length and complexity of the wind-down process, particularly because the Debtor has not yet sought to prosecute any claims, the Examiner has not yet issued her report and the Debtor has not commenced many of the other actions that will be required.

[9] The Debtor reserves all rights to object to all Claims. Nothing contained or omitted herein shall constitute a waiver of such rights or an admission that any Claim is valid in any respect.

Accordingly, the fees could be substantially greater than the amounts assumed herein, which would further reduce recoveries.

- The Liquidation Analysis projects that Other Professional Fees will recover 100% under the Plan and 0% under a chapter 7 liquidation.

Chapter 7 Trustee Fees

- Fees and statutory compensation payable to the trustee under section 326 of the Bankruptcy Code.

- The Liquidation Analysis projects that Chapter 7 Trustee Fees will recover 0% under a chapter 7 liquidation.

Administrative Claims & 503(b)(9) Claims

- Allowed Administrative Claims as defined under the Plan, including Claims entitled to Priority under section 503(b)(9) of the Bankruptcy Code, such as postpetition goods and services and other costs incurred in the ordinary course of administering the Estate.

- Consists primarily of Employee claims that were filed as a Priority Claim, but were partially reclassified as an Administrative Claim. The Debtor believes that no other material Administrative Claims or 503(b)(9) Claims will be Allowed. To the extent that any such claims are Allowed, it is likely (and therefore, assumed) that the effect on recoveries to creditors will be the same under the Plan and under a chapter 7 liquidation.

- The Liquidation Analysis projects that Allowed Administrative & 503(b)(9) Claims will recover 100% under the Plan and 0% under a chapter 7 liquidation.

Priority Tax Claims.

- Allowed Claims of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code, as defined under the Plan.

- Consists of Claims by the New York State Department of Taxation & Finance and the Internal Revenue Service. The Debtor believes that no other Priority Tax Claims will be Allowed. To the extent that any such claims are Allowed, it is likely (and therefore, assumed) that the effect on recoveries to creditors will be the same under the Plan and under a chapter 7.

- The Liquidation Analysis projects that Priority Tax Claims will recover 100% under the Plan and 0% under a chapter 7 liquidation.

Class 3: Other Priority Claims:

- Allowed Claims accorded priority in right of payment under 507(a) of the Bankruptcy Code, other than Administrative Claims and Priority Tax Claims, as defined under the Plan.

- Consists primarily of Priority claims by employees of the Debtor. The Debtor believes that no other Priority Claims will be Allowed. To the extent that any such claims are Allowed, it is likely (and therefore, assumed) that the effect on recoveries to creditors will be the same under the Plan and under a chapter 7.

- The Liquidation Analysis projects that Allowed Other Priority Claims will recover 100% under the Plan and 0% under a chapter 7 liquidation.

Class 4: General Unsecured Claims:

- Allowed General Unsecured Claims except for Personal Injury Claims, as defined under the Plan.

- Includes Claims asserted by 1199SEIU for unpaid prepetition employee contributions and collective bargaining agreement monetary amounts, unpaid insurance premiums, prepetition trade and rent payables, and other accrued liabilities as of the Conversion Date that are not entitled to Priority.

- The Liquidation Analysis is based on assumptions as to which General Unsecured Claims were likely to be allowed. The Liquidation Analysis does not include claims that were identified on the Debtor's Schedules as Contingent, Unliquidated, or Disputed (unless a timely proof of claim was filed), duplicate claims, and certain late-filed claims.

- The Liquidation Analysis projects that Allowed General Unsecured Claims would recover 0.42% under the Plan and 0.00% in a hypothetical chapter 7 liquidation, based on the projected net amount available after satisfying higher Priority Claims. Estimated recoveries for General Unsecured Claims are higher under the Plan primarily because (i) receivables are worked through with staff familiar with the receivables and the Debtor's operations and with collections counsel under the Plan rather than sold at a discount in a chapter 7 liquidation; (ii) professional fees and wind-down costs are lower under the Plan (and there is no trustee commission), reflecting continuity and Purchaser support; and (iii) the Plan permits an aged accounts receivable collection program (with market-standard commissions) to maximize net Cash collections, rather than a sale.

Class V: Personal Injury Claims:

- Personal Injury Claims, as defined under the Plan.

