

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION**

IN RE:	§	
	§	Case No. 18-50018
ASCO LIQUIDATING COMPANY,	§	
	§	Chapter 11
Debtor.	§	

**FIRST AMENDED JOINT PLAN OF LIQUIDATION
PROPOSED BY ASCO LIQUIDATING COMPANY AND THE COMMITTEE
OF UNSECURED CREDITORS FILED SEPTEMBER 18, 2018**

TABLE OF CONTENTS

	Page
SECTION 1	DEFINITIONS..... 2
1.1	Rules of Construction..... 2
1.2	Interpretation..... 2
1.3	Definitions..... 2
SECTION 2	DESIGNATION OF CLASSES OF CLAIMS AND EQUITY INTERESTS..... 12
2.1	Unclassified Claims..... 12
2.2	Classified Claims and Equity Interests..... 12
SECTION 3	TREATMENT OF UNCLASSIFIED CLAIMS..... 13
3.1	Administrative Expense Claims..... 13
3.2	Priority Tax Claims and Priority Claims..... 14
3.3	Statutory Fees..... 14
SECTION 4	TREATMENT AND CLASSIFICATION OF CLAIMS AND INTERESTS..... 15
4.1	Class 1: Secured Claim of Ford..... 15
4.2	Class 2: General Unsecured Claims Equal to or Less than \$1,000.00..... 16
4.3	Class 3: General Unsecured Claims in Excess of \$1,000.00..... 16
4.4	Class 4: Equity Security Interests..... 17
SECTION 5	DISTRIBUTIONS UNDER THE PLAN..... 17
5.1	Delivery of Distributions..... 17
5.2	Transition of Distributions..... 17
5.3	Manner of Payment..... 18
5.4	Distributions to Holders of Unclassified Claims..... 18
5.5	Distributions to the Holder of Claims in Classes 1 and 2..... 18
5.6	Distributions to the Holder of Claims in Class 3..... 18
5.7	No Distributions to Holders of Claims in Classes 4..... 19
5.8	Distribution to the Disputed Claims Reserve..... 19
5.9	Minimum Distributions and Rounding..... 19
5.10	Right of Setoff and Recoupment..... 19

TABLE OF CONTENTS

(continued)

	Page
5.11 Undeliverable Distributions	20
SECTION 6 PROCEDURES FOR DISPUTED CLAIMS	20
6.1 Objections to Claims.....	20
6.2 Payments and Distributions with Respect to Disputed Claims.....	22
6.3 Distribution after Allowance	22
SECTION 7 TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES	22
7.1 Insurance Contracts.....	22
7.2 Rejection Claim Bar Date	22
SECTION 8 MEANS OF IMPLEMENTING THE PLAN.....	23
8.1 Creation of the Liquidating Trust	23
8.2 Treatment of the Liquidating Trust for Federal Income Tax Purposes.....	24
8.3 Termination of the Committee	25
8.4 Appointment of the Liquidating Trustee	25
8.4.1 General Powers of the Liquidating Trustee	25
8.4.2 Obligations of the Liquidating Trustee	28
8.4.3 Resignation/Removal of the Liquidating Trustee	29
8.4.4 Appointment of Successor Liquidating Trustee	29
8.4.5 Settlement Authority.....	29
8.4.6 Bonding of Liquidating Trustee	29
8.4.7 Post-Confirmation Operating Reports and Quarterly Fee Statements	30
8.4.8 Dissolution of Debtor.....	30
8.4.9 Full and Final Satisfaction Against Debtor and Liquidating Trust	30
8.5 Establishment of Liquidating Trust Expense Reserve and Disputed Claims Reserve.....	31
8.6 Limitation on Liability	32
8.7 Reliance on Documents	33
8.8 Requirement of Undertaking.....	33

TABLE OF CONTENTS
(continued)

	Page
8.9 Termination of the Liquidating Trust	33
8.10 Retention of Causes of Action	34
SECTION 9 EFFECTS OF CONFIRMATION	35
9.1 Binding Effect	35
9.2 No Discharge of Debtor	35
9.3 Plan Injunction	35
9.4 Exculpation	36
9.5 Cancellation of Instruments and Agreements	36
9.6 Vesting of Assets	36
SECTION 10 OTHER PROVISIONS OF THE PLAN	36
10.1 Exemption from Securities Regulation	36
10.2 Effectuating Documents and Further Transactions	37
10.3 Settlement Authority	37
10.4 Cooperation	37
10.5 Failure to Confirm the Plan or Consummate the Plan	37
10.6 Retention of Causes of Action and Reservation of Rights	38
10.7 Corporate Existence	38
10.8 Survival of Corporate Indemnities	39
10.9 Notice of Effective Date	39
10.10 Substantial Consummation	39
10.11 Time	39
10.12 Modification of Plan	39
SECTION 11 VOIDABLE TRANSFERS	40
SECTION 12 RETENTION OF JURISDICTION	40
12.1 Bankruptcy Court Jurisdiction	40
12.1.1 Claims Resolution	40
12.1.2 Compensation of Professionals	41
12.1.3 Controversies and Causes of Action	41
12.1.4 Recovery of Assets	41

TABLE OF CONTENTS
(continued)

	Page
12.1.5 Plan Interpretation and Enforcement	41
12.1.6 Taxes	41
12.1.7 Other Matters Arising in the Chapter 11 Case.....	41
12.1.8 Modification	42
12.1.9 Disputed Claims Reserve	42
12.1.10 Plan Distributions.....	42
12.1.11 Final Decree	42
SECTION 13 NOTICES	42
13.1 Designated Notice	43
SECTION 14 MISCELLANEOUS	43
14.1 Headings.....	43
14.2 Successors and Assigns.....	44
14.3 Entire Agreement.....	44
14.4 Severability.....	44
14.5 Governing Law	44

INTRODUCTION¹

ASCO Liquidating Company, Debtor in the above-captioned Chapter 11 Case, and the Official Committee of Unsecured Creditors, appointed in this Chapter 11 Case (the "Committee"), as Plan Proponents, jointly propose the following Plan, pursuant to the provisions of Chapter 11 of the Bankruptcy Code.

Plan Proponents propose an orderly liquidation of Debtor's remaining assets and a Distribution of Cash to Holders of Claims on account of their Allowed Claims and according to the priorities established by the Bankruptcy Code.

To implement the Plan, a Liquidating Trust will be established on the Effective Date. The Liquidating Trust will be administered by a Liquidating Trustee. MEMA Financial Services Group, Inc. has been selected, and has agreed to serve as, the Liquidating Trustee. On the Effective Date, all of Debtor's assets, including Cash and Causes of Action, will be transferred to the Liquidating Trust for the benefit of Holders of Claims, after payment of Allowed Unclassified Claims required to be paid on the Effective Date. After the Effective Date, the Liquidating Trustee shall have standing and authority to act on behalf of and for the benefit of the Holders of Claims, who are the beneficiaries of the Liquidating Trust.

Transmitted with this Plan is a copy of the Disclosure Statement required by Section 1125 of the Bankruptcy Code. The Disclosure Statement is provided to help Creditors understand this Plan. The Disclosure Statement contains, among other things, a discussion of Debtor's prepetition history, business and operations, certain factors leading to the filing of the Chapter 11 Case, and significant events that have occurred during the pendency of the Chapter 11 Case. The Disclosure Statement also provides a summary of how the Plan proposes to treat Claims and Equity Interests, the Plan confirmation process and the voting procedures that Holders of Claims in Impaired Classes must follow for their votes to be counted, including information on who can vote on or object to the Plan.

The Plan Proponents urge all creditors and other parties in interest to read this Plan and the Disclosure Statement in their entirety. No solicitation materials other than the Plan, Disclosure Statement, a letter from the Committee and any documents, schedules, exhibits, or letters attached to the Plan or the Disclosure Statement or referenced therein, have been authorized by the Plan Proponents or the Bankruptcy Court for use in soliciting acceptances or rejections of this Plan. All Creditors and other parties in interest are encouraged to (i) carefully review the Plan and Disclosure Statement prepared by the Plan Proponents before voting to accept or reject this Plan and (ii) obtain the advice and input from professionals of their choosing.

¹ Defined terms used in this Introduction shall have the meaning set forth in Section 1 Definitions, *infra*.

SECTION 1 DEFINITIONS.

1.1 Rules of Construction.

For the purposes of this Plan, except as expressly provided herein or unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings ascribed to them in this Section of the Plan. Any term used in the Plan that is not defined herein, but is a defined term in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning ascribed to that term in the Bankruptcy Code or Bankruptcy Rules. The singular shall include the plural.

1.2 Interpretation.

Use of the word "including" necessarily means "including without limitation" without repeating same each time "including" is used in this Plan. Definitions in this Plan shall include both singular or plural, as necessitated by the context.

1.3 Definitions.

"Administrative Claim Bar Date" means the date that is thirty (30) days after the Effective Date, which is the last day for filing Administrative Expense Claims entitled to priority under Section 507(a)(2), other than Claims for (a) fees payable to the Bankruptcy Administrator or otherwise payable to the Clerk of the Bankruptcy Court pursuant to 28 U.S.C. § 1930; (b) any Administrative Expense Claim already fixed and approved by Order of the Bankruptcy Court prior to confirmation of the Plan establishing the Administrative Bar Date; (c) any Administrative Expense Claim that has been paid in full prior to confirmation of the Plan; (d) any Administrative Expense Claim for compensation of Professionals or reimbursement of expenses to Professionals as allowed pursuant to Section 330(a) of the Bankruptcy Code; (e) any Administrative Expense Claim of the Committee members for expenses pursuant to Section 503(b)(3)(F) of the Bankruptcy Code; and (f) any Administrative Expense Claim of a Governmental Unit that is subject to Section 503(b)(1)(D) of the Bankruptcy Code.

"Administrative Expense Claim" means the costs and expenses of the Chapter 11 Case that are Allowed under Sections 503(b), 507(a)(1), 507(b) or 1114(e)(2) of the Bankruptcy Code including, (a) Claims for the actual, necessary costs and expenses of preserving the Estate arising or accruing during the period commencing on the Petition Date and ending on the Effective Date; (b) Section 503(b)(9) Claims; (c) any Claim granted administrative priority status by Final Order of the Bankruptcy Court; (d) all fees and charges assessed against the Estate under Chapter 123 Title 28, United States Code, 28 U.S.C. § 1911-1930; (e) Professional compensation and reimbursement Claims; and (f) any and all other costs or expenses of administration of the Chapter 11 Case that are allowed by Final Order of the Bankruptcy Court.

The terms "Administrative Expense" and "Administrative Expense Claim" do not include any Priority Tax Claim, Priority Claim, Disallowed Claim, or any of the Claims designated in any of the Classes under the Plan. In no event shall any Claim set forth on a Proof of Claim (or otherwise) be deemed to be an Administrative Expense Claim (except for any claim by a governmental unit for taxes (and for interest and/or penalties related to such taxes) due from Debtor for any tax year or period occurring after the Petition Date.

"Allowed" means, when used in reference to a Claim within a particular Class, an Allowed Claim in the specified Class.

"Allowed Claim" means a Claim or that portion of a Claim against Debtor that is not a Disputed Claim and (a) as to which a Proof of Claim was filed on or before the Bar Date, or, by order of the Bankruptcy Court, was not required to be filed; or (b) as to which no Proof of Claim was filed on or before the Bar Date, but which is listed by Debtor in the Schedules as liquidated in amount and not disputed or contingent, and, in the case of subparagraph (a) or (b) above, as to which either (x) no objection to the allowance thereof has been filed within the time allowed for the making of objections as fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court, or (y) any objection made has been determined and the Claim has been allowed by a Final Order (but only to the extent so allowed). "Allowed Claim" will also include a Claim that is allowed by the Bankruptcy Court (a) in a Final Order; or (b) pursuant to the terms of the Plan. "Allowed," when used as an adjective herein (such as Allowed Administrative Expense Claim, Allowed Priority Tax Claim, Allowed Priority Claim, Allowed Secured Claim, and Allowed Unsecured Claim) has the corresponding meaning. Notwithstanding any other provision of the Plan, the term Allowed Claim shall not include any Claim against which Debtor or the Liquidating Trustee has asserted a Cause of Action against such Holder of a Claim or an Affiliate thereof. An Allowed Claim shall not include any interest accrued after the Petition Date or any penalty.

"Assets" means all property, rights, benefits and entitlements, of any kind or character, of Debtor and/or its Estate as defined in Section 541 of the Bankruptcy Code, including all proceeds thereof and all right, title, and interest in and to all Cash, any Avoidance Claims or other Causes of Action that Debtor or its Estate may have as of the Effective Date or any time thereafter as part of the Liquidating Trust.

"Avoidance Claims" means those actions arising under Sections 502, 506, 510, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code, or under related state or federal statutes and common law, including fraudulent transfer laws, whether or not litigation has been commenced to prosecute those actions as of the Effective Date. Such Avoidance Actions shall survive confirmation of the Plan.

