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

IN RE:	§	
	§	
WEST TEXAS GUAR, INC.,	§	**CASE NO. 14-50056-rlj11**
	§	
DEBTOR.	§	

JOINT DISCLOSURE STATEMENT IN SUPPORT OF PLAN OF REORGANIZATION FILED BY DEBTOR AND SCOPIA WINDMILL FUND, LP

Dated: August 25, 2014

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NOT YET APPROVED

Introduction

The Plan of Reorganization for West Texas Guar, Inc. ("WTG") is being proposed in an effort to bring this bankruptcy case to a conclusion and allow WTG to emerge from bankruptcy, process the beans it holds and sell them for money to pay creditors. Because there is no settlement, the various lien rights of Scopia and the farmers will have to be litigated and determined by the Bankruptcy Court, a process that could take months, or if appeals are involved, even years.

The Plan, simply put, allows WTG to continue to operate and process guar beans while that litigation proceeds to conclusion. Edgar Montalvo will continue to manage the operations. WTG will continue to put aside the net proceeds for the beans processed, from the sale of splits or powder. Except for the money needed to pay back a bankruptcy exit loan, net proceeds from selling produced guar splits and powder will be held in a separate account until all the lawsuits are finished to determine the various lien rights of the parties, including appeals. In this way, over a period of about 20 months, WTG should process all the guar beans from the 2013-2014 crop, and projects it will generate approximately $12 million of net proceeds from bean processing to pay creditors and the bankruptcy exit loan. However, as mentioned, without a settlement the money will have to be held until after the litigation is finished regarding the various parties' lien rights. Thus, WTG will convert its guar beans to cash, so that the parties are litigating over cash and not guar beans.

WTG will reserve the net proceeds from the sale of processing guar beans, net of WTG's operating costs for such processing and shipping costs (the net proceeds currently estimated at 30 cents per pound). WTG believes the raw guar beans are worthless unless processed and the resulting product sold. WTG knows of no other way to convert the raw guar beans to cash, other than processing them and selling the product. WTG has asked – including in open Court – if any other party has any other alternative way to sell the beans and realize more money for them. No party has identified any other way to realize money for the beans, other than processing them and selling the processed products to WTG's existing customers. There is no other buyer for raw guar beans in the United States. WTG remains open to any other method to convert the raw beans to cash, but absent someone coming forward with an alternate way to get money for the raw beans WTG believes processing the beans and selling the product is the best way to maximize the value of the beans.

Any lawsuits the farmers believe they have against Scopia will <u>not</u> be barred by the Plan. In fact, WTG will take any lawsuits WTG may have against Scopia or that WTG may have against certain other third parties and assign those lawsuits to a trust for the benefit of creditors. Scopia has indicated it believes others are responsible for what happened here and that it will vigorously defend any litigation filed against Scopia. Be that as it may, the Plan leaves open pursuing litigation against Scopia.

Scopia has indicated a willingness to make a loan and capital contribution to WTG to allow WTG to continue to operate. Scopia will put in a bankruptcy exit loan and capital contribution that will total $3 million. WTG needs that money to pay the costs to emerge from bankruptcy protection, to make improvements at the plant, and to have a working capital cushion so that the Debtor's bean inventory can be processed and sold for maximum value. Scopia will own 100%

of WTG after the plan is confirmed, although both Scopia and WTG are actively seeking a buyer for the company.

Any and all parties are invited to make offers for the Debtor's assets or for the equity in the Reorganized Debtor to top the proposal made by Scopia pursuant to this Plan.

SUMMARY

WTG is proposing a Chapter 11 Plan of Reorganization. You should review the Plan and Disclosure Statement carefully and consult with an attorney.

Generally, the Plan provides that WTG will continue to operate the existing business as a going-concern, meaning it will buy guar beans, process them, and sell the processed product. WTG will be owned by Scopia Windmill Fund, LP.

Growers that delivered beans to WTG during the 2013-14 growing season will receive a percentage distribution based on the outcome of current pending litigation in connection with the validity and priority of the various Growers' liens.

The documents being sent to you include the full Plan and this Disclosure Statement to provide you information which will aid your decision on how to vote on the Plan. Enclosed is a ballot for you to fill out with your vote. The deadline for returning the ballot is _____, 2014.

THE JOINT DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE JOINT PLAN AND CERTAIN OTHER DOCUMENTS AND FINANCIAL INFORMATION. THE INFORMATION INCLUDED IN THE JOINT DISCLOSURE STATEMENT IS PROVIDED FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF THE JOINT PLAN AND SHOULD NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER AND HOW TO VOTE ON THE JOINT PLAN. THE SUMMARIES OF THE FINANCIAL INFORMATION AND THE DOCUMENTS WHICH ARE ATTACHED TO, OR INCORPORATED BY REFERENCE IN, THE JOINT DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH INFORMATION AND DOCUMENTS AND THE STATEMENTS REFLECTED HEREIN OR THEREIN, RESPECTIVELY. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THE JOINT DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE JOINT PLAN, OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION INCORPORATED IN THE JOINT DISCLOSURE STATEMENT BY REFERENCE, THE JOINT PLAN OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION, AS THE CASE MAY BE, SHALL GOVERN FOR ALL PURPOSES.

THE STATEMENTS AND FINANCIAL INFORMATION CONTAINED IN THE JOINT DISCLOSURE STATEMENT HAVE BEEN MADE AS OF THE DATE OF THE JOINT DISCLOSURE STATEMENT UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND INTERESTS REVIEWING THE JOINT DISCLOSURE STATEMENT SHOULD NOT INFER AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS SET FORTH IN THE JOINT DISCLOSURE STATEMENT SINCE THE DATE OF THE JOINT DISCLOSURE STATEMENT OR THE DATES OTHERWISE NOTED. EACH HOLDER OF A CLAIM OR INTEREST ENTITLED TO VOTE ON THE JOINT PLAN SHOULD CAREFULLY REVIEW THE JOINT PLAN AND THE JOINT DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE CASTING A BALLOT. THE JOINT DISCLOSURE STATEMENT DOES NOT CONSTITUTE LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. ENTITIES DESIRING SUCH ADVICE OR ANY OTHER ADVICE SHOULD CONSULT WITH THEIR OWN ADVISORS.

NO ONE IS AUTHORIZED TO GIVE ANY INFORMATION WITH RESPECT TO THE JOINT PLAN OTHER THAN THAT WHICH IS CONTAINED IN THE JOINT DISCLOSURE STATEMENT. NO REPRESENTATIONS CONCERNING THE DEBTOR OR THE VALUE OF ITS PROPERTY HAVE BEEN AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THE JOINT DISCLOSURE STATEMENT AND THE DOCUMENTS ATTACHED TO THE JOINT DISCLOSURE STATEMENT. ANY INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN AN ACCEPTANCE OF THE JOINT PLAN THAT ARE OTHER THAN AS SET FORTH, OR INCONSISTENT WITH THE INFORMATION CONTAINED IN THE JOINT DISCLOSURE STATEMENT OR THE DOCUMENTS ATTACHED TO THE JOINT DISCLOSURE STATEMENT AND THE JOINT PLAN, SHOULD NOT BE RELIED UPON BY ANY HOLDER OF A CLAIM OR INTEREST.

WITH RESPECT TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER PENDING, THREATENED, OR POTENTIAL LITIGATION OR OTHER ACTIONS, THE JOINT DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE

CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN THE CONTEXT OF SETTLEMENT NEGOTIATIONS PURSUANT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE. THE JOINT DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THE JOINT DISCLOSURE STATEMENT.

THE FINANCIAL INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE INTO THE JOINT DISCLOSURE STATEMENT HAS NOT BEEN AUDITED, EXCEPT AS SPECIFICALLY INDICATED OTHERWISE.

THE COURT HAS SCHEDULED THE CONFIRMATION HEARING TO COMMENCE ON _____, 2014, AT __:__ _.M. PREVAILING CENTRAL TIME BEFORE THE HONORABLE ROBERT L. JONES, UNITED STATES BANKRUPTCY JUDGE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, LUBBOCK DIVISION, ROOM 314, 1205 TEXAS AVENUE, LUBBOCK, TEXAS 79401. THE CONFIRMATION HEARING MAY BE ADJOURNED FROM TIME TO TIME BY THE COURT WITHOUT FURTHER NOTICE EXCEPT FOR AN ANNOUNCEMENT OF THE ADJOURNED DATE MADE AT THE CONFIRMATION HEARING OR ANY ADJOURNMENT OF THE CONFIRMATION HEARING.