- Under the Plan, Personal Injury Claims have a separate classification and will be satisfied solely from insurance recoveries, and will not receive a distribution under the Plan. In contrast, under the chapter 7 liquidation scenario, these claims will be classified as General Unsecured Claims, with no separate classification or

structured insurance recovery, and will receive the same pro rata distribution as other unsecured creditors. Thus, recoveries to Holders of all General Unsecured Claims in a hypothetical chapter 7 liquidation would be procedurally complex and likely delayed until (a) all Personal Injury Claims are fully litigated or settled or (b) a reserve is established for distributions to remaining Personal Injury Claims. As a result, recoveries to Holders of all General Unsecured Claims in a hypothetical chapter 7 liquidation would likely be reduced.

- Recoveries to Holders of Personal Injury Claims, however, will not be reduced, because any distribution from Debtor would reduce the amount such Holder could recover from insurance

SEIU's Claims Against the Debtor

1199SEIU filed a series of claims asserting Administrative, Other Priority, and General Unsecured Claims. If allowed, 1199SEIU's Administrative and Other Priority Claims would need to be paid before unsecured creditors. If allowed, the amount of these claims represents a significant amount of the Estate and would substantially impair recovery to subordinate creditors. Upon review of 1199SEIU's claims, however, the Debtor believes 1199SEIU's claims are not entitled to Administrative or Other Priority treatment and instead may be Allowed, if at all, as General Unsecured Claims. A brief summary of 1199SEIU's claims as asserted is set forth in the table below:

Claim No.	Amount	Purpose
111	$0 (General Unsecured Claim)	1199SEIU United Healthcare Workers East
176	$0 (Administrative)	1199SEIU United Healthcare Workers East
182	$1,370,999.11 (Admin)	Administrative Expenses Incurred by 1199SEIU Health Care Employees Pension Fund Including Award and Related Interest, Fees, and Costs
183	$304,260.28 ($81,009.32 – Other Priority)	1199SEIU League Training & Upgrading Fund
184	$44,142,690.60 ($1,766,010.15 – Other Priority)	1199SEIU Health Care Employees Pension Fund
185	$304,385.37 ($81,009.32 – Other Priority)	1199SEIU Employer Child Care Fund
186	$21,955,336.80 ($6,392,957.68 – Other Priority)	1199SEIU National Benefit Fund for Health and Human Service Employees

- **Claims 111 and 176**: Claims number 111 and 176 were filed by the Union as unliquidated claims for pre and postpetition wages, wage increases, uniform allowances, unpaid benefits, grievances and accrued PTO for bargaining unit employees. 1199SEIU has not provided any information as to the basis that these claims are entitled to Administrative Claim priority, including the amounts of these claims. These unliquidated claims were filed at $0 and therefore the Debtor believes that these claims are not entitled to any payment.

- **Claim 182**: 1199SEIU fails to provide any detailed basis for the amounts asserted in this claim. Nor does 1199SEIU provide any basis for its assertion that these amounts are entitled to Administrative Claim priority. The claim refers to arbitration awards, but these do not provide any information as to the amounts asserted or priority. Moreover, these arbitration proceedings were conducted in violation of the automatic stay of Section 362 of the Bankruptcy Code. Nor has 1199SEIU provided any information as to the basis to demonstrate that this claim is entitled to Administrative Claim priority. Moreover, arbitration fees, interest and costs are not entitled to Administrative Claim priority.

- **Claims 183 and 185**: These nearly identical claims are not entitled to priority and are solely General Unsecured Claims. Under Section 507(a)(5) of the Bankruptcy Code, "allowed unsecured claims for contributions to an employee benefit plan arising from services rendered within 180 days before the date of the filing of the petition or the date of the cessation of the debtor's business" are granted priority status. Section 507(a)(5) is intended to provide priority status to "fringe benefits" that complement or operate as a substitute for wages. *Howard Delivery Serv., Inc. v. Zurich Am. Ins. Co.*, 547 U.S. 651, 658-59 (2006). Here, both the League Training Fund (Claim 183) and Child Care Fund (Claim 185) contribute to programs that are not substitutes for wages. Rather, they are payable solely to 1199SEIU funds and are not programs that "substitute[] for wages."