"Bankruptcy Code" means the provisions of Title 11, United States Code, as enacted by the Bankruptcy Reform Act, Pub. L. No. 95-598, 95th Cong., 2d Sess. (1978), and as amended from time to time.

"Bankruptcy Court" means the United States Bankruptcy Court for the Middle District of North Carolina, in which the Chapter 11 Case was filed and is pending, or any other Court having primary jurisdiction of the Chapter 11 Case.

"Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy Procedure, as amended and the Federal Rules of Civil Procedure, as amended, as applicable to the Chapter 11 Case or proceedings therein, and the Local Rules of the Bankruptcy Court for the Middle District of North Carolina, as applicable to the Chapter 11 Case or proceedings therein.

"Bar Date" means May 3, 2018, as set forth in that certain Notice of Chapter 11 Bankruptcy Case [Docket No. 23].

"Business Day" means any day that is not a Saturday, Sunday, or "legal holiday" as defined in Bankruptcy Rule 9006(a).

"Cash" means cash or cash equivalents, official bank checks, certified checks and checks drawn on Debtor's properly funded accounts.

"Causes of Action" means any and all of the Estate's and/or Debtor's actions, claims, demands, rights, defenses, counterclaims, suits, causes of action, liabilities, obligations, debts, judgments, remedies, damages, recoupments, setoff rights, cross claims, third-party claims, indemnity claims, contribution claims, and any other claims, whether known or unknown, foreseen or unforeseen, direct or indirect/derivative, choate or inchoate in law, equity or otherwise, including all (i) Avoidance Claims consisting of all causes of action or avoidance actions which are derived pursuant to Chapter 5 of the Bankruptcy Code, and any state or federal fraudulent transfer or voidable preference statutes; (ii) all claims under insurance policies of Debtor; (iii) all legal and equitable defenses to claims or causes of action asserted against Debtor; and (iv) any and all other claims or rights of any value whatsoever, at law or in equity, against any Creditor, Person, party in interest or other third party, and including, as described, referenced, or otherwise set forth, in the Schedules or Disclosure Statement; provided, however, that, when used in the Plan, the term "Causes of Action" does not include any claims, obligations, suits, judgments, damages, rights, remedies, causes of action, charges, costs, debts, indebtedness, or liabilities which are expressly and specifically released or waived pursuant to the Plan or by Final Order of the Bankruptcy Court, and in such event and notwithstanding any other provisions in the Plan the terms and conditions of any such release or waiver as set forth in the Final Order approving any such release or waiver shall control. Certain of the Causes of Action may be described in further detail in the Schedules or Disclosure Statement, which are expressly and

specifically incorporated into this definition. A Cause of Action will not under any circumstances be waived, limited or discharged, in whole or in part, as a result of the failure of the Plan Proponents and/ or Debtor, as the case may be, to describe such Cause of Action with specificity in the Plan, Schedules or the Disclosure Statement. Causes of Action shall include, but not be limited to, those payments and other transactions identified in the Schedules. The Liquidating Trustee will not be estopped, precluded or otherwise limited in any manner whatsoever under any theory from pursuing the Causes of Action. The definition of "Causes of Action" shall be afforded the broadest interpretation allowable under applicable law.

"Chapter 11 Case" means the Chapter 11 Case of Debtor captioned *In re ASCO Liquidating Company*, Case No. 18-50018 C-11.

"Claim" means (a) any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, equitable, secured or unsecured; (b) any right to an equitable remedy for breach of performance if such right to an equitable remedy is reduced to judgment (liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured); or (c) any right to payment deriving from the rejection of an executory contract or unexpired lease as such right is limited by Section 502 of the Bankruptcy Code. Notwithstanding anything to the contrary contained in this Plan, when used in the Plan, the term "Claim" will be given the broadest possible meaning permitted by applicable law and will include all manner and type of claim, whenever and wherever such claim may arise.

"Class" means a category of Claims or Equity Interests, as described in Section 2 herein.

"Committee" shall have the meaning as defined above, at page 1 of this Plan.

"Confirmation Date" means the date on which the order is entered by the Bankruptcy Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

"Confirmation Hearing" means the hearing to consider confirmation of the Plan under Section 1128 of the Bankruptcy Code.

"Confirmation Order" means the order entered by the Bankruptcy Court in the Chapter 11 Case confirming the Plan pursuant to Section 1129 and other applicable sections of the Bankruptcy Code, which order will be in form and substance reasonably satisfactory to Debtor and the Committee, and will include any amendments, supplements or modifications thereto made with the consent of Debtor and the Committee, or as determined by the Bankruptcy Court.

"Convenience Claim" means any Claim that is (a) equal to or less than One Thousand and 00/100 Dollars (\$1,000.00); or (b) greater than One Thousand and 00/100 Dollars (\$1,000.00) and the Holder of such Claim has voluntarily elected to reduce its Claim to One Thousand and 00/100 Dollars (\$1,000.00) for purposes of being treated as a Convenience Claim under the Plan; provided, however, that "Convenience Claim" does not include any Unclassified Claim, any Priority Claim, or any Secured Claim. All Convenience Claims are deemed Allowed for the purposes of this Plan and Distributions thereunder.

"Creditor" means any Person who holds a Claim against Debtor.

"Debtor" means ASCO Liquidating Company, f/k/a Auto Supply Company, Inc.

"Debtor's Claim List" shall have the meaning as defined in Section 6.1 below.

"Designated Notice" means notice and an opportunity for a hearing as defined in Section 102(a) of the Bankruptcy Code, with notice limited to Debtor, the Liquidating Trustee, the Bankruptcy Administrator for the Middle District of North Carolina, and the Liquidating Trust Committee, their respective counsel, and other parties in interest who, after entry of the Confirmation Order, file a request for such notice with the Clerk, include in such request its name, contact person, address, telephone number and facsimile number, and serve a copy of such notice on counsel to Debtor, the Liquidating Trustee and counsel for the Liquidating Trustee at the addresses set forth Section 13 below.

"Disallowed" means, with reference to any Claim, a Claim or any portion thereof that is or has been disallowed or expunged by Final Order of the Bankruptcy Court, or is otherwise not Allowed.

"Disclosure Statement" means the written disclosure statement that relates to the Plan, as approved by the Bankruptcy Court under Section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017 as amended, modified or supplemented.

"Disputed Claim" means a Claim, or any portion thereof, that has not been Allowed pursuant to the Plan or a Final Order, and includes, without limitation, (a) Claims that have not been scheduled by Debtor; (b) Claims that have been scheduled by Debtor with a zero, "Notice Only" or unknown amount; (c) Claims that have been scheduled by Debtor as contingent, unliquidated or disputed; (d) Claims that are the subject of an objection filed with the Bankruptcy Court that has not been settled, waived through payment, withdrawn or overruled by a Final Order of the Bankruptcy Court; and (e) for purposes of determining whether a particular Claim is a Disputed Claim prior to the expiration of any period of limitation fixed

for objecting to the Allowance of Claims, any Claim that is not identified by Debtor, as an Allowed Claim shall be deemed a Disputed Claim.

"Disputed Claim Amount" means (a) if a liquidated amount is set forth in the Proof of Claim relating to a Disputed Claim, (i) the liquidated amount set forth in the Proof of Claim relating to the Disputed Claim; (ii) an amount agreed to by Debtor or the Liquidating Trustee, and the Holder of such Disputed Claim; or (iii) if a request for estimation is filed by any party, the amount at which such Disputed Claim is estimated by the Bankruptcy Court; (b) if no liquidated amount is set forth in the Proof of Claim relating to a Disputed Claim, (i) an amount agreed to by Debtor or the Liquidating Trustee, as applicable, and the Holder of such Disputed Claim or (ii) the amount estimated by the Bankruptcy Court with respect to such Disputed Claim; or (c) if the Disputed Claim was listed on the Schedules as unliquidated, contingent or disputed and no Proof of Claim was filed, or deemed to have been filed, by the applicable Bar Date and the Claim has not been resolved by written agreement of the parties or an order the Court, zero.

"Disputed Claims Reserve" means the reserve to be established by the Liquidating Trustee to provide for payment of Disputed Claims, pending such Claims becoming Allowed or not Allowed. The amount of the Disputed Claims Reserve shall include the aggregate Disputed Claim Amounts, at any given time, together with such additional amounts as determined by the Liquidating Trustee, in its discretion.

"Distribution" means payment of Cash to Holders of Claims pursuant to the terms of this Plan.

"Distribution Date" means any date that the Liquidating Trustee, in its discretion, deems it appropriate to make a Distribution or payment to Holders of Allowed Claims, subject to the Liquidating Trustee's right to delay Distributions as set forth in the Plan or as otherwise in the exercise of the Liquidating Trustee's discretion.

"Effective Date" means the first Business Day which is fourteen (14) days after the date on which the Confirmation Order becomes a Final Order, or such later date if requested by Plan Proponents and approved by the Court at the Confirmation Hearing.

"Equity Interest" or "Equity Security Interest" means the legal, equitable and contractual rights of any Person with respect to any or all common stock of, or membership interest or any other equity interest in Debtor.

"Estate" means the estate of Debtor in this Chapter 11 Case created as of the Petition Date under Section 541 of the Bankruptcy Code.

"Executory Contract" means any executory contract or unexpired lease as of the Petition Date, subject to Section 365 of the Bankruptcy Code, between Debtor and any other Person or Persons, specifically excluding contracts and agreements entered into pursuant to the Plan or subject to Section 1113 of the Bankruptcy Code.

"Final Cash Distribution Date" means the date on which a Distribution in Cash is made to Holders of Claims from the Liquidating Trust which exhausts all of the Liquidating Trust Assets and represents the final payment under the Plan.

"Final Order" means:

(a) An order, judgment, ruling, or other decree (or any revision, modification, or amendment thereto) issued and entered by the Bankruptcy Court or by any state or other federal court that has jurisdiction over any proceeding in connection with the Chapter 11 Case for the purpose of such proceeding, which order, judgment, ruling, or other decree has not been reversed, vacated, stayed, modified, or amended and as to which:

(1) No appeal, petition for review, re-argument, rehearing, reconsideration, or certiorari has been taken and is pending and the time for the filing of such appeal, petition for review, re-argument, rehearing, reconsideration, or certiorari has expired, or

(2) Such appeal or petition has been heard and dismissed or resolved and the time to further appeal or petition has expired with no further appeal or petition pending; or

(b) A stipulation or other agreement entered into which has the effect of any such order, judgment, ruling, or other decree with like finality.

"Ford" means Ford Motor Company.

"Ford Deficiency Claim" means a General Unsecured Claim in an amount equal to the difference between the total Allowed amount of Ford's Claim (both Secured Claim and Unsecured Claim) and the value of Ford's collateral consisting of the Motorcraft Inventory securing such Claim (i.e., the total Allowed Claim amount minus the allowed Secured Claim amount), as determined consistent with Section 506(a) of the Bankruptcy Code, or otherwise agreed to by the Plan Proponents and Ford, as Holder of the Claim.

"Health Claims" mean claims submitted to BC/BS of North Carolina under Debtor's self-insured Health Plan.

"Holder" means a legal or beneficial holder of a Claim or Equity Interest.

"Impaired" means any Claim or Equity Interest that is impaired within the meaning of Section 1124 of the Bankruptcy Code.

"Initial Cash Distribution Date" means the date on which a Distribution in Cash to Holders of Claims in Classes 1 through 3 is made by the Liquidating Trustee.

"Liquidating Entities" shall have the meaning as defined in Section 8.6 below.

"Liquidating Trust" means the trust to be established pursuant to this Plan and the Liquidating Trust Agreement that will effectuate the wind down of Debtor and make Distributions pursuant to the terms of the Plan and Liquidating Trust Agreement. With respect to any action required or permitted to be taken by the Liquidating Trust, the term includes the Liquidating Trustee or any other person authorized to take such action in accordance with the Liquidating Trust Agreement. In the event of any conflict between the terms of this Plan and the terms of the Liquidating Trust Agreement, the terms of this Plan shall govern.

"Liquidating Trust Agreement" means that certain agreement which will be entered into prior to the Effective Date by Debtor and the Liquidating Trustee pursuant to Section 8 of the Plan, which is subject to approval by the Bankruptcy Court, and will become part of the Plan pursuant to the Confirmation Order. The Liquidating Trust Agreement will be filed with Bankruptcy Court prior to Confirmation as a Plan Document.

"Liquidating Trust Assets" means (a) Causes of Action; (b) Assets; and (c) other assets, property or amounts of the Estate that the Liquidating Trustee obtains as part of performing its duties as the Liquidating Trustee pursuant to the Liquidating Trust Agreement, Plan or Confirmation Order, including proceeds of (a) through (c) above.

"Liquidating Trust Committee" means the committee of Persons appointed as of the Effective Date to advise the Liquidating Trustee in the performance of the Liquidating Trustee's duties and obligations under the Plan and the Liquidating Trust Agreement, as more fully described in Section 8.3 below.

"Liquidating Trust Expense Reserve" means the reserve established by the Liquidating Trustee, in its discretion, to pay the Post-Effective Date Expenses.