TO BE COUNTED, THE BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE JOINT PLAN MUST BE RECEIVED BY BRACEWELL & GIULIANI LLP, VOTING AGENT FOR THE DEBTOR IN THIS CHAPTER 11 CASE, NO LATER THAN _____, 2014, AT 5:00 P.M. PREVAILING CENTRAL TIME.

OBJECTIONS TO CONFIRMATION OF THE JOINT PLAN MUST BE FILED AND SERVED ON OR BEFORE _____, 2014, AT 5:00 P.M. PREVAILING CENTRAL TIME. UNLESS OBJECTIONS TO CONFIRMATION ARE TIMELY SERVED AND FILED IN COMPLIANCE WITH THE ORDER APPROVING THE JOINT DISCLOSURE STATEMENT, THEY MAY NOT BE CONSIDERED BY THE COURT.

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Exhibit	Name
A	Joint Plan of Reorganization
B	Rights of Action
C	Cash Flow Projections (to be provided)

I. INTRODUCTION & BACKGROUND

As more fully described herein, West Texas Guar, Inc. (the "Debtor") and Scopia Windmill Fund, LP acting by and through its investment advisor, Scopia Capital Management, LLC ("Scopia") are hereby soliciting votes for the acceptance or rejection of the Joint Plan with respect to all of the Debtor's Classes of Creditors and Interests.

1.01 *Introduction*

The Debtor and Scopia (the "Plan Proponents") submit the following Joint Disclosure Statement in Support of the Joint Plan of Reorganization Filed by the Debtor and Scopia ("Joint Disclosure Statement") pursuant to Bankruptcy Code section 1125 for the purpose of soliciting votes to accept or reject the Joint Plan. The Joint Disclosure Statement describes certain aspects of the Joint Plan, including the treatment of holders of Claims and Interests, and also describes certain aspects of the Debtor's operations and other related matters.

On March 14, 2014 (the "Petition Date"), twenty-four petitioning creditors (the "Petitioning Creditors") filed an involuntary petition for relief against the Debtor under chapter 11, Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Northern District of Texas, Lubbock Division (the "Court"). On April 22, 2014, the Debtor consented to the entry of an order for relief under the Bankruptcy Code and the Court entered the Order for Relief on April 25, 2014.

Pursuant to Bankruptcy Code section 1107 and 1108, the Debtor is operating its business and managing its property as a debtor in possession. No trustee or examiner has been appointed in this case.

1.02 *Overview and Purpose of Disclosure Statement*

Contemporaneously with this Disclosure Statement, the Plan Proponents filed a Joint Plan, pursuant to which the Plan Proponents propose to continue the Debtor's operations and pay the Debtor's creditors a distribution over time.

This Joint Disclosure Statement and the accompanying Ballots are being furnished by the Plan Proponents to the holders of Claims against the Debtor pursuant to section 1125 of the Bankruptcy Code in connection with the solicitation of votes for the acceptance of the Joint Plan filed by the Plan Proponents. Capitalized terms used in this Joint Disclosure Statement and not defined herein shall have their respective meanings set forth in the Joint Plan or, if not defined in the Joint Plan, as defined in section 101 of the Bankruptcy Code.

The purpose of this Joint Disclosure Statement is to enable those persons whose Claims against, and Equity Interests in, the Debtor entitled to vote under the Joint Plan to make an informed decision with respect to the Joint Plan before exercising their rights to vote to accept or reject the Joint Plan. On _____, 2014, after notice and a hearing, this Joint Disclosure Statement was approved by the Court as containing information of a kind and in sufficient detail to enable persons whose votes are being solicited to make an informed judgment with respect to acceptance or rejection of the Joint Plan. The Court's approval of this Joint Disclosure Statement does not constitute either a guarantee of the accuracy or completeness of the information

contained herein or an endorsement of any of the information contained in this Joint Disclosure Statement or the Joint Plan.

Holders of Claims and Equity Interests should read this Joint Disclosure Statement and the Joint Plan in their entirety before voting to accept or reject the Joint Plan. No solicitation of votes with respect to the Joint Plan may be made except pursuant to this Joint Disclosure Statement. No statement or information concerning the Debtor (particularly as to results of operations, financial condition, or distributions to be made under the Joint Plan), or any of its respective assets, properties or businesses, that is given for the purpose of soliciting acceptances or rejections of the Joint Plan is authorized, other than as set forth in this Joint Disclosure Statement. In the event of any inconsistency between a provision of the Joint Plan and this Joint Disclosure Statement, the Joint Plan shall control. A copy of the Joint Plan is attached hereto as Exhibit "A" to this Joint Disclosure Statement.

After carefully reviewing this Joint Disclosure Statement and all exhibits and schedules attached hereto, please indicate your acceptance or rejection of the Joint Plan by voting in favor of or against the Joint Plan on the enclosed Ballot.

THE PLAN PROPONENTS BELIEVE THAT ACCEPTANCE OF THE JOINT PLAN IS IN THE BEST INTERESTS OF ALL CLAIMANTS OF THE DEBTOR AND, CONSEQUENTLY, THE PLAN PROPONENTS URGE ALL CLAIMANTS TO VOTE TO ACCEPT THE JOINT PLAN IN ITS ENTIRETY.

Any Ballots received after the Voting Deadline (defined below) will not be counted (unless otherwise ordered by the Court). Ballots that are received after the Voting Deadline may not be used in connection with the Plan Proponents' request for confirmation of the Joint Plan or any modification thereof, except to the extent allowed by the Court.

This Joint Disclosure Statement has been prepared by the Plan Proponents to accompany the Joint Plan based upon information compiled by the Plan Proponents over the course of this case. The factual statements, projections, financial information, and other information contained in this Joint Disclosure Statement have been taken from documents prepared by the Debtor and/or its professionals, or Scopia and/or its professionals, both before and after the Petition Date, pleadings filed in the Chapter 11 Case, and information obtained in the Chapter 11 Case. Nothing contained in this Joint Disclosure Statement shall have any preclusive effect against the Plan Proponents (whether by waiver, admission, estoppel or otherwise) in any cause or proceeding that may exist or occur in the future. This Joint Disclosure Statement shall not be construed or deemed to constitute an acceptance of fact or an admission by the Plan Proponents with respect to any of the statements made herein, and all rights and remedies of the Plan Proponents are expressly reserved in this regard.

The statements contained in this Joint Disclosure Statement are made as of the date hereof unless another time is specified herein, and neither delivery of this Joint Disclosure Statement nor any exercise of rights granted in connection with the Joint Plan shall, under any circumstances, create an implication that there has been no change in the information set forth herein since the date hereof.

Certain of the information contained in this Joint Disclosure Statement, by its nature, is forward looking, contains estimates and assumptions that may prove to be inaccurate, and contains projections that may prove to be wrong, or that may be materially different from actual future results. Each Claimant should independently verify and consult its individual attorney and accountant as to the effect of the Joint Plan on such individual Claimant or Equity Interest holder.

For convenience of all parties, material terms of the Joint Plan are summarized in this Joint Disclosure Statement. Although the Plan Proponents believe that this Joint Disclosure Statement accurately describes the material provisions of the Joint Plan, all summaries of the Joint Plan contained in this Joint Disclosure Statement are qualified by the Joint Plan itself, the exhibits thereto, and the documents described therein, which control in the event of any inconsistency or incompleteness. Accordingly, the Plan Proponents strongly urge each claimant entitled to vote on the Joint Plan to review carefully the contents of this Joint Disclosure Statement, the Joint Plan, and the other documents that accompany or are referenced in this Joint Disclosure Statement in their entirety before making a decision to accept or reject the Joint Plan.

IT IS OF THE UTMOST IMPORTANCE TO THE PLAN PROPONENTS THAT YOU VOTE PROMPTLY TO ACCEPT THE JOINT PLAN BY COMPLETING AND SIGNING THE BALLOT ENCLOSED HEREWITH AND RETURNING IT TO THE PLAN PROPONENTS' VOTING AGENT, AT THE ADDRESS SET FORTH IN THE BALLOT INSTRUCTIONS THAT ACCOMPANY THE BALLOT.