- **Claim 184**: 1199SEIU fails to provide a sufficiently detailed basis for the priority amount it seeks to allow the Debtor to determine the amount owed "from services rendered" in accordance with Section 507(a)(5) of the Bankruptcy Code. By failing to show a calculation breaking out the amount of priority owed to each employee, 1199SEIU fails to provide a basis tying its claim to the amount of services rendered. Nor has 1199SEIU demonstrated that the amounts sought do not exceed the cap of Section 507(a)(4) of the Bankruptcy Code (which is combined with claims under Section 507(a)(5) of the Bankruptcy Code). Moreover, 1199SEIU attempts to claim a significant amount in unmatured interests that accrued during the priority period, which is not entitled to priority.

- **Claim 186**: This claim asserts priority for $6,392,957.68 allegedly due for healthcare benefits. On April 24, 2024, 1199SEIU terminated health benefits for the Debtor's employees. The Debtor independently obtained replacement health coverage for its employees. Accordingly, the Debtor's employees have been covered since the Fund's termination and, thus, any priority would not provide them with benefits "arising from services rendered."

Note: This is simply a brief summary of the Debtor's position, which is subject to amendment. It is not intended to be an entire statement of all possible objections to 1199SEIU's claims.

Statement from 1199SEIU

1199SEIU United Healthcare Workers East (the "Union") and the 1199SEIU Benefit and Pension Funds (the "Funds") emphasize that the projected allowed amounts of administrative and other priority claims set forth in the plan, disclosure statement and liquidation analysis exclude approximately $2,737,214.76 of administrative and $9,420,497.84 in priority claims filed by the Union and the Funds.

The Debtor's statement regarding the Union's administrative and priority claims contains misrepresentations, and the Debtor has not offered any factual or legal basis herein for disputing, reclassifying or otherwise excluding the Union's $1.36 million administrative claim or its $1.1 million priority claim from projected allowed amounts in the plan, disclosure statement and liquidation analysis.

The Union and Funds strongly caution that the justifications provided by the Debtor for excluding the Pension Fund's $1.37 million administrative claim and the Funds' $8.32 million priority claims from projected allowed amounts in the plan, disclosure statement and liquidation analysis contain unsupportable legal positions and factual misrepresentations.

Statement of Limitations

The determination of the costs of, and proceeds from, the hypothetical liquidation of the Debtor's assets under chapter 7 of the Bankruptcy Code is an uncertain process involving the use of significant estimates and assumptions that, although considered reasonable by the Debtor based upon its business judgment and input from its advisors, are inherently subject to uncertainties and contingencies beyond the control of the Debtor and its advisors. Inevitably, some assumptions in the Liquidation Analysis may not materialize in an actual chapter 7 liquidation, and unanticipated outcomes could materially affect the ultimate results in a chapter 7 liquidation. The Liquidation Analysis was prepared for the sole purpose of generating a reasonable good faith estimate of the proceeds that would be generated if the Debtor's assets were liquidated in accordance with chapter 7 of the Bankruptcy Code. The Liquidation Analysis is not intended and should not be used for any other purpose. The underlying financial information in the Liquidation Analysis was not

compiled or examined by independent accountants.

NEITHER THE DEBTOR NOR ITS ADVISORS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS WOULD OR WOULD NOT APPROXIMATE THE ESTIMATES AND ASSUMPTIONS REFLECTED IN THE LIQUIDATION ANALYSIS. ACTUAL RESULTS COULD VARY MATERIALLY.

In preparing the Liquidation Analysis, the Debtor estimated Allowed Claims based upon a review of Claims listed on the Debtor's Schedules and Proofs of Claim filed by claimants. In addition, the Liquidation Analysis includes estimates for Claims not currently asserted, but which could be asserted and Allowed in a chapter 7 liquidation, including, among other things, wind-down costs, trustee fees and expenses, professional expenses accrued after the Conversion Date, and broker fees. Therefore, the Debtor's estimate of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including determining the value of any distribution to be made on account of Allowed Claims under the Plan.

NOTHING CONTAINED IN THE LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION, WAIVER OR ADMISSION BY THE DEBTOR. THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN THE CHAPTER 11 CASE COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH IN THE LIQUIDATION ANALYSIS.