"Liquidating Trustee" means MEMA Financial Services Group, Inc., or such person or entity as may be appointed and approved by the Bankruptcy Court as the trustee of the Liquidating Trust as of the date of execution of the Liquidating Trust Agreement, and any successor Liquidating Trustee appointed as provided in the Liquidating Trust Agreement. Any changes to the identity of the Liquidating

Trustee will be subject to approval of the Bankruptcy Court and will become part of the Plan pursuant to the Confirmation Order.

"Official Ballot" means the official ballot forms distributed in the Solicitation Package with the Disclosure Statement to Holders of Impaired Claims entitled to vote under Section 2 hereof in connection with the solicitation of acceptances of the Plan.

"Person" means an individual, corporation, partnership, governmental unit, joint venture, association, joint stock company, limited liability company, limited liability partnership, trust, estate, unincorporated organization, or other entity.

"Petition Date" means January 8, 2018, the date on which Debtor filed its voluntary petition for relief commencing the Chapter 11 Case.

"Plan" means this Plan of Liquidation proposed by Debtor and the Committee as Plan Proponents, as such Plan may be amended or modified from time to time in accordance with the Bankruptcy Code and the Bankruptcy Rules.

"Plan Documents" means collectively the Liquidating Trust Agreement, disclosure of the members of the Liquidating Trust Committee and the terms of engagement of the Liquidating Trustee.

"Plan Proponents" means collectively, Debtor and the Committee.

"Post-Confirmation Expense(s)" means the actual and reasonable costs and expenses of the Liquidating Trustee in performing its duties as set forth in this Plan, the Liquidating Trust Agreement and the Confirmation Order, including (a) compensation of the Liquidating Trustee and reimbursement of the Liquidation Trustee's expenses; (b) payment of all expense and other amounts incurred by the Liquidating Trustee in its operation and fulfilling its duties as set forth in the Plan and the Liquidating Trust Agreement; (c) quarterly Statutory Fees; (d) payment of all fees and expenses of the Liquidating Trust's respective Professionals; (e) payment of all costs of litigation, including expert witness fees, court reporter fees and related costs and expenses; and (f) paying and otherwise satisfying any and all other debts, charges and liabilities incurred by the Liquidating Trustee in connection with the performance of its duties and responsibilities related to the Plan and the Liquidating Trust Agreement.

"Priority Claim" means an Allowed Claim that is entitled to priority in payment pursuant to Section 507(a) of the Bankruptcy Code and is not a General Unsecured Claim or Secured Claim.

"Priority Tax Claim" means any claim of a Governmental Unit of the kind entitled to priority in payment as specified in Sections 502(i) and 507(a)(8) of the Bankruptcy Code.

"Professional" means any professional (i.e. attorneys, accountants, financial advisors) (a) employed in the Chapter 11 Case with the approval of the Bankruptcy Court pursuant to Sections 327, 328 or 1103 of the Bankruptcy Code; (b) employed by the Liquidating Trustee or the Liquidating Trust Committee, pursuant to this Plan; and (c) Debtor's Post-Confirmation engagement of Professionals, as approved by the Liquidation Trustee, as necessary to complete objections to and reconciliation of Claims.

"Professional Fees and Expenses Claim" means a Claim of a Professional pursuant to Sections 330(a) and 503(b)(2) of the Bankruptcy Code for compensation or reimbursement of costs and expenses relating to services incurred after the Petition Date and prior to the Effective Date.

"Pro Rata" means a number (expressed as a percentage) equal to the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of: (a) Allowed Claims plus (b) Claims, Disputed or undisputed, otherwise asserted but not yet Disallowed (in their aggregate face or, if applicable, estimated amount) in such Class as of the date of determination.

"Quarterly Report" means as defined in Section 8.4.7 below.

"Schedules" means the schedules of assets and liabilities and statement of financial affairs filed by Debtor under Section 521 of the Bankruptcy Code, as supplemented or amended through the Confirmation Date.

"Section 503(b)(9) Administrative Claim" means a Claim against Debtor alleged to be entitled to an administrative expense priority under Section 503(b)(9) of the Bankruptcy Code for goods sold to Debtor in the ordinary course of Debtor's business and received by Debtor within 20 days before the Petition Date.

"Secured Claim" means an Allowed Claim, that is secured by a security interest in or lien upon property, or the proceeds of the sale of such property, in which Debtor has an interest, to the extent of the value, as of the Effective Date or such later date as is established by the Bankruptcy Court, of such interest or lien as determined by a Final Order of the Bankruptcy Court under Section 506 of the Bankruptcy Code or as otherwise agreed upon in writing by Debtor and the holder of such Claim.

"Statutory Fees" means the fees and costs due and owing to the Clerk of the Bankruptcy Court for filing fees, mailing costs and other miscellaneous fees incurred by the Estate during the pendency of the Chapter 11 Case, and the quarterly fees due and owing to the Bankruptcy Administrator for the Middle District of North Carolina all as provided for in 28 U.S.C. § 1930.

"Unclaimed Property" means any funds payable to Holders of Allowed Claims which are unclaimed. Unclaimed Property shall include (a) checks (and the

funds represented thereby) which have been returned as undeliverable without a proper forwarding address; (b) funds for checks which have not been presented and paid within sixty (60) days of their issuance, thereby entitling the Liquidating Trustee to stop payment for such checks; (c) checks (and the funds represented thereby) which were not mailed or delivered because of the absence of a proper address to mail or deliver such property as set forth in Section 5.11 of this Plan; and (d) checks (and the funds represented thereby) which are not mailed due to the lack of required tax identification information, but only following two mailed requests for this tax identification information.

"Unclassified Claim" means any Claim that is not part of any Class, including Administrative Expense Claims, Priority Claims and Priority Tax Claims.

"Unsecured Claim" and **"General Unsecured Claim"** means any Claim that is not an Unclassified Claim, Administrative Expense, Priority Tax Claim, Priority Claim, or Secured Claim, including (a) any Claim arising from the rejection of an Executory Contract or Unexpired Lease under Section 365 of the Bankruptcy Code; and (b) any portion of a Claim to the extent the value of the Holder's interest in the Estate's interest in the Property securing such Claim is less than the amount of the Claim, or to the extent that the amount of the Claim subject to setoff is less than the amount of the Claim, as determined pursuant to Section 506(a) of the Bankruptcy Code.

"Unsecured Creditor" means any Holder of an Unsecured Claim.

SECTION 2 DESIGNATION OF CLASSES OF CLAIMS AND EQUITY INTERESTS.

Claims and Equity Interests are divided into two (2) categories (i) Unclassified Claims and (ii) Classified Claims and Equity Interests. Classified Claims and Equity Interests are further divided into four (4) Classes.

2.1 Unclassified Claims.

Pursuant to Section 1123(a)(1) of the Bankruptcy Code, certain types of Claims are automatically entitled to specific treatment. They are not considered Impaired, and Holders of such Claims do not vote on the Plan. Accordingly, the Plan Proponents have not placed these Claims in a Class, but rather they are Unclassified. The Unclassified Claims consist of (a) Administrative Expense Claims, including: (i) expenses arising in the ordinary course of Debtor's business after the Petition Date, (ii) Health Claims, (iii) Section 503(b)(9) Claims, and (iv) Professional Fees and Expenses Claims; (b) Priority Tax Claims; and (c) Statutory Fees.

2.2 Classified Claims and Equity Interests.

Pursuant to Section 1123 of the Bankruptcy Code, all Allowed Claims (other than Unclassified Claims) have been placed in a Class with other substantially similar Claims. The Plan Proponents have identified whether such Class of Claims is Impaired or Unimpaired for voting purposes. The Claims and Equity Interests classified herein consist of: Class 1, the Secured Claim of Ford; Class 2, Convenience Claims; Class 3, Unsecured Claims in an amount greater than \$1,000.00; Class 4, the Equity Interests of Charles A. Key, Jr. and R. Daniel Luper.

SECTION 3 TREATMENT OF UNCLASSIFIED CLAIMS.

Pursuant to Section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims, Priority Tax Claims, Priority Claims and Statutory Fees against Debtor are not classified for purposes of voting on, or receiving Distributions under the Plan. Holders of such Claims are not considered Impaired and are not entitled to vote on the Plan. All such Claims are instead treated separately hereby and in accordance with the Section 1129(a)(9)(A) of the Bankruptcy Code.

3.1 Administrative Expense Claims.

This category of Claims includes the Holders of all Claims for (a) expenses arising in the ordinary course of Debtor's business after the Petition Date; (b) Health Claims; (c) Section 503(b)(9) Claims; and (d) Professional Fees and Expenses Claims. Debtor estimates the ordinary course of business expenses of Debtor to be less than the amount of \$10,000.00 as of the Effective Date. Debtor estimates that all Health Claims will have been submitted by the Health Claims Bar Date and will have been paid prior to the Effective Date. Debtor estimates that Allowed Claims for Section 503(b)(9) Claims as of the Effective Date will be in the amount of \$143,576.00. Debtor estimates that Allowed Claims for Professional Fees and Expenses as of the Effective Date, net of retainer currently held by certain Professionals, will be in the amount of at least \$350,000.00. Professional Fees and Expenses Claims shall be subject to the fee application and allowance procedures of the Bankruptcy Court. All Professionals seeking payment of Professional Fees and Expenses Claims shall file their respective final Fee Applications no later than sixty (60) days after the Effective Date.

Subject to the allowance procedures and the Administrative Claim Bar Date provided in this Plan, except to the extent any entity entitled to payment of an Allowed Administrative Expense Claim has received payment on account of such Claim prior to the Effective Date or agrees to a different treatment, each Holder of an Allowed Administrative Expense Claim shall receive, in full and final satisfaction of its Allowed Administrative Expense Claim, Cash in an amount equal to the amount of such Allowed Administrative Expense Claim, on the date that is the later of (i) the Effective Date (or as soon thereafter as practical) and (ii) a date that is thirty (30) days after entry of a Final Order determining and allowing such Allowed Administrative Expense Claim, or as soon thereafter as is practical.

3.2 Priority Tax Claims and Priority Claims.

This category consists of Priority Tax Claims and Priority Claims. As of the Petition Date, Debtor estimates that the accrued and unpaid Priority Tax Claims consisted of (a) 2013 Federal Excise Taxes in the amount of \$113.03 owed to the Internal Revenue Service; (b) 2017 Federal Excise Taxes in the amount \$432.89 owed to the Internal Revenue Service; (c) 2017 personal property taxes owed to North Carolina counties and municipalities in the approximate amount of \$10,157.01; and (d) 2017 North Carolina Franchise Tax in the amount of \$36,000.00 owed to the North Carolina Department of Revenue.

A Holder of an Allowed Priority Tax Claim shall receive, in full and final satisfaction of its Priority Tax Claim, Cash, in an amount equal to the Allowed amount of such Priority Tax Claim on the Effective Date (or as soon thereafter as practical).

Debtor believes that all pre-petition federal and state unemployment taxes, and federal and state payroll taxes, were paid in full in the ordinary course of Debtor's business. To the extent any Allowed Priority Tax Claim for federal and state unemployment taxes, or federal and state payroll taxes has not been paid in full as of the Effective Date, a Holder of an Allowed Priority Tax Claim shall receive, in full and final satisfaction of its Claim, Cash, in an amount equal to the Allowed amount of such Priority Tax Claim on the date that is the later of (i) the Effective Date (or as soon thereafter as practical) and (ii) a date which is thirty (30) days after entry of a Final Order determining and allowing such Priority Tax Claim, or as soon thereafter as is practical.

This category also consists of any Priority Claims which are not Administrative Expense Claims or Priority Tax Claims. Debtor believes that all pre-petition claims afforded priority under Section 507 the Bankruptcy Code were paid in full in the ordinary course of business prepetition, or post-petition pursuant to the First Day Orders. Debtor is not aware of any Priority Claims which remain unpaid. To the extent any Allowed Priority Claim has not been paid in full as of the Effective Date, a Holder of an Allowed Priority Claim shall receive, in full and final satisfaction of its Claim, Cash, in an amount equal to the Allowed amount of such Priority Claim on the date that is the later of (a) the Effective Date (or as soon thereafter as practical) and (b) a date which is thirty (30) days after entry of a Final Order determining and allowing such Priority Claim, or as soon thereafter as is practical.

3.3 Statutory Fees.

This category consists of the fees and costs due and owing to the Clerk of Court for filing fees, mailing costs and other miscellaneous fees incurred by the Estate during the pendency of the Chapter 11 Case, and the quarterly fees due and

owing to the Bankruptcy Administrator for the Middle District of North Carolina, all as provided for in 28 U.S.C. § 1930. Debtor estimates that Allowed Statutory Fees as of the Effective Date will be in the amount of \$4,875.00.

A Holder of an Allowed Statutory Fee shall receive, in full and final satisfaction of its Claim, Cash, in an amount equal to the Allowed amount of such Statutory Fee on the date that is the later of (a) the Effective Date and (b) the date such Claim becomes due according to Section 1129(a)(12) and the Chapter 11 Operating Order [Docket No. 13].