The Order approving this Joint Disclosure Statement fixes _____ __, 2014, at __:__ _p.m., Central Standard Time, in the Courtroom of the Honorable Robert L. Jones, United States Bankruptcy Judge, in the United States Bankruptcy Court for the Northern District of Texas, Lubbock Division, Room 314, 1205 Texas Avenue, Lubbock, Texas 79401, as the date, time and place for the hearing on confirmation of the Joint Plan, and fixes _____ __, 2014, as the date by which all objections to confirmation of the Joint Plan must be filed with the Court and received by the respective counsel for the Debtor and Scopia. The Plan Proponents will request Confirmation of the Plan at the Confirmation Hearing.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

1.03 *Sources of Information*

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECTED TO A CERTIFIED AUDIT AND IS BASED, IN PART, UPON INFORMATION PREPARED BY PARTIES OTHER THAN THE DEBTOR. THEREFORE, ALTHOUGH THE DEBTOR HAS MADE EVERY REASONABLE EFFORT TO BE ACCURATE IN ALL MATERIAL MATTERS, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT ALL THE INFORMATION CONTAINED HEREIN IS COMPLETELY ACCURATE.

Except as otherwise expressly indicated, the portions of this Joint Disclosure Statement describing the Debtor, its business, property and management, and the Joint Plan, have been prepared from information furnished by the Debtor and/or Scopia.

Certain of the materials contained in this Joint Disclosure Statement are taken directly from other readily accessible documents or are digests of other documents. While the Plan Proponents have made every effort to retain the meaning of such other documents or portions that have been summarized, the Plan Proponents urge that any reliance on the contents of such other documents should depend on a thorough review of the documents themselves. In the event of a discrepancy between this Joint Disclosure Statement and the actual terms of a document, the actual terms of such document shall apply.

The authors of the Joint Disclosure Statement have compiled information from the Debtor and/or Scopia without professional comment, opinion or verification and do not suggest comprehensive treatment has been given to matters identified herein. Each Creditor and holder of an Interest is urged to independently investigate any such matters prior to reliance.

No statements concerning the Debtor, the value of its property, or the value of any benefit offered to the holder of a Claim or Interest in connection with the Joint Plan should be relied upon other than as set forth in this Joint Disclosure Statement. In arriving at your decision, you should not rely on any representation or inducement made to secure your acceptance or rejection that is contrary to information contained in this Joint Disclosure Statement, and any such additional representations or inducements should be reported to counsel for the Debtor, Bracewell & Giuliani LLP, 1445 Ross Avenue, Suite 3800, Dallas, Texas 75202, Attention: Samuel M. Stricklin, and counsel for Scopia, Haynes & Boone, LLP, 2323 Victory Avenue, Suite 700, Dallas, Texas 75219, Attention: Scott Everett.

1.04 *Explanation of Chapter 11*

Chapter 11 is the chapter of the Bankruptcy Code primarily used for business reorganization. With this purpose in mind, businesses sometimes use chapter 11 as a means to conduct asset sales and other forms of liquidation. Whether the aim is reorganization or liquidation, a chapter 11 plan sets forth and governs the treatment and rights afforded to creditors and stockholders with respect to their claims against and equity interests in a debtor's bankruptcy case. The principal goals of chapter 11 are to permit the rehabilitation of the debtor and provide for equality of treatment of similarly situated creditors. To further these goals, the filing of a voluntary petition for relief under chapter 11 gives rise to an automatic stay of all acts and proceedings against the debtor and its property, including all attempts to collect claims or enforce liens that arose prior to the commencement of the chapter 11 case or that otherwise interfere with the debtor’s property or business.

The objectives of chapter 11 reorganization are implemented through the confirmation of a plan of reorganization. The plan of reorganization sets forth the particulars of the continuation of the debtor's business and the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by the bankruptcy court makes the plan binding on the debtor and its creditors and equity interest holders. The confirmation of the plan generally

substitutes the obligations specified under the confirmed plan for any claims or equity interests that arose prior to the date of the confirmation of the plan.

After a plan has been filed with a bankruptcy court, it must be accepted by holders of impaired claims against, or interests in, the debtor. Section 1125 of the Bankruptcy Code requires that a plan proponent fully disclose to creditors and shareholders sufficient information about the debtor, its assets and the terms of the plan before acceptances of that plan may be solicited. This Joint Disclosure Statement is being provided to the holders of claims against, or interests in, the Debtor to satisfy such requirements of section 1125 of the Bankruptcy Code.

The Bankruptcy Code provides that creditors and shareholders are to be grouped into classes under a plan and that they are to vote to accept or reject a plan by class. While courts have disagreed on the proper method to be used in classifying creditors and shareholders, a general rule of thumb is that creditors with similar legal rights and interests are placed together in the same class and those shareholders with similar legal rights and interests are placed together in the same class. For example, all creditors entitled to priority under the Bankruptcy Code might be placed in one class, while all creditors holding subordinated unsecured claims might be placed in a separate class. Generally, each secured creditor will be placed in a class by itself because each such creditor usually has a lien on distinct property and therefore has distinct legal rights and interests.

The Bankruptcy Code does not require that each claimant or shareholder vote in favor of the plan for the Court to confirm the plan. Rather, the plan must be accepted by each class of claimants and shareholders (subject to an exception discussed below). A class of claimants accepts the plan if, of the claimants in the class who actually vote on the plan, such claimants holding at least two-thirds in dollar amount and more than one-half in number of allowed claims vote to accept the plan. For example, if a hypothetical class has ten creditors that vote and the total dollar amount of those ten creditors' claims is $1,000,000.00, then for such class to have accepted the plan, six or more of those creditors must have voted to accept the plan (a simple majority), and the claims of the creditors voting to accept the plan must total at least $666,667.00 (a two-thirds majority).

The Court may confirm the plan even though fewer than all classes of claims and interests vote to accept the plan. In this instance, the plan must be accepted by at least one "impaired" class of claims, without including any acceptance of the plan by an insider. Section 1124 of the Bankruptcy Code defines "impairment" and generally provides that a claim as to which legal, equitable or contractual rights are altered under a plan is deemed to be "impaired." **Classes 3, 4, 5, 6, 7, and 8 are all impaired by the Joint Plan.**

If all impaired classes of claims and interests under the plan do not vote to accept the plan, the debtor is entitled to request that the Court confirm the plan pursuant to the "cramdown" provisions of section 1129(b) of the Bankruptcy Code. These "cramdown" provisions permit a plan to be confirmed over the dissenting votes of classes of claims and/or interests if at least one impaired class of claims votes to accept the plan and the Court determines that the plan does not discriminate unfairly and is fair and equitable with respect to each impaired, dissenting class of claims and interests. The Plan Proponents believe the Joint Plan may be confirmed by cramdown.

Independent of the acceptance of the Joint Plan as described above, to confirm the Joint Plan the Court must determine that the requirements of section 1129(a) of the Bankruptcy Code have been satisfied.

THE PLAN PROPONENTS BELIEVE THAT THE JOINT PLAN SATISFIES EACH OF THE CONFIRMATION REQUIREMENTS OF SECTION 1129(a) AND, IF NECESSARY, SECTION 1129(b) OF THE BANKRUPTCY CODE.

Confirmation of the Joint Plan makes the Joint Plan binding upon the Debtor, its creditors and shareholders, and other parties in interest irrespective of whether they have filed proofs of claim or voted to accept or reject the Joint Plan.

II. OVERVIEW OF THE DEBTOR

2.01 *Business Overview*

The Debtor is a guar processing plant located in West Texas and founded in 1998. Guar is a drought-resistant legume that was brought to the United States in the early 1900s. Guar means "cow food" in Hindi, and in the Asian subcontinent, this is its historical use. Guar is still used as cattle feed today. Guar has unique thickening and binding qualities that make it useful in various industries – guar powder is used in a number of products in the food and cosmetic industries, the paper and textile industries, and is also a key ingredient in hydraulic fracturing.

The Debtor's main processing plant is located in Brownfield, Texas and the Debtor stores beans at its plant as well as approximately seven other off-site locations in West Texas, Oklahoma and California. Along with processing guar, the Debtor also sells seed packets and conducts research and test-plot trials aimed at improving cultivation, production and attempting to maintain a constant market for guar. To its knowledge, the Debtor is the only guar processing plant in the United States. Its competitors are located in India, but, according to customer comments, they do not produce the same high quality of product as the Debtor. Customers are therefore loyal to the Debtor.