SECTION 4 TREATMENT AND CLASSIFICATION OF CLAIMS AND INTERESTS.

A Claim or Equity Interest shall be deemed classified in a particular Class only to the extent the Claim or Equity Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that such Claim or Equity Interest is Allowed and has not been paid or otherwise settled or otherwise satisfied prior to the Effective Date.

Class 2 is unimpaired under the Plan. Pursuant to Section 1126(f) of the Bankruptcy Code, Class 2 is deemed to accept the Plan and is not entitled to vote to accept or reject the Plan.

Classes 1 and 3 are Impaired under the Plan and are entitled to vote to accept or reject the Plan.

Class 4 is Impaired and will not receive or retain any property under the Plan. Pursuant to Section 1126(g) of the Bankruptcy Code, Class 4 is deemed to reject the Plan and is not entitled to vote to accept or reject the Plan.

4.1 Class 1: Secured Claim of Ford.

Classification: Ford has asserted a claim against Debtor in the amount of \$3,041,842.73. Class 1 consists of the Allowed Secured Claim of Ford in the amount of \$500,000.00, arising from the Ford Credit Account and Security Agreement, described in Sections III(D)(3) and V(D)(1) of the Disclosure Statement.

Treatment: Debtor shall pay Ford its Allowed Secured Claim, in full, from the proceeds of sale of the Motorcraft® Inventory which serves as Ford's collateral, plus an additional credit from Ford to be applied to the Allowed Secured Claim for a total credit of \$500,000.00 in full satisfaction of Ford's Allowed Secured Claim. The Ford Deficiency Claim shall be treated and Allowed as a General Unsecured Claim in Class 3 in the Allowed amount of \$2,489,026.95.

Impairment and Voting: The Claim of Class 1 is Impaired by the Plan. The Holder of the Class 1 Allowed Claim is entitled to vote to accept or reject the Plan.

4.2 Class 2: General Unsecured Claims Equal to or Less than \$1,000.00.

Classification: Class 2 consists of all Holders of Allowed General Unsecured Claims in an amount of \$1,000.00 or less and Holders of General Unsecured Claims in excess of \$1,000.00 who agree to be treated as Class 2 Claims by election on the Official Ballot.

Treatment: Each Holder of an Allowed Class 2 Claim shall be paid by the Debtor in full and final satisfaction of such Holder's Allowed General Unsecured Claim, a Cash payment in an amount equal to one hundred percent (100%) of such Holder's Allowed General Unsecured Claim, without interest, on a date that is the later of (a) within thirty (30) days after the Effective Date (or as soon as practical thereafter); and (b) if an objection is filed, a date which is thirty (30) days after entry of a Final Order determining and allowing such Class 2 Claim, or as soon as reasonably practical thereafter.

Impairment and Voting: The Claims of Class 2 are not Impaired by the Plan. Each Holder of an Allowed General Unsecured Claim in Class 2 is deemed to have accepted the Plan pursuant to Section 1126(f) of the Bankruptcy Code. Therefore, the Holders of the Class 2 Allowed Claims are not entitled to vote to accept or reject the Plan.

4.3 Class 3: General Unsecured Claims in Excess of \$1,000.00.

Classification: Class 3 consists of all Holders of Allowed General Unsecured Claims in excess of \$1,000.00.

Treatment: Each Holder of an Allowed General Unsecured Claim in Class 3 shall receive in full and final satisfaction of such Holder's Allowed General Unsecured Claim, and after payment of or reservation for payment of Unclassified Claims, Disputed Claims Reserve, Post-Confirmation Expenses, Class 1 Claims and Class 2 Claims, (a) such Holder's *Pro Rata* share of the Liquidating Trust Assets on each Distribution Date, to be determined under the Plan, ending with a *Pro Rata* share of remaining Liquidating Trust Assets on the Final Cash Distribution Date, or (b) if such Holder makes an election on its Official Ballot to reduce the Allowed amount of its Claim to \$1,000.00, and agrees to be treated as a Class 2 Convenience Claim, a payment by the Debtor of \$1,000.00 (a) within thirty (30) days after the Effective Date (or as soon as practical thereafter); and (b) if an objection is filed, a date which is thirty (30) days after entry of a Final Order determining and allowing such Class 2 Claim, or as soon as reasonably practical thereafter.

Impairment and Voting: The Claims of Class 3 are Impaired by the Plan. Each Holder of an Allowed General Unsecured Claim in Class 3 is entitled to vote to accept or reject the Plan pursuant to Section 1126 of the Bankruptcy Code.

4.4 Class 4: Equity Security Interests.

Classification: Class 4 consists of the Equity Interests of Debtor's shareholders, Charles A. Key, Jr. and R. Daniel Luper.

Treatment: Holders of Equity Interests in Class 4 shall not receive any Distributions on account of their Equity Interests. Upon entry of a Final Order approving Confirmation of the Plan, the Equity Interests of Class 4 shall be deemed cancelled.

Impairment and Voting: The Equity Interests of Class 4 are Impaired by the Plan. The Holders of Equity Interests in Class 4 are deemed to have rejected the Plan pursuant to Section 1126(g) of the Bankruptcy Code. Therefore, the Holders of Equity Interests in Class 4 are not entitled to vote to accept or reject the Plan.

SECTION 5 DISTRIBUTIONS UNDER THE PLAN.

5.1 Delivery of Distributions.

Distributions to Holders of Allowed Claims shall be made (a) to the payment addresses set forth on the Proofs of Claim filed by such Holders; (b) to the addresses set forth in any written notices of address changes that are both filed with the Bankruptcy Court and delivered to Debtor after the date of any related Proofs of Claim and prior to the Confirmation Date; (c) to the addresses reflected in the Schedules if no Proof of Claim has been filed and Debtor has not received a written notice of a change of address pursuant to 5.1(b) above; (d) the addresses set forth in any written notices of address changes that are filed with the Bankruptcy Court and delivered to the Liquidating Trustee and its counsel and Debtor and its counsel (as set forth in Section 13 below) subsequent to the Effective Date; or (e) to Debtor's last known address for such Holders, if any, if no Proofs of Claim have been filed, and the addresses in the Schedules are incorrect. The Debtor shall provide the Liquidating Trustee with any notices of address changes received pursuant to 5.1(b) on or within ten (10) days after the Effective Date.

5.2 Transition of Distributions.

Prior to delivering Cash and other Liquidating Trust Assets to the Liquidating Trustee on or about the Effective Date (or as soon as practicable thereafter), Debtor shall cause to be paid all Allowed, as of the Effective Date, (a) Administrative Expense Claims; (b) Priority Tax Claims; (c) Priority Claims; (d) Class 2 Convenience Claims; and (e) Statutory Fees. On or before the Effective

Date, Debtor shall account to the Liquidating Trustee for all of the above-described Allowed Claims paid and such of the above Allowed Claims, if any, not paid as of the Effective Date and the reason therefore and status thereof.

Debtor shall reasonably cooperate with the Liquidating Trustee providing information regarding Claims, Liquidating Trust Assets and related information necessary or helpful to transition to the Liquidating Trustee in commencing its role as set forth herein. The Liquidating Trustee shall compensate Debtor's Professionals and employees for post-Effective Date efforts and cooperation, including Objections to Claims and Avoidance Actions as appropriate.

5.3 Manner of Payment.

Any Cash payment or Distribution to be made under the Plan may be made by check from the Liquidating Trust.

5.4 Distributions to Holders of Unclassified Claims.

Upon the Confirmation Order becoming a Final Order, Distributions to be made to the Holders of Unclassified Claims on account of Claims that are Allowed Claims as of the Effective Date shall be made by Debtor in Cash within fifteen (15) days of the Effective Date, or as soon as practical thereafter. Distributions to be made to Holders of Unclassified Claims on account of Claims that first become Allowed Claims after the Effective Date shall be made by the Liquidating Trustee in Cash within thirty (30) days after the date that an order allowing such Claim becomes a Final Order.

5.5 Distributions to the Holder of Claims in Classes 1 and 2.

Except as otherwise ordered by the Bankruptcy Court, and after paying or reserving for payment of Unclassified Claims, Disputed Claims Reserve, and Post-Confirmation Expenses, Distributions to be made on account of Claims that are Allowed Claims as of the Effective Date in Classes 1 and 2 shall be made by the Debtor within thirty (30) days after the Effective Date. Distribution on account of Claims that first become Allowed Claims after the Effective Date in Classes 1 and 2 shall be made by the Liquidating Trustee within thirty (30) days, or as soon thereafter as practical, after the date that an order allowing such Claim becomes a Final Order.

5.6 Distributions to the Holder of Claims in Class 3.

Except as otherwise ordered by the Bankruptcy Court, and after paying or reserving for payment of Unclassified Claims, Disputed Claims Reserve, and Post-Confirmation Expenses, Distributions to be made on account of Claims that are Allowed Claims as of the Effective Date in Class 3 shall be made by the Liquidating Trustee (a) on the Initial Cash Distribution Date, or as soon thereafter as practical,

on a *Pro Rata* basis; (b) on the Final Cash Distribution Date, on a *Pro Rata* basis; and (c) at such other times between the Initial and Final Cash Distribution Dates as are deemed appropriate by the Liquidating Trustee, in its discretion.

5.7 No Distributions to Holders of Claims in Class 4.

Except as otherwise ordered by the Bankruptcy Court, the Liquidating Trustee shall make no Distributions to Holders of Equity Interests included in Class 4.

5.8 Distribution to the Disputed Claims Reserve.

From and after the Effective Date, the Liquidating Trustee shall set aside, segregate, and hold in the Disputed Claims Reserve Cash equal to the amount of Distributions on account of any Disputed Claims that may be distributable if such Disputed Claims become Allowed Claims. The Liquidating Trustee may estimate or approximate Disputed Claims in a manner and amount as it deems appropriate under the circumstances. The Liquidating Trustee is under no obligation to maintain such funds in an interest-bearing account.

5.9 Minimum Distributions and Rounding.

Except with respect to Class 2 Claims, in the discretion of the Liquidating Trustee, if the amount of Cash to be distributed to the Holder of an Allowed Claim is less than \$25.00 on a particular Distribution Date, the Liquidating Trustee may hold the Cash Distributions to be made to such Holder until the aggregate amount of Cash to be distributed to such Holder is in an amount equal to or greater than \$50.00. Notwithstanding the preceding sentence, if the aggregate amount of Cash Distribution owed to any Holder of an Allowed Claim never equals or exceeds \$25.00, then the Liquidating Trustee shall not be required to distribute Cash to any such Holder.

In the discretion of the Liquidating Trustee, if the amount of Cash to be distributed to the Holder of an Allowed Claim would require payment of a fraction of a dollar, the actual Cash payment may reflect a rounding of such fraction to the nearest whole dollar.

5.10 Right of Setoff and Recoupment.

Pursuant to Section 553 of the Bankruptcy Code, or other statutory or equitable non-bankruptcy law, Debtor or the Liquidating Trustee, as the case may be, shall withhold payments to any Holder of any Allowed Claim or any Affiliate thereof on account of the existence of any Cause of Action or potential Cause of Action against such Holder of an Allowed Claim or any Affiliate thereof. The Liquidating Trustee may exercise the right of setoff or recoupment against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of

such Claim (before Distribution is made on account of such Claim), the claims, rights, and causes of action of any nature that Debtor and/or the Liquidating Trustee may hold against the Holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff or recoupment nor the allowance of any Claim hereunder shall constitute a waiver or release by the Liquidating Trustee of any such claims, rights and causes of action that the Liquidating Trust may possess against such Holder.

5.11 Undeliverable Distributions.

If any Distribution is returned as undeliverable, no further Distributions shall be made to such Holder unless and until the Liquidating Trustee is timely notified in writing of such Holder's then-current address. Undeliverable Distributions shall remain in the possession of the Liquidating Trustee until such time as a Distribution becomes deliverable. Undeliverable Distributions shall not be entitled to any interest, dividends or other accruals of any kind. Any check that is not cashed or otherwise deposited within three (3) months after the check's date shall be deemed an undeliverable Distribution under this Plan.

Notwithstanding anything to the contrary in this Plan, the Confirmation Order or the Liquidating Trust Agreement, if any Holder of an Allowed Claim does not provide written notice of such Holder's current address as provided above, and assert such Holder's interest in an undeliverable or unclaimed Distribution within sixty (60) days after any such Distribution Date, such Distribution will be deemed to be Unclaimed Property pursuant to Section 347(b) of the Bankruptcy Code, and such Holder shall be deemed to have forfeited its Distribution and shall be forever barred and enjoined from asserting any claim for an undeliverable or unclaimed Distribution against Debtor, the Liquidating Trustee, the Estate, or their property without further notice, action or Bankruptcy Court Order. In such cases, any Cash held as Unclaimed Property shall become available for Distribution to Class 3 on the Final Cash Distribution Date.

SECTION 6 PROCEDURES FOR DISPUTED CLAIMS.