The Debtor sells seed packets to guar growers in Texas and Oklahoma and then buys back the guar beans for processing. Guar-Tex, a division of the Debtor, is the first company in the world to offer 100% Certified Organic Splits from United States Growers to buyers worldwide. It also produces and sells guar powder, guartien II, and fibertien. Once processed, the Debtor sells the various guar products to purchasers.

The Debtor contracted with numerous guar growers for the 2013 growing season (the "Growers"). Unfortunately, due to a drop in market price and various other unforeseen circumstances, the Debtor has been unable to make payments to the Growers and other creditors. The Petitioning Creditors are a subset of these Growers.

2.02 *Indebtedness*

As of the date of the Order for Relief, the Debtor is indebted to Scopia in the approximate amount of $6 million, plus interest, fees, and costs. Scopia asserts a security interest in all of the Debtor's assets, including guar and guar proceeds, and filed UCC-1 financing statements on

September 11, 2013 and November 7, 2013. Scopia filed its UCC-1 financing statements before any Grower.

Solvay USA Inc. filed a UCC-1 on November 15, 2013, asserting a lien on 1,300,000 pounds of guar bean splits under a Security Agreement dated November 7, 2013 ("Solvay Security Agreement"). Upon information and belief, all guar-splits required under the Solvay Security Agreement have been delivered and, as such, the obligation under the Solvay Security Agreement has been satisfied.

The Debtor is also indebted to the Growers for guar delivered to the Debtor prior to the Petition Date pursuant to prepetition grower contracts. The guar beans delivered under those contracts are commingled in the different storage facilities listed above. Under Texas Property Code §§ 70.402, 70.403, and 70.404, each Grower asserts a statutory lien that arose upon delivery of the beans and that attaches to that portion of the Debtor's commingled inventory that is attributable to the amount delivered by the Grower.

Of the approximately 47.9 million pounds of guar beans that were delivered as part of the 2013-2014 harvest, approximately 22,334,191 pounds were delivered by Growers who filed UCC-1 financing statements prior to the Petition Date; approximately 5,139,923 pounds were delivered by Growers who filed UCC-1 financing statements after the Petition Date; and approximately 20,466,605 pounds were delivered by Growers who have not filed UCC-1 financing statements.

III. THE CHAPTER 11 CASE

3.01 *Events Precipitating the Chapter 11 Filing*

The Petitioning Creditors filed this Bankruptcy Case in response to the Debtor's inability to pay them under the prepetition grower contracts. The Debtor's financial difficulties resulted from a decrease in the market price for guar, various equipment repairs required to bring the Debtor's production to full capacity, and a lack of liquidity and inability to obtain additional capital. On April 22, 2014, the Debtor consented to the entry of an order for relief and the Court entered the Order for Relief on April 25, 2014.

3.02 *Significant Events During the Chapter 11 Case*

On March 14, 2014, the Petitioning Creditors filed an involuntary petition against the Debtor under chapter 11 of the Bankruptcy Code. The Court entered an Order for Relief on April 25, 2014.

On March 17, 2014, certain Petitioning Creditors filed an Emergency Motion to Appoint a Trustee ("Trustee Motion"), and the Court held hearings on the Trustee Motion on March 20, 26, and 31, 2014. On March 30, 2013, the Debtor filed its Emergency Motion to Use Cash Collateral ("First Cash Collateral Motion"). [Docket No. 33]. On March 31, 2014, the parties announced their agreement to an Interim Order on Motion for Appointment of Trustee and for Injunctive Relief, which was entered on April 2, 2014 (the "First Interim Order"). [Docket No. 40]. The First Interim Order required the Debtor suspend its business operations, not process any guar, and maintain a 'skeleton' crew of employees.

On April 15, 2014, the Debtor filed its First Amended Motion for Use of Cash Collateral ("Second Cash Collateral Motion"). [Docket No. 48]. The Court had a fourth hearing on April 16, 2014 and the Parties announced their agreement for a Second Agreed Interim Order on Motion for Appointment of Trustee and for Injunctive Relief (and Authorizing the Use of Cash Collateral) ("Second Interim Order"). [Docket No. 53]. The agreement in connection with the Second Interim Order was that the Debtor's business would continue to be suspended to allow the parties to negotiate in good faith.

On May 7, 2014, the Debtor filed its Second Amended Motion for Use of Cash Collateral ("Third Cash Collateral Motion"), seeking authority from the Court to resume business operations and deposit a certain amount of its proceeds into an adequate protection account for the Growers. [Docket No. 65]. On May 30, 2014, the parties announced on the record that a settlement had been reached between the Petitioning Creditors and the Debtor (the "Settlement Agreement"). The Court entered its Order Granting West Texas Guar's Second Amended Motion for an Order Approving Interim and Final Use of Cash Collateral and Granting Adequate Protection ("Third Cash Collateral Order") on June 5, 2014. [Docket No. 100]. The Third Cash Collateral Order authorized the Debtor to resume business operations and process and sell the guar beans in accordance with the Third Cash Collateral Order Budget. In addition, the Debtor was required to place 30 cents for every pound of guar beans processed, as receivables from the sale of splits are collected, into a separate adequate protection account ("AP Account") until the Court ordered otherwise. Any liens on the guar beans processed shall attach to the AP Account, in the same order of priority on such account as such liens existed on the processed beans, and subject to the same objections or avoidance actions that may exist regarding such liens.

On May 19, 2014, the Debtor filed its Application to Employ Bracewell & Giuliani, LLP as Attorney for the Debtor ("Application to Employ BG"). [Docket No. 85]. The Court entered its Order Granting the Debtor's Application to Employ BG on May 22, 2014. [Docket No. 89]. On June 2, 2014, the Debtor filed its Application to Employ Lain Faulkner & Co., PC as Accountant for the Debtor ("Application to Employ LFC"). [Docket No. 98]. On June 9, 2014, the Court entered its Order Granting the Debtor's Application to Employ LFC. [Docket No. 103].

On June 9, 2014, the Court entered its Order Withdrawing the Petitioning Creditors' Trustee Motion. [Docket No. 104]. The Petitioning Creditors filed a Second Motion for Appointment of Trustee on July 31, 2014 [Docket No. 157] that will be heard on September 24, 2014.

On June 20, 2014, the Debtor filed its Motion to Compel Performance by Klint Forbes, Wade Cowan, and Valerie Cowan Under Pre-Petition Contract and Enforce the Automatic Stay [Docket No. 114] seeking an order directing Klint Forbes, Wade Cowan, and Valerie Cowan to comply with and perform certain obligations with respect to the Debtor's real property under their pre-petition contract.

On July 16, 2014, Scopia filed a complaint (Adversary Proceeding No. 14-05011) against the growers and other parties seeking, in part, a determination of the lien priority rights of the various parties in the Debtor's guar bean inventory.

On July 31, 2014, certain petitioning creditor filed a second motion for appointment of a trustee [Docket No. 157], which is currently set for hearing on September 24, 2014.

On August 25, 2014, the Debtor filed a Complaint to Avoid Unperfected Liens [Docket No. 170] and a Complaint to Avoid the Fixing and Perfection of Liens Filed Post-Petition [Docket No. 171]. Pursuant to these lawsuits, the Debtor seeks to (a) avoid the unperfected statutory liens of growers who did not file UCC-1 financing statements prior to the Petition Date and to determine all maters related thereto (such as the validity and priority of such unperfected statutory liens); and (b) avoid the statutory liens of growers who filed UCC-1 financing statements after the commencement of the Bankruptcy Case, and to determine matters related thereto.

IV. THE JOINT PLAN

THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE, CLASSIFICATION, TREATMENT AND IMPLEMENTATION OF THE JOINT PLAN AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT OF THE JOINT PLAN, WHICH ACCOMPANIES THIS JOINT DISCLOSURE STATEMENT AS EXHIBIT "A". THE JOINT PLAN ITSELF AND THE DOCUMENTS REFERENCED THEREIN WILL CONTROL THE TREATMENT OF CREDITORS, EQUITY INTEREST HOLDERS AND OTHER PARTIES-IN-INTEREST UNDER THE JOINT PLAN AND WILL, UPON THE EFFECTIVE DATE, BE BINDING UPON ALL HOLDERS OF CLAIMS AGAINST, AND EQUITY INTERESTS IN, THE DEBTOR.