6.1 Objections to Claims.

From and after the Confirmation Date, Debtor shall have the exclusive right and standing to object to and contest the allowance of Claims, compromise and settle any Disputed Claim, subject to Bankruptcy Court approval as set forth in the Plan, and litigate to final resolution any objection to Claim. Except to the extent that a Claim is already Allowed pursuant to a Final Order, Debtor reserves the right to object to Claims for a period of ninety (90) days after the Confirmation Date ("Claim Objection Deadline"), which deadline may be extended upon a motion filed with the Bankruptcy Court by Debtor prior to the expiration of the Claim Objection Deadline. No Distribution shall be made to a Holder of Claim under the Plan

unless and until such Claim is an Allowed Claim. Debtor shall maintain a detailed list of all Claims (the "Debtor's Claims List") including Claims that are Unclassified Claims and Claims in any Class and categorize all claims as Allowed, Disputed, under investigation, subject to pending objection or otherwise and deliver to the Liquidating Trustee (per Section 13) an updated Debtor's Claims List by the end of each month after the Effective Date. To prevent duplication of efforts and costs, the Liquidating Trustee shall be entitled to fully rely upon the Debtor's Claims List, without further investigation or diligence, in determining the amount of Allowed Claims, Unclassified Claims, the Disputed Claims Reserve, and as otherwise necessary to fulfill the Liquidating Trustee's duties and obligations under this Plan, the Confirmation Order and the Liquidating Trust Agreement.

If the Holder of a Disputed Claim and Debtor reach an agreement regarding the Allowed amount of a Claim and such agreed amount does not exceed \$10,000.00 or does not vary from the Claim amount scheduled by Debtor by more than \$10,000.00, Debtor shall be authorized to enter into and effectuate a settlement without any further notice to parties in interest or approval and order of the Bankruptcy Court. The settled Claim shall be an Allowed Claim for the amount agreed upon by the Holder of the Claim and Debtor. If the Holder of a Disputed Claim and Debtor reach an agreement regarding the Allowed amount of a Claim and such agreed amount exceeds \$10,000.00 or varies from the amount scheduled for the Claim by Debtor by more than \$10,000.00, Debtor shall provide Designated Notice of the proposed settlement consistent with Bankruptcy Rules 2002(a)(3) and 9019(a). If an objection to a proposed settlement is filed within the applicable period provided by Bankruptcy Rule 2002(a)(3), then the Bankruptcy Court shall schedule a hearing to resolve the objection to the compromise and settlement of the Claim and determine the Allowed amount of the Claim. The Liquidating Trustee, after the Effective Date, shall have standing to object or otherwise be heard to any proposed settled Claim that is filed with the Bankruptcy Court pursuant to the above procedure.

Notwithstanding the foregoing, Debtor and the Liquidating Trustee shall coordinate efforts regarding the resolution of Disputed Claims of Creditors whose claims are Disputed, for among other reasons, on the basis that such Claims are parties to or putative parties to Avoidance Claims or Causes of Action. Debtor shall not resolve a Disputed Claim without first providing the Liquidating Trustee with notice of such proposed settlement and receiving confirmation that such Creditor is not a party to or putative party to an Avoidance Claim or Cause of Action. It is contemplated that the Liquidating Trustee will retain the law firm of Kane Russell as counsel for the Liquidating Trust. In the event of a conflict of interest as between Kane Russell on the one hand and a proposed defendant to an Avoidance Claim or Cause of Action on the other hand, it is contemplated that the Liquidating Trustee will retain the law firm of Blanco Tackabery & Matamoros, P.A. as conflicts counsel for the Liquidating Trust to pursue such Avoidance Claim or Cause of Action.

6.2 Payments and Distributions with Respect to Disputed Claims.

If all or any portion of a Claim is a Disputed Claim, or if Debtor has an unresolved claim or the Liquidating Trustee has a Cause of Action against the Holder of a Disputed Claim or Affiliate thereof, no payment or Distribution provided hereunder shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim by settlement between the parties or Final Order and the Claim has been Allowed.

6.3 Distribution after Allowance.

After such time as a Disputed Claim becomes an Allowed Claim, the Liquidating Trustee shall distribute from the Disputed Claims Reserve held by the Liquidating Trust to the Holder thereof the Distribution to which such Holder is entitled under the Plan, within thirty (30) days of entry of a Final Order on the Allowed Claim.

SECTION 7 TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES.

On the Effective Date, all Executory Contracts and Unexpired Leases of Debtor that have not otherwise been assumed and assigned in the Final Sale Order or any other Final Order, or rejected, prior to the Effective Date, shall be deemed rejected. The Confirmation Order shall constitute an order of the Bankruptcy Court approving the rejection of all Executory Contracts and Unexpired Leases, not previously assumed or assumed and assigned by Final Order, as of the Confirmation Date, pursuant to Section 365 of the Bankruptcy Code.

7.1 Insurance Contracts.

Notwithstanding this Section 7 of the Plan providing for the rejection of Executory Contracts, any insurance policy in which Debtor is an insured or a beneficiary that is deemed to be an Executory Contract, which has not previously been terminated or rejected, shall neither be assumed or rejected by operation of the Plan and the Confirmation Order, but shall remain subject to assumption or rejection by the Liquidating Trustee, pursuant to the provisions of Section 365 of the Bankruptcy Code following the Effective Date.

7.2 Rejection Claim Bar Date.

If the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan and the Confirmation Order gives rise to a Rejection Claim for monetary damages by the counterparty to such Executory Contract or Unexpired Lease, such Claim shall be forever barred and shall not be enforceable against Debtor, the Liquidating Trust, or the Estate unless a Proof of Claim is filed with the Bankruptcy Court and served on Debtor and the Liquidating Trustee and their

respective counsel within thirty (30) days after the Confirmation Date. All such Rejection Claims for which Proofs of Claim are required to be filed, if Allowed, will be classified and treated as Class 3 General Unsecured Claims, subject to the provisions of the Plan consistent with the provisions of Section 502(g)(1) of the Bankruptcy Code.

SECTION 8 MEANS OF IMPLEMENTING THE PLAN.

This Plan provides for the disposition of all Debtor's property, including the Assets, and the Distribution of the net proceeds thereof to Holders of Allowed Claims, consistent with the terms of this Plan. A Liquidating Trust shall be created on the Effective Date and a Liquidating Trustee appointed for the purpose of liquidating any remaining Assets of the Estate, investigating and pursuing Causes of Action and distributing to Holders of Allowed Claims Debtor's accumulated Cash and any funds generated from the prosecution of Causes of Action and from other Liquidating Trust Assets administered by the Liquidating Trustee.

8.1 Creation of the Liquidating Trust.

Prior to the Effective Date, Plan Proponents shall execute the Liquidating Trust Agreement. The Liquidating Trust Agreement shall be filed and served via CM/ECF to parties in interest not later than three (3) days prior to the Confirmation Hearing as a part of the Plan Documents. The Liquidating Trust shall be governed by the Liquidating Trust Agreement, the Plan, and the Confirmation Order.

On the Effective Date, the Liquidating Trust shall be created. On the Effective Date, Debtor shall, pursuant to Section 1123(b)(3)(B) of the Bankruptcy Code, transfer all Assets, including Cash and the Causes of Action to the Liquidating Trust and Debtor shall not retain any Assets, unless expressly authorized by the Liquidating Trustee. All transfers to the Liquidating Trust shall be free and clear of all liens, claims, interests and encumbrances of any kind or character. The Confirmation Order shall constitute a determination that the transfer of the assets to the Liquidating Trust is legal, valid, and binding consistent with the laws of the State of North Carolina and the Bankruptcy Code. The Liquidating Trust Assets will be held in trust for the benefit of the Holders of Allowed Claims, as the Liquidating Trust beneficiaries, pursuant to the terms of the Plan and the Liquidating Trust Agreement.

Except as specifically set forth herein, Holders of Allowed Claims shall look solely to the Liquidating Trust for the satisfaction of their Claims. The Liquidating Trustee will make Distributions on account of Holders of Allowed Claims in accordance with the terms of the Plan. For the avoidance of doubt, nothing herein shall be construed to restrict or limit the ability or standing of the Liquidating Trustee to assert any Causes of Action transferred to the Liquidating Trust. In

connection with any Causes of Action that are included in the Liquidating Trust, any attorney-client privilege, work-product privilege or protection, or other privilege or immunity relating to any documents or communications thereto (whether written or oral) applicable to Debtor, the Estate and the Committee, will also exist for the benefit of the Liquidating Trust and will vest in the Liquidating Trustee and its representatives, and will also be preserved for and as to Debtor and the Committee, as the case may be. The Liquidating Trust is authorized to take all necessary actions to benefit from such privileges.

8.2 Treatment of the Liquidating Trust for Federal Income Tax Purposes.

The Liquidating Trust will be established for the primary purpose of liquidating the remaining assets, including the Causes of Action and distributing the proceeds thereof along with the Net Sale Proceeds, in accordance with Treas. Reg. § 301.7701-4(d). The Liquidating Trust has no objective to continue or engage in any trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. The Liquidating Trust will liquidate the assets and distribute their proceeds in an expeditious but orderly manner, and will make timely Distributions to Holders of Allowed Claims in accordance with the Plan, Confirmation Order, and Liquidating Trust Agreement. The Liquidating Trust shall not unduly prolong its duration, and shall not be deemed a successor-in-interest of Debtor for any purpose other than as specifically set forth herein or in the Liquidating Trust Agreement.

The Liquidating Trust is intended to be treated as a "liquidating trust" pursuant to Treasury Regulation § 301.7701-4(d) and as a "grantor trust for federal income-tax purposes, pursuant to Section 671 through 679 of the Internal Revenue Code of 1986, as amended (the "IRC"). If the Liquidating Trust shall fail or cease to qualify as a liquidating trust in accordance with Treasury Regulations Section 301.7701-4(d), the Liquidating Trustee shall take such action as it shall deem appropriate to have the Liquidating Trust classified as a partnership for federal-tax purposes under Treasury Regulations Section 301.7701-3 (but not a publicly traded partnership within the meaning of Section 7704 of the IRC), including, if necessary, creating or converting it into a North Carolina limited partnership or limited liability company that is so classified. For federal income-tax purposes, Holders of Allowed Claims will be treated as the grantors and owners of the Liquidating Trust; therefore, they will be responsible for the payment of tax on their respective allocable share of the taxable income of the Liquidating Trust.

As soon as reasonably practical after the Effective Date, the Liquidating Trustee (to the extent that the Liquidating Trustee deems it necessary or appropriate in its sole discretion) will value the assets transferred to the Liquidating Trust based on the good faith determination of the value of such assets. The valuation will be used consistently by all parties (including Debtor, the

Liquidating Trustee, and the Trust Beneficiaries) for all federal income tax purposes. The Bankruptcy Court will resolve any dispute regarding the valuation of the assets.

8.3 Termination of the Committee.

On the Effective Date, the Committee shall be dissolved and the retention and employment of Committee's Professionals shall terminate. The Committee and the individual members of the Committee shall be released and discharged of and from (i) all further authority, duties, responsibilities and obligations related to and arising from service on the Committee the Chapter 11 Case; and (ii) any and all claims or causes of action relating directly or indirectly to any act or failure to act in discharge of the duties, responsibilities and obligations related to and arising from service on the Committee in the Chapter 11 Case.

8.4 Appointment of the Liquidating Trustee.

On the Effective Date, MEMA Financial Services Group, Inc. shall be appointed as the Liquidating Trustee. The terms of the employment of the Liquidating Trustee shall be approved in the Confirmation Order. The Liquidating Trustee will pay or otherwise make Distributions on account of all Allowed Claims against Debtor in accordance with the terms of the Plan.