4.01 *Administrative Claims*

In accordance with Bankruptcy Code § 1123(a)(1), Administrative Claims and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims set forth in the Plan.

(a) General: Subject to the Administrative Claim Bar Date provisions herein and unless otherwise provided for in the Plan or an order of the Bankruptcy Court, each Holder of an Allowed Administrative Claim due and payable on or prior to the Effective Date shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Administrative Claim, within ten Business Days after the later of (a) the Effective Date, (b) the Allowance Date, and (c) such date as is mutually agreed upon by the Liquidation Trustee and the Holder of such Allowed Administrative Claim, either Cash equal to the unpaid amount of such Allowed Administrative Claim or such other less favorable treatment as to which the Liquidation Trustee and the Holder of such Allowed Administrative Claim shall have agreed upon in writing.

(b) Payment of Statutory Fees: All fees payable pursuant to 28 U.S.C. § 1930 shall be paid in Cash equal to the amount of such Administrative Claim when due.

(c) Administrative Claim Bar Dates and Objection Deadlines:

i. Deadline: Except as otherwise provided in this section of the Plan, requests for payment of Administrative Claims for which no bar date has otherwise been previously established must be included within a motion or application and filed and served on

the Post-Confirmation Service List no later than the Administrative Claim Bar Date. Holders of Administrative Claims that are required to file requests for payment of such Administrative Claims and that do not file such requests by the Administrative Claim Bar Date shall be forever barred from asserting such Administrative Claims against the Debtor, the Reorganized Debtor, the Liquidation Trust, the Liquidation Trustee, or their property. Objections to Administrative Claims must be filed and served on the Liquidation Trustee, and the Holder of the Administrative Claim that is the subject of such objection no later than the Administrative Claim Objection Deadline.

ii. Form: Requests for payment of Administrative Claims included in a Proof of Claim are of no force and effect, and are disallowed in their entirety as of the Confirmation Date unless such Administrative Claim is subsequently filed in a timely motion or application as provided above. However, to the extent a Governmental Unit is not required to file a request for payment of an Administrative Claim pursuant to Bankruptcy Code § 503(b)(1)(D), a Proof of Claim filed by such Governmental Unit prior to the applicable bar date set forth in the Plan for filing a request for payment of such Administrative Claim shall fulfill the requirements of this section of the Plan.

iii. Professionals: All Professionals shall file and serve on the Post-Confirmation Service List an application for final allowance of any Professional Fee Claim no later than the Professional Fee Claim Bar Date. Objections to Professional Fee Claims must be filed and served on the Liquidation Trustee and the Professional to whose application the objections are addressed no later than the Professional Fee Claim Objection Deadline. Any Professional that does not file an application for final allowance of any Professional Fee Claim by the Professional Fee Claim Bar Date shall be forever barred from asserting any such Professional Fee Claim against the Debtor, the Reorganized Debtor, the Liquidation Trust, the Liquidation Trustee, or their property. Any professional fees and reimbursements for expenses incurred by the Liquidation Trustee after the Effective Date may be paid without application to the Bankruptcy Court.

iv. Post-Petition Tax Claims: All requests for payment of Post-Petition Tax Claims for which no bar date has otherwise been previously established must be filed on or before the Post-Petition Tax Claim Bar Date. A Holder of any Post-Petition Tax Claim that is required to file a request for payment of such taxes and does not file and serve such request on the Post-Confirmation Service List by the Post-Petition Tax Claim Bar Date shall be forever barred from asserting any such Post-Petition Tax Claim against the Debtor, the Reorganized Debtor, the Liquidation Trust, the Liquidation Trustee, or their property, whether any such Post-Petition Tax Claim is deemed to arise prior to, on, or subsequent to the Effective Date. To the extent that the Holder of a Post-Petition Tax Claim holds a Lien to secure its Post-Petition Tax Claim under applicable state law, the Holder of such Post-Petition Tax Claim shall retain its Lien until its Allowed Post-Petition Tax Claim has been paid in full. Objections to Post-Petition Tax Claims must be filed and served on the Liquidation Trustee and the Holder of the Post-Petition Tax Claim that is the subject of such objection no later than the Post-Petition Tax Claim Objection Deadline.

4.02 ***Allowed Priority Tax Claims:***

Unless otherwise provided for pursuant to an order of the Bankruptcy Court, each Holder of an Allowed Priority Tax Claim due and payable on or prior to the Effective Date shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Tax Claim within ten Business Days after the later of (a) the Effective Date, (b) the Allowance Date, or (c) such date as is mutually agreed upon by the Liquidation Trustee and the Holder of such Allowed Priority Tax Claim, either Cash equal to the unpaid amount of such Allowed Priority Tax Claim or such other less favorable treatment as to which the Liquidation Trustee and the Holder of such Allowed Priority Tax Claim shall have agreed upon in writing.

4.03 ***Ordinary Course Liabilities:***

The Liquidation Trustee shall pay each Ordinary Course Liability pursuant to the payment terms and conditions of the particular transaction giving rise to the Ordinary Course Liability. Holders of an Ordinary Course Liability will not be required to file or serve any request for payment of the Ordinary Course Liability.

V. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

5.01 ***Classification of Claims and Interests***

Pursuant to Bankruptcy Code § 1122, a Claim or Interest is placed in a particular Class for purposes of voting on the Plan and receiving Distributions under the Plan only to the extent (i) the Claim or Interest qualifies within the description of that Class; (ii) the Claim or Interest is an Allowed Claim or Allowed Interest in that Class; and (iii) the Claim or Interest has not been paid, released, or otherwise compromised before the Effective Date. In accordance with Bankruptcy Code § 1123(a)(1), all Claims and Interests except Administrative Claims and Priority Tax Claims are classified in the Classes set forth below.

5.02 ***Classes, Impairment and Voting Status, and Treatment*****:**

Class #	Class Description	Impairment and Voting Status	Treatment
1.	Allowed Priority Non-Tax Claims	Unimpaired / Not Entitled to Vote	Unless otherwise provided for pursuant to an order of the Bankruptcy Court, each Holder of an Allowed Priority Non-Tax Claim shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Non-Tax Claim within ten Business Days after the later of (a) the Effective Date, (b) the Allowance Date, and (c) such date as is mutually agreed upon by the Liquidation Trustee and the Holder of such Allowed Priority Non-Tax Claim, either Cash equal to the unpaid amount of such Allowed

			Priority Non-Tax Claim or such other less favorable treatment as to which the Liquidation Trustee and the Holder of such Allowed Priority Non-Tax Claims shall have agreed upon in writing.
2.	Allowed Secured Tax Claims	Unimpaired / Not Entitled to Vote	Unless otherwise provided for pursuant to an order of the Bankruptcy Court, each Holder of an Allowed Secured Tax Claim shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Secured Tax Claim within ten Business Days after the later of (a) the Effective Date, (b) the Allowance Date, (c) the date of liquidation or other disposition of the applicable collateral and (d) such date as is mutually agreed upon by the Liquidation Trustee and the Holder of such Allowed Secured Tax Claim, either Cash equal to the unpaid amount of such Allowed Secured Tax Claim or such other less favorable treatment as to which the Liquidation Trustee and the Holder of such Allowed Secured Tax Claim shall have agreed upon in writing. Holders of Secured Tax Claims shall retain their Liens on the applicable collateral or proceeds until such Holder has received all such treatment to which it is entitled by this paragraph on account of such Claim or until such Claim has been disallowed, but shall not be entitled to foreclose such Liens absent further order of the Bankruptcy Court.
3.	Allowed Secured Claims of Scopia	Impaired / Entitled to Vote	All matters related to the validity and priority of Scopia's liens and security interests shall be determined through the Scopia Litigation and the WTG-Grower Litigation. Pursuant to section 506 of the Bankruptcy Code, the amount of any Secured Claim shall be fixed at the lesser of (i) the Allowed Secured Claim of Scopia, if any, and (ii) the value of the collateral securing such claim, as set by the Bankruptcy Court (any deficiency portion of the Allowed Claim, if any, shall be treated as a Class 7 or 8 Claim). To the extent that Scopia is determined to have an Allowed Secured Claim, Scopia shall retain its liens and security interests in its collateral until such collateral is sold or the Scopia Allowed Secured Claim is paid in full. Scopia's Allowed Secured Claim, if any, will be paid from the Guar Proceeds Payout Reserve,