8.4.1 General Powers of the Liquidating Trustee.

Subject to any limitations expressly and specifically set forth in this Plan, the Confirmation Order, or the Liquidating Trust Agreement, the Liquidating Trustee, on behalf of the Liquidating Trust, shall have all of the rights, powers and privileges set forth in this Plan, the Confirmation Order and the Liquidating Trust Agreement. The Liquidating Trustee may take all such actions as it deems necessary and appropriate to effectuate the purposes of the Plan, including but not limited to the following:

- a. Make all Distributions, after reserving amounts deemed appropriate by the Liquidating Trustee in its discretion, as contemplated under the Plan;
- b. Enter into any agreement on behalf of the Liquidating Trust required by or consistent with the Plan and perform all of the obligations required of the Liquidating Trustee under the Liquidating Trust Agreement or this Plan;
- c. Abandon any of the assets of the Liquidating Trust if the Liquidating Trustee concludes that such assets are of no material benefit to the Creditors;

d. Participate in or initiate any proceeding before the Bankruptcy Court or any other court of appropriate jurisdiction and participate as a party, intervenor or otherwise in any legal proceeding, administrative proceeding, arbitrate proceeding or other non-judicial proceeding and litigate claims and Causes of Action on behalf of the Liquidating Trust, including without limitation all state and federal causes of action or any other litigation which constitute a Liquidating Trust Asset or otherwise benefits the Creditors and pursue to settlement or judgment such actions. The Liquidating Trustee shall have standing and may engage Professionals to prosecute Causes of Action, and otherwise represent the Liquidating Trust generally, without further order of the Bankruptcy Court;

e. Participate as a party-in-interest in any proceeding before the Bankruptcy Court involving the Chapter 11 Case;

f. Act in the name of or in the place of the Liquidating Trust or Debtor in any action before the Bankruptcy Court or any other judicial or administrative body;

g. Take actions and exercise remedies against any entity or Person that owes money to or has breached the rights of Debtor, Estate or Liquidating Trust, including the remedies available under any deed of trust, security agreement, contract, promissory note, bond, guarantee, other legal or equitable right or other instrument or document; make compromises regarding any deed of trust, security agreement, promissory note, bond, guarantee, other legal or equitable right or other instrument or document; and, declare, negotiate or waive defaults regarding any deed of trust, security agreement, promissory note, bond, guarantee, other legal or equitable right or other instrument or document;

h. Reach an agreement with Debtor, its former employees or its counsel to take specific action on behalf of the Liquidating Trust or Debtor. Select and employ such Professionals, consultants, agents or employees, whether or not formerly employed or engaged by Debtor, as the Liquidating Trustee deems necessary to assist in the administration of the affairs of the Liquidating Trust and compensate such persons to whom the Liquidating Trustee may delegate actions, including executing tax returns, corporate dissolution instruments or other documents on behalf of Debtor after the Effective Date, without further order of the Bankruptcy Court;

i. Propose, and if appropriate, take steps to obtain Bankruptcy Court approval, of any amendment, modification or supplement to this Plan or the Liquidating Trust Agreement;

j. File dissolution/termination documents with the appropriate governmental agencies to dissolve Debtor and the Liquidating Trust;

k. Receive, conserve and manage the assets of the Liquidating Trust and sell, pursuant to Sections 363(f) and 1123(a)(5) of the Bankruptcy Code and this Plan, or otherwise dispose of such assets for a price and upon such terms and conditions as the Liquidating Trustee deems most beneficial to the Creditors and execute such deeds, bills of sale, assignments and other instruments in connection therewith;

l. Open and maintain bank accounts on behalf of or in the name of the Liquidating Trust;

m. Pay all taxes, make all tax withholdings and file tax returns and tax information returns and make tax elections by and on behalf of the Liquidating Trust;

n. Pay all lawful expenses, debts, and liabilities of the Liquidating Trust;

o. Enforce all provisions of this Plan and the Confirmation Order;

p. Protect, perfect and defend the title to any of the assets of the Liquidating Trust and enforce any bonds, mortgages or other obligations or liens owned by the Liquidating Trust;

q. Carry insurance coverage, including insurance to protect the Liquidating Trust, the Liquidating Trustee and the Liquidating Trust Committee against claims brought against the Liquidating Trust, the Liquidating Trustee or the Liquidating Trust Committee acting within such capacities, in amounts as the Liquidating Trustee deems advisable. Notwithstanding the above, the Liquidating Trustee shall be under no obligation to obtain or carry such insurance, other than a defalcation bond, or other similar insurance, which shall be required;

r. Establish such reserves for taxes, assessments and other expenses of administration of the Liquidating Trust (including without limitation the Disputed Claims Reserve and the Liquidating Trust Expense Reserve) as in the Liquidating Trustee's judgment may be necessary and appropriate for the proper operation of matters incident to the affairs of the Liquidating Trust; and

s. Exercise such other powers and duties as are necessary or appropriate in the Liquidating Trustee's discretion to accomplish the purposes of this Plan.

8.4.2 Obligations of the Liquidating Trustee.

Notwithstanding anything in this Plan or the Liquidating Trust Agreement to the contrary, the Liquidating Trustee shall have the following duties to:

a. To prepare and file with the Bankruptcy Court the Quarterly Report. In addition, the Liquidating Trustee may, in its discretion, prepare periodic reports, as the Liquidating Trustee deems appropriate, providing information regarding the administration of the Liquidating Trust. Such reports may include additional information regarding the administration of the Liquidating Trust;

b. Maintain records and books of account relating to the Liquidating Trust's assets, the management thereof, Distributions and all transactions undertaken by the Liquidating Trustee on behalf of the Liquidating Trust;

c. Open, maintain, and close as appropriate bank accounts in the name of the Liquidating Trust and to deposit any Cash in accounts, as it deems appropriate, and, interest earned, if any, shall be added to the Liquidating Trust Assets and distributed in accordance with the Plan. The Liquidating Trustee shall be authorized, but not obligated, to continue to use any bank accounts used by Debtor prior to the Effective Date. The Liquidating Trustee shall not be obligated to deposit Cash Assets of the Liquidating Trust into an interest-bearing bank account.

d. Establish and maintain the Disputed Claims Reserve, either via bookkeeping entries or bank account;

e. File all reports and appropriate tax returns as necessary;

f. Take such actions as are necessary to prosecute, determine not to prosecute, resolve or compromise, as appropriate, all Causes of Action;

g. Conduct investigations deemed appropriate by the Liquidating Trustee, including, if deemed appropriate, examinations under Bankruptcy Rule 2004;

h. File with the Bankruptcy Court and provide Designated Notice on a monthly basis a Statement of Services Rendered briefly summarizing the activities of the Liquidating Trustee and the compensation sought for such services and if no objections are filed thereto within fifteen (15) days of filing same, the Liquidating Trustee shall compensate itself in the amount set forth in the Statement of Services; and

i. Conduct the administration of the Chapter 11 Case and the Plan, including to obtain a Final Decree and to pay any Statutory Fees.

8.4.3 Resignation/Removal of the Liquidating Trustee.

The Liquidating Trustee may resign at any time by filing a written notice of resignation with the Bankruptcy Court, and providing the Designated Notice. Any such resignation shall become effective on the earlier to occur of (i) sixty (60) days after the filing date of such notice; or (ii) the appointment of a successor Liquidating Trustee. A Designated Notice party may move to remove the Liquidating Trustee upon Designated Notice and opportunity for a hearing before the Bankruptcy Court. If the Liquidating Trustee believes that its removal is not in the best interests of the Creditors, then the Liquidating Trustee may oppose such removal and be heard by the Bankruptcy Court. All reasonable fees and expenses incurred by the Liquidating Trustee in response or opposition to such motion for removal shall be paid by the Liquidating Trust.

8.4.4 Appointment of Successor Liquidating Trustee.

In the event of the death or resignation of the Liquidating Trustee, the Bankruptcy Court shall designate a successor Liquidating Trustee, after hearing recommendations, if any, from any Designated Notice party. Any successor Liquidating Trustee appointed hereunder shall execute and file with the Bankruptcy Court and provide Designated Notice of a statement accepting such appointment, setting forth the terms of engagement, and agreeing to be bound by the terms of the Plan, Confirmation Order and the Liquidating Trust Agreement and upon such filing, the successor Liquidating Trustee shall immediately become vested with all the rights, powers, trusts and duties of the Liquidating Trustee. In the case of a removal of the Liquidating Trustee, then such successor shall be effective upon order of the Bankruptcy Court.

8.4.5 Settlement Authority.

The Liquidating Trustee shall be authorized to resolve and enter into settlements of Avoidance Claims and Causes of Action and otherwise resolve disputes, without notice or further order of the Bankruptcy Court; provided, however, that, with respect to matters involving more than \$75,000.00 in controversy, the Liquidating Trustee shall only be authorized to resolve such matters upon approval by Final Order of the Bankruptcy Court after providing Designated Notice.

8.4.6 Bonding of Liquidating Trustee.

The Liquidating Trustee shall obtain a defalcation bond or other similar insurance. The Liquidating Trustee will not be obligated to obtain any

other bond or insurance, but may do so, in its sole discretion, in which case the expense incurred by such bonding will be paid by the Liquidating Trust.

8.4.7 Post-Confirmation Operating Reports and Quarterly Fee Statements.

On or before the last day of the month that follows each calendar quarter, the Liquidating Trustee shall file a report with the Bankruptcy Court setting forth the assets, liabilities and activities of the Liquidating Trust during the calendar quarter, including a statement of all amounts paid for compensation of Professionals and the Liquidating Trustee (the "Quarterly Report"), and the Liquidating Trustee shall serve a copy upon all parties entitled to Designated Notice. After the Effective Date, Debtor shall not be required to file any periodic reports with the Court. On or before the last day of the month that follows each calendar quarter during which there is a duty to pay Statutory Fees, the Liquidating Trustee shall file the Chapter 11 Quarterly Fee Statement setting forth the disbursements made during the calendar quarter, and the Liquidating Trust shall be responsible for the payment of the Statutory Fees then due and payable.

8.4.8 Dissolution of Debtor.

Debtor will be dissolved by the Liquidating Trustee (or those to whom the Liquidating Trustee delegates) at any time after the Effective Date, but no later than six (6) years from the Effective Date unless the Bankruptcy Court, upon a motion filed prior to the sixth (6th) anniversary or the end of any extension period approved by the Bankruptcy Court (the filing of which will automatically extend the term pending the entry of an order by the Bankruptcy Court granting or denying the motion), determines that a fixed period extension is necessary to facilitate or complete the recovery and liquidation of the Assets. After (a) the final Distribution of the Disputed Claims Reserve, the Liquidating Trust Expenses and the balance of the Liquidating Trust Assets pursuant to this Plan and upon the occurrence of the Final Cash Distribution Date; (b) the filing by or on behalf of Debtor of articles of dissolution with the North Carolina Secretary of State in accordance with this Plan and applicable law and; and (c) filing a motion for a final decree and obtaining same in the form of a Final Order of the Bankruptcy Court, the Liquidating Trust will be deemed dissolved for all purposes without the necessity for any other or further actions and the Liquidating Trustee, the Liquidating Trust Committee and their respective Professionals will be discharged and have no further responsibilities or obligations of any kind or character.

8.4.9 Full and Final Satisfaction Against Debtor and Liquidating Trust.

On and after the Effective Date, Debtor, the Liquidating Trust and Liquidating Trustee will have no liability on account of any Claims or Equity

Interests except as expressly set forth in the Plan. All payments and all Distributions made by the Liquidating Trustee under the Plan will be in full and final satisfaction, settlement, and release of and in exchange for all Claims or Equity Interests against Debtor.

8.5 Establishment of Liquidating Trust Expense Reserve and Disputed Claims Reserve.

The Liquidating Trustee is authorized to establish a reserve account in which an amount of Cash is held by the Liquidating Trustee in reserve for estimated Liquidating Trust Expenses, including, without limitation, (a) any litigation expenses, expert witness fees and reasonable legal fees of the Liquidating Trust or Liquidating Trustee; (b) the costs of filing tax returns and other reports that the Liquidating Trustee or Debtor may be required to file; (c) Professionals and the Liquidating Trustee fees and expenses; and (d) such other amounts as determined by the Liquidating Trustee.

The Liquidating Trustee shall bill the Liquidating Trust on an hourly basis at the rate of \$325 per hour for the services of Dan Pike, and \$125 per hour for other MFSG employees who assist Dan Pike in the discharge of duties as Liquidating Trustee. Debtor estimates the amount reserved in the Liquidating Trust Expense Reserve will be in the amount of \$300,000.00. Any compensation to be paid to the Liquidating Trustee from the Liquidating Trust shall be paid only after the Liquidating Trustee has filed with the Bankruptcy Court and provided Designated Notice of a Statement of Services Rendered briefly summarizing the activities of the Liquidating Trustee and the compensation sought for such services. The Statement of Service Rendered shall be filed on a monthly basis and shall be paid without further Bankruptcy Court order, unless an objection thereto is filed by a Designated Notice party and a hearing requested. The Liquidating Trustee shall state in bold letters on the first page of each Statement of Services that each party in interest shall have fifteen (15) days from the date of filing the Statement of Services to object, otherwise the Liquidating Trustee will pay MFSG from funds of the Liquidating Trust without further filing with or order from the Bankruptcy Court. The Liquidating Trustee is authorized to review, approve, make adjustment to, and pay the fees and expenses of any Professional retained by the Liquidating Trust, without further order of the Bankruptcy Court.

The Liquidating Trustee is authorized to establish a bank account for the Disputed Claim Reserve and deposit such amounts in accordance with the Plan and Liquidating Trust Agreement.

Unclaimed Property shall be included in the Liquidating Trustee's general operating account.

8.6 Limitation on Liability.

The Liquidating Trust, Liquidating Trustee, the Liquidating Trustee's affiliates (as defined in Section 101(2) of the Bankruptcy Code), and their respective representatives, agents, Professionals, employees, successors or assigns (collectively the "Liquidating Entities") shall not be liable or otherwise responsible in any manner whatsoever for any act or omission of any kind or character, in any capacity, to any Holder of a Claim, Creditor, Person, party in interest, or any third party, with the sole exception for specific acts or omissions determined by Final Order to arise solely from gross negligence, willful misconduct or fraud.