			according to the priority determined by Final Order.
4.	Allowed Secured Grower Claims	Impaired / Entitled to Vote	All matters related to the validity and priority of such liens shall be determined through the Scopia Litigation and the WTG-Grower Litigation. Pursuant to section 506 of the Bankruptcy Code, the amount of any Secured Claim shall be fixed at the lesser of (i) the Allowed Secured Claim of a Grower, if any, and (ii) the value of the collateral securing such claim, as set by the Bankruptcy Court (any deficiency portion of the Allowed Claim, if any, shall be treated as a Class 7 or 8 Claim). Holders of Allowed Secured Grower Claims shall retain their liens in their collateral until such collateral is sold or their claims are paid in full. Allowed Secured Grower Claims will be paid from the Guar Proceeds Payout Reserve according to the priority determined by Final Order. From and after the Effective Date, any Allowed Secured Grower Claim shall accrue interest at a rate of 3 percent per annum, which shall be paid from Guar Proceeds Payout Reserve. Any payment to a Holder of an Allowed Secured Grower Claim shall, if applicable, be through a check made payable jointly to the Grower and the FSA Notice Party, if any, that delivered an effective FSA Notice to the Debtor prior to the Debtor's receipt of guar beans that are the subject of the FSA Notice. The Bankruptcy Court shall hear and determine any disputes regarding the effectiveness of the FSA Notices.
5.	FSA Notice Parties	Impaired / Entitled to Vote	Within ten (10) Business Days after the later of (a) the Effective Date and (b) the Allowance Date, any FSA Notice Party that delivered a valid and effective FSA Notice to the Debtor prior to the Debtor's receipt of guar beans that are the subject of the notice shall receive in satisfaction if its claimed lien a check made payable jointly to the FSA Notice Party and the relevant Grower equal to

			75% of the Allowed Grower Claim, in full satisfaction of its asserted lien. This payment is inclusive of the payment described in Class 4 above—i.e., there will be a single payment to the applicable Grower and its corresponding FSA Notice Party. Absent an order of the Bankruptcy Court, any FSA Notice Party that delivered an otherwise valid FSA Notice to the Debtor after the Debtor's receipt of the guar beans that are the subject of the notice, or that delivered an ineffective notice, shall receive no distribution. The Bankruptcy Court shall hear and determine any disputes regarding the effectiveness of the FSA Notices. Such determination shall be made either in the Scopia Litigation or through objections to FSA Notices, which shall be filed (if necessary) no later than 21 days prior to the Confirmation Hearing. Each and every FSA Notice Party that holds an Allowed Secured Claim shall be deemed to be a separate class for purposes of the Plan.
6.	Allowed Other Secured Claims: all Allowed Secured Claims that are not otherwise classified in Classes 2, 3, 4 or 5. Each Allowed Other Secured Claim is assigned to a separate subclass	Impaired / Entitled to Vote	Pursuant to section 506 of the Bankruptcy Code, the amount of any Other Secured Claim shall be fixed at the lesser of (i) the Allowed Secured Claim, if any, and (ii) the value of the collateral securing such claim, as set by the Bankruptcy Court (any deficiency portion of the Allowed Claim, if any, shall be treated as a Class 7 Claim). Within ten Business Days after the later of (a) the Effective Date, (b) the Allowance Date, (c) the date of liquidation or other disposition of the applicable collateral and (d) such date as is mutually agreed upon by the Debtor and the Holder of an Allowed Other Secured Claim, the Holder of an Allowed Other Secured Claim shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Other Secured Claim: (a) at the sole discretion of the Debtor (i) Cash equal to the unpaid portion of such Allowed Other Secured Claim paid in six equal monthly payments, (ii) reinstatement of the

			legal, equitable, and contractual rights of the Holder of such Allowed Other Secured Claim, (iii) tender of the collateral securing the Other Allowed Secured Claim; or (b) such other treatment as may be agreed to by the Debtor and the Holder of such Allowed Other Secured Claim. Holders of Other Secured Claims shall retain their Liens on the applicable collateral or proceeds until such Holder has received all such treatment to which it is entitled by this paragraph on account of such Claim or until such Claim has been disallowed, but shall not be entitled to foreclose such Liens absent further order of the Bankruptcy Court. Each and every Allowed Other Secured Claim shall be deemed to be a separate class for purposes of the Plan.
7.	Allowed General Unsecured Claims	Impaired / Entitled to Vote	This class includes, among other unsecured creditors, all Growers with statutory liens that are avoidable and subsequently avoided pursuant to the WTG-Grower Litigation and all deficiency General Unsecured Claims of holders of partially Secured Claims. Each Holder of an Allowed General Unsecured Claim shall receive in full satisfaction of the Debtor's obligation for such Allowed General Unsecured Claim: a beneficial interest in the Liquidation Trust as set forth in Article IV hereof entitling such Holder to receive on account of such Claims, on or as soon as practicable after the later of (a) the Effective Date, (b) the Allowance Date, (c) the initial Distribution Date and on each periodic Distribution Date thereafter, and (d) such date as is mutually agreed upon by the Liquidation Trustee and the Holder of an Allowed General Unsecured Claim, their Pro Rata Share of any Cash distribution from the Liquidation Trust to Holders of Allowed General Unsecured Claims. Each Holder of Allowed General Unsecured Claims shall receive such distributions in accordance with the provisions set forth in Article IV. Notwithstanding the foregoing, the Holder of an Allowed General Unsecured Claim may receive such other less favorable treatment as may be agreed to in writing by such

			Holder and the Liquidation Trustee. The Liquidation Trust shall be funded as set forth in Article IV.
8.	Subordinated Claims	Impaired / Not Entitled to Vote	Shall receive nothing under the Plan.
9.	WTG Interests: Interests in WTG	Impaired / Not Entitled to Vote	On the Effective Date, all Interests in WTG shall be canceled and extinguished and Interest Holders shall not be entitled to receive any Distributions on account of such Interests

5.03 ***Haulers, Landlords, or Harvesters***

To the extent a Grower owes money to haulers, landlords, or harvesters on account of guar grown and delivered to the Debtor, then upon written request by such Grower, the cash distribution otherwise payable to the Grower under this Plan shall be paid (in whole or in part) to such third parties as the Grower directs. In no event will the Grower's liability to such third parties increase the amount paid to the Grower under the Plan, and such third parties shall have no claim against the Debtor or the Reorganized Debtor for such payments, which are made solely as an accommodation to the Grower.

5.04 ***Priority Disputes***

Any disputes relating to the relative priority of any secured claim shall be determined by the Bankruptcy Court upon notice to the affected parties and a hearing.

5.05 ***Unimpaired Classes***

Classes 1 and 2 are Unimpaired under the Plan. Under Bankruptcy Code § 1126(f), Holders of Claims in Classes 1 and 2 are conclusively presumed to have accepted the Plan and are therefore not entitled to vote to accept or reject the Plan.

5.06 ***Impaired, Voting Classes***

Classes 3, 4, 5, 6, and 7 are Impaired under the Plan. Under Bankruptcy Code § 1126(a), Holders of Claims in these Classes are entitled to vote to accept or reject the Plan.

5.07 ***Impaired, Non-Voting Classes***

Classes 8 and 9 are Impaired under the Plan. Holders of Interests in Class 9 will not retain their Interests under the Plan, and no Distributions on account of such Interests will be made. Under Bankruptcy Code § 1126(g), Holders of Interests in Class 9 and holders of claims in Class 8 are conclusively presumed to have rejected the Plan, and therefore the Debtor will not solicit their votes.

5.08 ***Acceptance or Rejection of the Plan***

(a) Voting and Acceptance by Impaired Classes of Claims

Each Impaired, Voting Class shall be entitled to vote separately to accept or reject the Plan. An Impaired, Voting Class of Claims has accepted the Plan if the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims in such Class actually voting have voted to accept the Plan.

(b) Voting of Disputed Claims and Interests

A Holder of a Disputed Claim that has not been temporarily allowed for purposes of voting on the Plan may only vote such Disputed Claim in an amount equal to the portion, if any, of such Claim shown as fixed, liquidated, and undisputed in the Schedules.

(c) Cramdown

If the Bankruptcy Court determines that all applicable requirements of Bankruptcy Code § 1129(a) are met with the exception of Bankruptcy Code § 1129(a)(8), the Plan shall be treated as a request by the Debtor for Confirmation of the Plan in accordance with Bankruptcy Code § 1129(b), notwithstanding the failure to satisfy the requirements of Bankruptcy Code § 1129(a)(8), on the basis that the Plan is fair and equitable and does not discriminate unfairly with respect to each Class of Claims or Interests that is impaired under, and has not accepted, the Plan.

(d) Elimination of Classes for Voting Purposes

Any Class that is not occupied as of the date of the commencement of the Confirmation Hearing by an Allowed Claim, an Allowed Interest, or a Claim or Interest temporarily allowed under Bankruptcy Rule 3018 or as to which no vote is cast shall be deemed deleted from the Plan for purposes of voting on acceptance or rejection of the Plan by such Class under Bankruptcy Code § 1129(a)(8).

(e) Controversy Concerning Classification, Impairment or Voting Rights

If a controversy or dispute should arise involving issues related to the classification, impairment or voting rights of any Holder of a Claim or Interest under the Plan, whether before or after the Confirmation Date, the Bankruptcy Court may, after notice and a hearing, determine such controversy. Without limiting the foregoing, the Bankruptcy Court may estimate for voting purposes (i) the amount of any contingent or unliquidated Claim the fixing or liquidation of which, as the case may be, would unduly delay the administration of the Chapter 11 Case and (ii) any right to payment arising from an equitable remedy for breach of performance. In addition, the Bankruptcy Court may, in accordance with Bankruptcy Code § 506(b), conduct valuation hearings to determine the Allowed Amount of any Secured Claim.

VI. MEANS FOR PLAN IMPLEMENTATION

6.01 *Vesting of Assets*

(a) On or before the Effective Date, the Liquidation Trust shall be established, which requires the execution of the Liquidation Trust Agreement in substantially the same form as the Liquidation Trust Agreement included with this Plan as a Plan Supplement. The Liquidation Trustee shall establish one or more new bank accounts for the Liquidation Trustee to use for the Reserves described below. However, in the event that the Liquidation Trustee, for any reason, is unable to draw checks on or otherwise make payments from the new bank accounts on or immediately after the Effective Date, the Debtor, the Reorganized Debtor, and the Plan Sponsor shall be authorized, but not obligated, to make such payments on behalf of the Estate and the Liquidation Trust, as a means of implementing this Plan.

(b) The Liquidation Trustee, for convenience, shall act as disbursement agent for any grower creditor entitled to guar proceeds and shall escrow all guar proceeds in a segregated account pending resolution of all lien-priority disputes. The Debtor estimates it will take approximately twenty months to fully process its existing bean inventory and fully fund such account. The Liquidation Trustee can make payments from such account during the time that the bean processing is completed if there are Final Orders determining lien priorities.

(c) On the Effective Date, new unregistered shares in the Reorganized Debtor shall be issued to the Plan Sponsor and/or its designees pursuant to an exemption from registration contained in the Securities Act. All preexisting Interests in the Debtor shall be deemed cancelled as of the Effective Date without further action by any person.

(d) Except as otherwise set forth in the Plan, in the Plan Supplement or in the Confirmation Order, on the Effective Date all property of the Estate shall be revested in the Reorganized Debtor free and clear of all Claims, Liens, encumbrances and other Interests, but subject to the obligations as provided in the Plan. All Excluded Assets shall be transferred to the Liquidation Trust and all Distributions under this Plan shall be made by the Liquidation Trust.

(e) In disbursing the net guar sale proceeds to the Liquidation Trustee for distribution to creditors and/or for escrowing pending resolution of lien-priority disputes, Reorganized Debtor and Scopia will confer with the growers to reach an agreement on the appropriate processing and sale charges.

(f) The Plan Sponsor Equity Purchase Price with the Plan Sponsor Exit Loan shall total $3 million. The portion that is the Plan Sponsor Exit Loan and the portion that is the Plan Sponsor Equity Purchase Price will be determined prior to the hearing on the Disclosure Statement.

6.02 *Sources of Cash for Plan Distributions*

All Cash necessary for the Liquidation Trustee to make Distributions under the Plan shall be obtained from the Debtor's existing Cash balances, from the Plan Sponsor Consideration, and

from other liquidation of property of the Liquidation Trust. Attached hereto as Exhibit C are the Debtor's cash flow projections.

6.03 ***Corporate Action***

The entry of the Confirmation Order shall constitute authorization for the Debtor, the Reorganized Debtor, and the Liquidation Trustee to take or cause to be taken all corporate actions necessary or appropriate to implement all provisions of, and to consummate, the Plan prior to, on and after the Effective Date and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without further approval, act or action under any applicable law, order, rule or regulation, including, without limitation, any action required by the interest holders, partners, or directors of the Debtor, including, among other things, (1) the cancellation of the Interests in the Debtor; (2) all transfers of assets that are to occur pursuant to the Plan; (3) the incurrence of all obligations contemplated by the Plan and the making of Distributions; (4) the implementation of all settlements and compromises as set forth in or contemplated by the Plan; (5) the amendment of any corporate documents required to comply with § 1123(a)(6). As of the Effective Date, the officers of the Debtor, and the Liquidation Trustee are authorized and directed to do all things and to execute and deliver all agreements, documents, instruments, notices and certificates as are contemplated by the Plan and to take all necessary actions required in connection therewith, in the name of and on behalf of the Debtor and the Liquidation Trustee, as applicable.

6.04 ***Waiver of Stay of Confirmation Order***

The Confirmation Order will waive the stay provided under Bankruptcy Rule 3020(e).

6.05 ***Liquidation Trust***

(a) Creation of the Liquidation Trust and Appointment of Liquidation Trustee

On the Effective Date the Liquidation Trust will be created pursuant to the Liquidation Trust Agreement. The Liquidation Trust shall operate under the provisions of the Liquidation Trust Agreement. The Liquidation Trust shall be administered by the Liquidation Trustee who shall be identified in the Plan Supplement. The Debtor will select the Liquidation Trustee, upon consultation with any interested creditor, and subject to Bankruptcy Court approval of such selection. The appointment of the initial Liquidation Trustee and the terms of the Liquidation Trustee's compensation shall be subject to the approval of the Bankruptcy Court.

(b) Property of the Liquidation Trust

On the Effective Date, the Debtor and its Estate shall be deemed to have transferred and/or assigned to the beneficiaries of the Liquidation Trust the Excluded Assets as of the Effective Date. Immediately thereafter, such assets shall be deemed to be transferred by such beneficiaries to the Liquidation Trust, and such transferred assets shall be held by the Liquidation Trust free and clear of all Claims, Liens and contractually imposed restrictions, except for the rights to Distribution afforded to creditors under the Plan and the Liens of secured creditors.

(c) Liquidation Trustee

The salient terms of the Liquidation Trustee's employment, including the Liquidation Trustee's duties and compensation, to the extent not set forth in the Plan, shall be set forth in the Liquidation Trust Agreement. In general, the Liquidation Trustee shall be the exclusive trustee of the Liquidation Trust for the purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3), as well as the representative of the Estate appointed pursuant to § 1123(b)(3)(B) of the Bankruptcy Code. The Liquidation Trustee shall have fiduciary duties to beneficiaries of the Liquidation Trust in the same manner that members of an official committee of creditors appointed pursuant to § 1102 of the Bankruptcy Code have fiduciary duties to the creditor constituents represented by such a committee. The Liquidation Trust Agreement shall specify the terms and conditions of the Liquidation Trustee's compensation, responsibilities and powers. The duties and powers of the Liquidation Trustee, shall generally include, without limitation, the following:

i. To maintain escrows and other accounts, make Distributions to the beneficiaries of the Liquidation Trust, and take other actions consistent with the Plan and the implementation hereof, including the establishment, re-evaluation, adjustment and maintenance of appropriate reserves, in the name of the Liquidation Trust or the Liquidation Trustee;

ii. To object to any General Unsecured Claims or Secured Claims alleged to be secured, and to defend, compromise and/or settle any such Claims subject to approval of the Bankruptcy Court;

iii. To make decisions, without further Court approval, regarding the retention or engagement of professionals, employees and consultants by the Liquidation Trust and to pay, from the applicable reserve, the charges incurred by the Liquidation Trust on or after the Effective Date for services of professionals, disbursements, expenses or related support services relating to the implementation of the Plan, without application to the Bankruptcy Court;