The Liquidating Trustee may, in connection with the performance of its duties and in its sole and absolute discretion, consult with the Liquidating Trustee's Professionals, and will not be liable for any act taken, omitted to be taken, or suffered to be done in accordance with advice or opinions rendered by such Professionals, regardless of whether such advice or opinions are provided in writing. Notwithstanding such authority, the Liquidating Trustee will not be under any obligation to consult with the Liquidating Trustee's Professionals, and the determination not to do so will not result in the imposition of liability upon the Liquidating Trustee, its Professionals or any other of the Liquidating Entities.

Notwithstanding anything in the Plan, the Liquidating Trust Agreement, Confirmation Order or otherwise under contract or applicable law to the contrary, neither the Liquidating Trustee nor any of the other Liquidating Entities shall be liable for (and the Liquidating Trust Assets shall not be burdened or otherwise available to pay or otherwise satisfy any judgment or order from any court of competent jurisdiction related thereto) any act or omission taken or omitted to be taken other than acts or omissions determined by Final Order to have arisen solely from gross negligence, willful misconduct or fraud. No recourse will ever be had, directly or indirectly, against the Liquidating Trustee, the Liquidating Trust or any other of the Liquidating Entities arising from or otherwise related to any legal or equitable proceedings or by virtue of any statute or otherwise, or any deed of trust, mortgage, pledge or note, nor upon any promise, contract, instrument, undertaking, obligation, covenant or agreement whatsoever executed or otherwise agreed or consented to, whether expressly or impliedly, by the Liquidating Trustee relating directly or indirectly to the Plan, the Liquidating Trust Agreement or by reason of the creation of any indebtedness by the Liquidating Trustee or otherwise by the Liquidating Trustee carrying out its duties or discretion under the Liquidating Trust Agreement or the Plan. All such liabilities, covenants, and agreements of the Liquidating Entities, or any of them, whether in writing or otherwise, pursuant to or in carrying out the purpose of the Plan or the Liquidating Trust Agreement will be enforceable only against, and will be satisfied only out of, the Liquidating Trust Assets or such part thereof as will, under the terms of any such agreement or understanding, be liable therefore, or will be evidence only of a right of payment out of the Liquidating Trust Assets, as the case may be. Every undertaking, contract,

covenant, agreement or understanding entered into in writing by the Liquidating Trustee may (but will not be necessary to invoke the full protections of these Limitation of Liabilities) provide expressly against the personal liability of the Liquidating Trustee.

The Liquidating Trust shall indemnify and hold harmless the Liquidating Trustee and all other Liquidating Entities from and against and in respect to any and all liabilities, losses, damages, claims, causes of action, costs and expenses in connection with any action, suit, proceeding, or investigation brought by or threatened against such Liquidating Entities, including, but not limited to attorneys' fees and costs arising out of or due to their actions or omissions, or consequences of such actions or omissions, provided, however, that no such indemnification payment shall be made without prior order from the Bankruptcy Court, and further provided however that no such indemnification will be made for such actions or omissions of the Liquidating Trustee or any other of the Liquidating Entities solely as a result of gross negligence, willful misconduct or fraud as determined by Final Order.

8.7 Reliance on Documents.

The Liquidating Trustee may rely, and will be protected in acting or refraining from acting, upon any certificates, opinions, statements, instruments or reports believed by it to be genuine and to have been signed by the proper Person or Persons.

8.8 Requirement of Undertaking.

The Liquidating Trustee may request any court of competent jurisdiction to require, and any such court may in its discretion require, in any suit for the enforcement of any right or remedy under this Plan, or in any suit against the Liquidating Trustee for any act taken or omitted by the Liquidating Trustee, that the filing party litigant in such suit undertake to pay the costs of such suit, and such court may in its discretion assess reasonable costs, including, without limitation, reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant.

8.9 Termination of the Liquidating Trust.

In furtherance of Section 8.4.8 above, the Liquidating Trust shall remain and continue in full force and effect until the earlier of (a) the date on which all of the Liquidating Trust Assets are liquidated in accordance with the Plan, the funds have been completely distributed in accordance with the Plan, all tax returns and any other filings or reports have been filed with the Bankruptcy Court or the appropriate state, federal or local governmental authorities, and a Final Order has been entered closing the Chapter 11 Case.

8.10 Retention of Causes of Action.

Causes of Action and Avoidance Claims compromised and resolved by any settlement approved pursuant to Bankruptcy Rule 9019 by Final Order entered by the Bankruptcy Court, including Claims and Causes of Action described in Section IV.A.8 of the Disclosure Statement, are expressly excluded from the terms and provisions of this paragraph.

Pursuant to § 1123(b) of the Bankruptcy Code, all Causes of Action and Avoidance Claims are hereby preserved by the Plan, notwithstanding the occurrence of the Effective Date. Specifically, and for the avoidance of doubt, all Causes of Action, including but not limited to, any Avoidance Claims that may exist against any party identified on Exhibits in response to Part 2, Question 3 of Debtor's Statement of Financial Affairs.

The Liquidating Trust shall retain the exclusive authority and all rights to enforce, commence, and pursue, as appropriate, any and all Causes of Action and Avoidance Claims, whether arising before or after the Petition Date, and the Liquidating Trust's rights to commence, prosecute, or settle such Causes of Action and Avoidance Claims shall be preserved. No entity may rely on the absence of a specific reference in the Plan, the Disclosure Statement, Bankruptcy Schedules or Statement of Financial Affairs of any Cause of Action or Avoidance Claim against them as any indication that the Liquidating Trust will not pursue any and all available Causes of Action and Avoidance Claims against them. The Liquidating Trust expressly reserves all rights to prosecute any and all Causes of Action and Avoidance Claims.

The Liquidating Trust shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment and exhaust appeals relating to any such Causes of Action and Avoidance Claims and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

On the Effective Date, all Causes of Action and Avoidance Claims shall become the sole property of the Liquidating Trust, which shall hold all rights on behalf of the Debtor and its bankruptcy estate, to commence and pursue any and all Causes of Action (under any theory of law, including, without limitation, the Bankruptcy Code, and in any court or other tribunal) and Avoidance Claims. The failure to list or describe any unknown Cause of Action and Avoidance Claims herein is not intended to and shall not limit the rights of the Liquidating Trust to pursue any known or unknown Cause of Action and Avoidance Claim. The Liquidating Trustee shall have standing and authority to prosecute any and all Causes of Action and Avoidance Claims on behalf of the Liquidating Trust.

SECTION 9 EFFECTS OF CONFIRMATION.

9.1 Binding Effect.

Confirmation of the Plan will authorize (a) the transfer of Debtor's Assets to the Liquidating Trust; (b) the Liquidating Trustee to pursue Causes of Action; (c) the Distribution to Holders of Allowed Claims on and after the Effective Date, including the Initial Cash Distribution Date and the Final Cash Distribution Date, as applicable; and (d) the dissolution of Debtor, as provided in the Confirmation Order. Confirmation of the Plan serves to make the Plan binding upon Debtor, all Holders of Claims and Equity Interests, the Liquidating Trust, the Liquidating Trustee, the Liquidating Trust Committee, and other parties in interest, regardless of whether they cast an Official Ballot to accept or reject the Plan.

9.2 No Discharge of Debtor.

In accordance with Section 1141(d)(3) of the Bankruptcy Code, Debtor will not receive a discharge of its indebtedness upon confirmation of the Plan. Nevertheless, no Holder of a Claim may receive any payment from, or seek recourse against, any assets that are to be distributed under the Plan other than as provided herein. As of the Confirmation Date, all Persons are enjoined from asserting against any property that is to be distributed under the Plan any Claims, rights, causes of action, liabilities, or interests based upon any act, omission, transaction, or other activity that occurred before the Confirmation Date except as expressly provided in the Plan or the Confirmation Order.

9.3 Plan Injunction.

All injunctions or stays provided for in the Chapter 11 Case under Sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date. As of the Effective Date, all Holders of Claims or Equity Interests against Debtor shall be permanently enjoined, from (a) commencing or continuing any action or proceeding of any kind with respect to any such Claim or taking any act to recover such Claim or Assets outside of the claims allowance procedures in effect in this Chapter 11 Case and set forth in the Plan; (b) enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree, or Order against Debtor, the Liquidating Trust, the Liquidating Trust Assets or the Liquidating Trustee on account of such Claim; (c) creating, perfecting, or enforcing any lien, claim, interest or encumbrance of any kind against Debtor, property of Debtor, the Assets, the Liquidating Trust Assets or Liquidating Trust on account of such Claim; and (d) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from Debtor, the Liquidating Trust, the Liquidating Trust Assets or Liquidating Trustee on account of any such Claim.

9.4 Exculpation.

Except to the extent arising from fraud, willful misconduct or gross negligence, any and all claims, liabilities, causes of action, rights, damages, costs, and obligations held by any party other than the United States of America against Debtor, the Committee and its members, and/or each of the attorneys, accountants, agents, and other Professionals of Debtor, the Committee and its members, respectively, whether known or unknown, matured or contingent, liquidated or unliquidated, existing, arising, or accruing, whether or not yet due in any manner related to or in connection with (a) the Chapter 11 Case or any act or omission in connection with, arising out of, or related to the Chapter 11 Case; (b) any act or omission in connection with, arising out of, or related to the pre-confirmation sale of Debtor's assets pursuant to Section 363 of the Bankruptcy Code; (c) the formulation, negotiation, prosecution, or implementation of the Plan; (d) the solicitation of acceptances of the Plan; or (e) the Confirmation, consummation, or implementation of the Plan, will be deemed fully waived, barred, enjoined, released, and discharged in all respects, except as to rights, obligations, duties, claims, and responsibilities preserved, created, or established by terms of the Plan.

9.5 Cancellation of Instruments and Agreements.

Except for purposes of evidencing a right to Distributions under the Plan, or as otherwise provided in the Plan, on the Effective Date all agreements and other documents evidencing Claims or rights of any Holder of a Claim against Debtor, including without limitation all indentures, promissory notes, security agreements, financing statements, and deeds of trust evidencing such Claims, shall be canceled, terminated, and deemed null and void and of no force and effect as against Debtor.

9.6 Vesting of Assets.

Upon the Effective Date, and pursuant to Section 1141(b) of the Bankruptcy Code, all property of the Estate shall vest in the Liquidating Trust, free and clear of all Claims, liens, encumbrances, charges, and other interests not specifically set forth in the Plan. The Liquidating Trustee and its agents or attorneys shall dispose of such property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending case under any chapter or provision of the Bankruptcy Code, except as provided in this Plan.

SECTION 10 OTHER PROVISIONS OF THE PLAN.

10.1 Exemption from Securities Regulation.

To the extent the provisions of the Plan would, under applicable non-bankruptcy law, require registration for the offer or sale of a security, Plan Proponents shall be entitled to rely on the provisions of Section 1145(a) of the Bankruptcy Code.

10.2 Effectuating Documents and Further Transactions.

The Debtor shall file with the Court, and serve by ECF only, the Plan Documents no less than three (3) days prior to the commencement of the Confirmation Hearing. Debtor and its agents and attorneys, and Liquidating Trustee and its agents and attorneys are authorized to execute, deliver, file or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, whether or not specifically referred to in the Plan.

10.3 Settlement Authority.

Pursuant to Federal Rule of Bankruptcy Procedure 9019(a), Debtor may compromise and settle objections to Claims against the Estate and as set forth herein, the Liquidating Trustee may compromise and settle various claims and Causes of Action that it may have against any Persons, whether or not specifically identified herein and notwithstanding any other provisions in the Plan the terms and conditions of any such compromise and settlement as set forth in the Final Order approving such compromise and settlement shall control. Debtor and/or the Liquidating Trustee, as applicable, expressly reserve the right to seek Bankruptcy Court approval to compromise and settle Claims after the Effective Date consistent with the provisions of this Plan.

10.4 Cooperation.

The Liquidation Trust and Debtor agree and are obligated to cooperate with the other to fulfill and satisfy the terms of this Plan. For example and not by way of limitation, as part of Debtor's responsibility to object to Claims, the Liquidating Trust shall keep Debtor advised of any impact upon Claims caused by the Liquidating Trust's resolution of Avoidance Claims. Debtor shall protect and safeguard (and transition as requested by the Liquidating Trustee) all of its accounting records, electronic information and other information helpful to the performance of the Liquidating Trust's duties. Further, Debtor shall make reasonable effort to facilitate the Liquidating Trustee's retention of Debtor's former employees and access to information as may be necessary to aid the Liquidation Trustee's fulfillment of its duties, including the pursuit of Causes of Action. The Liquidating Trustee shall reasonably compensate Debtor's current or former employees and Professionals with regard to aiding the Liquidating Trustee.

10.5 Failure to Confirm the Plan or Consummate the Plan.

If Confirmation or Consummation of the Plan or the Effective Date does not occur, then (a) the Plan shall be null and void; (b) any settlement or compromise embodied in the Plan, assumption or rejection of an executory contract or lease effected by the Plan, and any document or agreement executed pursuant to the Plan

shall be deemed null and void; (c) nothing contained herein or in the Plan shall constitute a waiver or release of any Claims or Causes of Action by or against Debtor or any other Person; (d) nothing contained in the Plan shall prejudice in any manner the rights of Debtor or any other Person; and (e) nothing contained herein or in the Plan shall constitute an admission of any sort by Debtor or any other Person.

10.6 Retention of Causes of Action and Reservation of Rights.

Except as expressly set forth herein, the Plan shall have no force or effect until the Bankruptcy Court has entered the Confirmation Order. Neither the filing of the Plan, any statement or provision contained in the Plan, nor Debtor's taking of any action with respect to the Plan or the Disclosure Statement shall be or shall be deemed to be an admission or waiver of any of Debtor's rights with respect to the Holders of Claims prior to the Effective Date.

In the event the Plan is not confirmed as described herein, including any modifications hereto, for any reason, nothing contained herein or in the Disclosure Statement shall be deemed to be a waiver or the relinquishment of any rights, claims or Causes of Action that Debtor, the Estate, or the Liquidating Trustee may have or which Debtor or the Liquidating Trustee may choose to assert under any provision of the Bankruptcy Code or any applicable non-bankruptcy law, including, without limitation, (a) any and all claims against any Person, to the extent such Person asserts a cross-claim, counterclaim, and/or Claim for setoff which seeks affirmative relief against Debtor, its officers, directors, or representatives and (b) the turnover of any property of the Estate. In the event the Plan is confirmed, Debtor and the Liquidating Trustee shall have, retain, reserve, and be entitled to assert all claims, Causes of Action, rights of setoff, and other legal or equitable defenses which Debtor had immediately prior to the Petition Date or the Estate had thereafter as fully as if the Chapter 11 Case had not been commenced, and all of Debtor's legal and equitable rights may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Case had not been commenced. Pursuant to Section 1123(b) of the Bankruptcy Code, all Causes of Action, including Avoidance Claims, are hereby preserved by this Plan for all purposes notwithstanding the entry of the Confirmation Order occurrence of the Effective Date. Further, the Liquidating Trust by and through the Liquidating Trustee shall constitute a representative of the Estate for purposes of Section 1123(b) and shall have standing for all purposes to pursue, prosecute, litigate and compromise Causes of Action.

10.7 Corporate Existence.

Debtor will continue to exist after the Effective Date to wind down its affairs, including investigating and filing objection to Claims. It shall have all the powers of a corporation under applicable law. Upon entry of the Confirmation Order, the Articles of Incorporation, By-Laws, and other corporate governance documents shall

be deemed to be amended, if necessary, to conform to the provisions of the Plan and provide for the establishment of the Liquidating Trust to accept all of its assets, and the appointment of the Liquidating Trustee to administer the Liquidating Trust.

Upon entry of an appropriate order by the Bankruptcy Court approving the Final Report and closing the Chapter 11 Case, the corporate charter of Debtor shall be canceled.

10.8 Survival of Corporate Indemnities.

Any obligations of Debtor pursuant applicable state law, to indemnify directors, officers, agents, and/or employees, with respect to all present and future claims, actions, suits, and proceedings against Debtor or such directors, officers, agents, and/or employees, based upon any action or omission for or on behalf of Debtor shall not be discharged or impaired by Confirmation of the Plan.

10.9 Notice of Effective Date.

Debtor shall file a notice of the Effective Date as soon as practical after the Effective Date and shall serve such notice on all parties that are entitled to notice under Bankruptcy Rule 2002.

10.10 Substantial Consummation.

Upon the Initial Cash Distribution Date the Plan shall be deemed to be substantially consummated under Sections 1101 and 1127(b) of the Bankruptcy Code.

10.11 Time.

In computing any period of time allowed or prescribed by the Plan, the provisions of Bankruptcy Rule 9006 shall apply. Debtor or the Liquidating Trustee, as applicable, may seek the extension or modification of any period of time allowed or prescribed by the Plan, upon application to the Bankruptcy Court.

10.12 Modification of Plan.

The Plan Proponents may modify the Plan at any time before the entry of the Confirmation Order pursuant to Section 1127(a) of the Bankruptcy Code; and after the entry of the Confirmation Order, the Plan Proponents, or the Liquidating Trustee, as applicable, may, upon Order of the Bankruptcy Court, amend or modify the Plan in accordance with Section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

SECTION 11 VOIDABLE TRANSFERS.

Debtor has not determined the existence or likely recovery of any preferential transfers under Section 547 of the Bankruptcy Code or fraudulent transfers under Section 548 of the Bankruptcy Code. After the Effective Date, the Liquidating Trustee shall have the standing and authority to investigate and pursue all Avoidance Claims, including making demand upon Persons, compromising and settling claims and Causes of Action and asserting Causes of Action for the recovery of the Liquidating Trust. The Plan reserves for the Liquidating Trustee the right to pursue Avoidance Claims and institute Causes of Action. To the extent such recoveries are had, the recoveries, after deducting the costs of prosecution, shall be available for Distribution to Class 3 Claims on the Final Cash Distribution Date.

While Debtor has not made an extensive analysis of such possible Avoidance Claims, Debtor has estimated recovery for the benefit of the Estate from such Avoidance Claims in the amount of \$300,000.00. Debtor bases this estimate upon a very conservative percentage of the total transfers made by Debtor during the ninety (90) days preceding the Petition Date. Debtor's Statement of Financial Affairs discloses total payments of \$5,684,207.00 in transfers made during such period. Accordingly, it is quite possible that some of these transfers are avoidable and recoverable for the benefit of the Estate.

SECTION 12 RETENTION OF JURISDICTION.

12.1 Bankruptcy Court Jurisdiction.

Pursuant to Sections 105(a) and 1142 of the Bankruptcy Code, assets of Debtor shall remain subject to the jurisdiction of the Bankruptcy Court until the Effective Date. Except as otherwise provided in this Plan, subsequent to the Effective Date and until closing of the Chapter 11 Case by the Bankruptcy Court pursuant to Section 350(a) of the Bankruptcy Code and Bankruptcy Rule 3022, the Bankruptcy Court shall retain exclusive jurisdiction over Debtor and the Chapter 11 Case, as well as the Liquidating Trust, the Liquidating Trustee and the Liquidating Trust Assets, to the fullest extent permitted by law, to determine all matters arising in, arising under, arising out of, or related to the Chapter 11 Case and the Plan, including without limitation, jurisdiction as follows:

12.1.1 Claims Resolution.

To liquidate all Disputed, contingent, or unliquidated Claims, to determine the type of Claims, to determine the allowance or disallowance of Claims, to approve the compromise and settlement of any Claims, to determine any objections to the allowance of Claims, including issues relating to the subordination of Claims pursuant to Section 510 of the Bankruptcy Code and the amount thereof, and to determine any and all disputes among Holders of Claims with respect to their Claims or the ownership thereof.

12.1.2 Compensation of Professionals.

To hear and determine applications for Professional Fees and Expenses and to resolve any dispute relating to any bills submitted by any Professional employed pursuant to order of the Bankruptcy Court and to hear and determine disputes relating to the fees and expenses of the Liquidating Trust Professionals, and post-Effective Date fees and expenses of Debtor's Professionals.

12.1.3 Controversies and Causes of Action.

To decide or resolve all controversies arising in any motions, adversary proceedings, contested or litigated matters, and any other matters that may be pending on or instituted by Debtor or the Liquidating Trustee, as applicable, after the Effective Date.

12.1.4 Recovery of Assets.

To determine any Causes of Action not compromised, released, or otherwise provided for by the Plan to recover all assets of Debtor and property of the Estate, wherever located.

12.1.5 Plan Interpretation and Enforcement.

To hear and determine all disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, the Confirmation Order, or any documents executed and delivered in connection with the Plan, and to issue such orders, consistent with Section 1142 of the Bankruptcy Code, as may be necessary to effectuate Consummation and full and complete implementation of the Plan, including, without limitation, appropriate orders to protect Debtor and/or the Liquidating Trustee against actions taken by Holders of Claims.

12.1.6 Taxes.

To hear and determine matters concerning federal, state, and/or local taxes in accordance with Sections 346, 505, and 1146 of the Bankruptcy Code.

12.1.7 Other Matters Arising in the Chapter 11 Case.

To enforce, interpret, and determine any disputes arising in connection with any stipulations, Final Orders, the Final Sale Order, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Case (whether or not the Chapter 11 Case has been closed), including requests by the Liquidating Trustee for approval to act, and to hear and determine any other matter not inconsistent with the Bankruptcy Code and consistent with fulfilling the purpose and intentions set forth in the Plan.

12.1.8 Modification.

To confirm the Plan as modified pursuant to Section 1127 of the Bankruptcy Code or to remedy any defect, omission or reconcile any inconsistency in the Confirmation Order, and for such other purposes as are set forth in Section 1127(b) of the Bankruptcy Code or in the Confirmation Order

12.1.9 Disputed Claims Reserve.

To resolve disputes concerning any reserve with respect to Disputed Claims and the administration thereof.

12.1.10 Plan Distributions.

To enforce the provisions of the Plan and the Liquidating Trust regarding Distributions to Holders of Allowed Claims.

12.1.11 Final Decree.

To enter a Final Decree closing the Chapter 11 Case.

SECTION 13 NOTICES.

Any pleading, notice, or other document required or permitted to be made in accordance with this Plan shall be made in writing and shall be delivered personally, by facsimile transmission, electronic mail or by first class U.S. mail, postage prepaid; and any such notice or request shall be deemed to have been given when actually received or when receipt is refused. Notices and requests shall be delivered as follows:

If to Debtor:

Ashley S. Rusher
Blanco Tackabery & Matamoros, P.A.
P.O. Drawer 25008
Winston-Salem, NC 27114-5008
asr@blancolaw.com
Facimile: 336-293-9030
Street Address: 110 S. Stratford Road, Suite 500
Winston-Salem, NC 27104

With copy to:

Joseph M. Coleman
Kane Russell Coleman Logan PC
5051 Westheimer Road, 10th Floor
Houston, TX 77056
jcoleman@krcl.com
Facsimile: 214-777-4299

If to Liquidating Trustee:

Dan Pike
MEMA Financial Services Group, Inc.
PO Box 13966
Research Triangle Park, NC 27709-3966
dpike@memafsg.com
Facsimile: 919-549-8496

With copy to:

Joseph M. Coleman
Kane Russell Coleman Logan PC
5051 Westheimer Road, 10th Floor
Houston, TX 77056
jcoleman@krcl.com
Facsimile: 214-777-4299

13.1 Designated Notice.

Except as otherwise limited by prior Final Order of the Bankruptcy Court, Plan Proponents shall serve a copy of the Confirmation Order on all Holders of Claims and other parties in interest who have entered an appearance or filed a notice of appearance in this Chapter 11 Case. From and after the Effective Date, Plan Proponents shall serve all future pleadings and notices by Designated Notice and any Holder of a Claim or other party directly impacted by such pleading or notice.

SECTION 14 MISCELLANEOUS.

14.1 Headings.

The headings in the Disclosure Statement and Plan, including the headings of the Exhibits, are for convenience of reference only and shall not limit or otherwise affect the meanings thereof.

14.2 Successors and Assigns.

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

14.3 Entire Agreement.

The Plan, and any supplements or amendments hereto, as confirmed, supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects (other than the Liquidating Trust Agreement), all of which have become merged and integrated into the Plan.

14.4 Severability.

Should any provision of the Plan be determined invalid, void, or unenforceable by the Bankruptcy Court prior to the Confirmation Date, Debtor may amend or modify the Plan to correct or delete the offending provision, or Debtor may request that the Bankruptcy Court alter and interpret such provision held to be invalid, void or unenforceable so that such provision shall then be applicable as so altered or interpreted.

The remainder of the provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by any holding, alteration or interpretation by the Bankruptcy Court regarding the invalidity or unenforceability of a discrete Plan provision. The Confirmation Order shall constitute a judicial determination that each term and provision of the Plan, as it may have been amended or modified in accordance with the foregoing, is valid and enforceable pursuant to its terms.

14.5 Governing Law.

Unless a rule of law or procedure is supplied by federal law, including the Bankruptcy Code and the Bankruptcy Rules, the rights, duties, and obligations arising under the Plan and the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan and corporate governance matters shall be governed by the law of the State of North Carolina, without giving effect to the principles of conflicts of law thereof.

[Remainder of This Page Intentionally Left Blank – Signature Page Follow]

Respectfully submitted, this the 18th day of September, 2018.

ASCO LIQUIDATING COMPANY

By: Charles A. Key, Jr.
Charles A. Key, Jr., President

COMMITTEE OF UNSECURED CREDITORS

By: _____
James Stewart, Chairman

Respectfully submitted, this the 18th day of September, 2018.

ASCO LIQUIDATING COMPANY

By: _____
Charles A. Key, Jr., President

COMMITTEE OF UNSECURED CREDITORS

By: James Stewart
James Stewart, Chairman