iv. To cause, on behalf of the Liquidation Trust, all necessary tax returns and all other appropriate or necessary documents related to municipal, State, Federal or other tax law to be prepared or filed timely;

v. To liquidate any assets of the Liquidation Trust and make all Distributions to the beneficiaries of the Liquidation Trust;

vi. To invest Cash in accordance with § 345 of the Bankruptcy Code or as otherwise permitted by a Final Order of the Bankruptcy Court and as deemed appropriate by the Liquidation Trustee;

vii. To enter into any agreement or execute any document required by or consistent with the Plan and perform all of the obligations of the Liquidation Trustee thereunder;

viii. To abandon in any commercially reasonable manner, including abandonment or donation to a charitable organization at the discretion of the Liquidation Trustee, any assets that the Liquidation Trustee concludes are of no benefit to the beneficiaries of the Liquidation Trust or, at the conclusion of the Chapter 11 Case, are determined to be too impractical to distribute;

ix. To investigate, prosecute and/or settle Rights of Action, participate in or initiate any proceeding before the Bankruptcy Court or any other court of appropriate jurisdiction, participate as a party or otherwise in any administrative, arbitrative or other non-judicial proceeding, litigate or settle such Rights of Action on behalf of the Liquidation Trust and pursue to settlement or judgment such actions;

x. To utilize trust assets to purchase or create and carry all appropriate insurance policies and pay all insurance premiums and costs it deems necessary or advisable to insure the acts and omissions of the Liquidation Trustee;

xi. To implement and/or enforce all provisions of the Plan;

xii. To maintain appropriate books and records (including financial books and records);

xiii. To file with the Bankruptcy Court and serve upon the Post-Confirmation Service List, within 20 days after the end of each six-month period following the Effective Date (with the first such report due within 20 days after the end of the sixth full calendar month following the Effective Date), a semiannual report setting forth (i) the receipt and disposition by the Liquidation Trustee of property of the Liquidation Trust during the prior reporting period; (ii) all Disputed Claims resolved by the Liquidation Trustee during such period and any such Claims that remain Disputed; (iii) all known material non-Cash assets of the Liquidation Trust remaining to be disposed of; (iv) the status of Rights of Action and other causes of action; (v) an itemization of all expenses of the Liquidation Trust that the Liquidation Trustee anticipates will become due and payable within the subsequent six months; and (vi) the Liquidation Trustee's report of cash receipts and expenses by the Liquidation Trust for the subsequent six months;

xiv. To do all other acts or things consistent with the provisions of the Plan that the Liquidation Trustee deems reasonably necessary or desirable with respect to implementing the Plan; and

xv. Subject to the applicable provisions of the Plan, to collect and liquidate all assets of the Estate pursuant to the Plan and to administer the winding-up of the affairs of the Debtor.

(d) Termination of the Liquidating Trust:

The Liquidating Trust shall remain and continue in full force and effect until the earlier of four years after the Effective Date (unless such date is extended by Court order) or the time that all Trust Assets have been wholly converted to Cash, abandoned or assigned, and all costs, expenses, and obligations incurred in administering the Liquidating Trust have been fully paid, and all remaining income and proceeds of the Trust Assets have been distributed in payment of the claims of all holders of Trust Interests pursuant to the provisions of the Plan; *provided, however*, that upon complete liquidation of the Trust Assets and satisfaction as far as possible of all remaining obligations, liabilities and expenses of the Liquidating Trust pursuant to the Plan prior to such date, the Liquidating Trustee may, with approval of the Bankruptcy Court, sooner terminate the Liquidating Trust. On the termination date of the Liquidating Trust, the Liquidating Trustee will execute and deliver any and all documents and instruments reasonably requested to evidence such termination. Upon termination and complete satisfaction of its duties under the Trust Agreement, the Liquidating Trustee will be forever discharged and released from all power, duties, responsibilities and liabilities pursuant to the Liquidating Trust other than those attributable to fraud, gross negligence or willful misconduct of the Liquidating Trustee, or the failure of the Liquidating Trustee to pay any taxes.

(e) Resignation, Death, or Removal of the Liquidation Trustee:

The Liquidation Trustee may resign at any time upon 30 days' written notice to the Post-Confirmation Service List provided that a successor Liquidation Trustee is appointed within the 30-day period. No successor Liquidation Trustee shall in any event have any liability or responsibility for the acts or omissions of any of his or her predecessors. Every successor Liquidation Trustee shall execute, acknowledge and file with the Bankruptcy Court and deliver to the Post-Confirmation Service List an instrument in writing accepting such appointment hereunder, and thereupon such successor Liquidation Trustee, without any further act, shall become fully vested with all of the rights, powers, duties and obligations of his or her predecessor.

(f) Tax Treatment of Liquidation Trust:

The Debtor intends that the Liquidation Trust will be treated as a "liquidating trust" within the meaning of Section 301.7701-4(d) of the Treasury Regulations. Accordingly, the Liquidation Trustee shall, in an expeditious but orderly manner, liquidate and convert to Cash any non-Cash assets, make timely distributions to the beneficiaries of the Liquidation Trust, and not unduly prolong its duration. The transfer of the Excluded Assets to the Liquidation Trust shall be treated as a transfer to the beneficiaries of the Liquidation Trust for all purposes of the

Internal Revenue Code (e.g., sections 61(a)(12), 483, 1001, 1012 and 1274) followed by a deemed transfer by such beneficiaries to the Liquidation Trust. The Liquidation Trust shall be considered a "grantor" trust, and the beneficiaries of the Liquidation Trust shall be treated as the grantors and deemed owners of the Liquidation Trust. To the extent valuation of the transferred property to the Liquidation Trust is required under applicable law, the Liquidation Trustee shall value the transferred property and notify in writing the beneficiaries of the Liquidation Trust of such valuations. The assets transferred to the Liquidation Trust shall be valued consistently by the Liquidation Trustee and the Trust beneficiaries, and these valuations will be used for all federal income tax purposes.

(g) Liquidation Trust Interests:

The beneficial interests in the Liquidation Trust shall not be represented by certificates and shall be transferable subject, as applicable, to Bankruptcy Rule 3001(e) and any other provision of law.

(h) Reserves:

To the extent not otherwise provided for herein or ordered by the Bankruptcy Court, the Liquidation Trustee shall estimate appropriate reserves of Cash to be set aside in order to pay or reserve for administration costs and costs of holding and liquidating any non-Cash property, including but not limited to taxes and professional fees and accrued expenses. Notwithstanding any contrary provision contained herein, the Liquidation Trustee shall not be obligated to physically segregate and maintain separate accounts for reserves. Separate reserves and funds may be merely bookkeeping entries or accounting methodologies, which may be revised from time to time, to enable the Liquidation Trustee to determine Cash available for Distributions, reserves and amounts to be paid to parties-in-interest.

(i) Exculpation; Indemnification:

i. The Liquidation Trust shall not be liable to any Person, including the any holder of a Claim, Interest, or beneficial interest in the Liquidation Trust, for any action taken or omitted, except those acts arising out of fraud, willful misconduct, or gross negligence. The Liquidation Trustee shall be entitled to indemnification by the Liquidating Trust and its beneficiaries, against, and reimbursement for, all losses, fees, and expenses in defending any and all of actions or inactions, except for any actions or inactions involving fraud, willful misconduct, or gross negligence. Any indemnification claim of the Liquidating Trustee shall be satisfied from the Trust Assets.

ii. The Liquidating Trust shall, to the fullest extent permitted by applicable non-bankruptcy law, indemnify and hold harmless the agents, representatives, attorneys, professionals and employees of the Liquidation Trustee and the Liquidation Trustee himself/herself (each an "Indemnified Party"), from and against any and all liabilities, losses, damages, claims, costs and expenses, including but not limited to, attorneys' fees and costs, arising out of or due to their actions or omissions with respect to the Liquidation Trust or the implementation or administration of the Liquidation Trust, if the Indemnified Party acted in good faith, in accordance with professional ethical obligations of such Indemnified Party, where applicable, and in a manner reasonably believed to be in or not opposed to the best interests of the Liquidation Trust and its beneficiaries, and, with respect to any criminal action or proceeding, had no reasonable cause to believe its conduct was unlawful.

(j) Termination of the Liquidation Trust

The Liquidation Trust shall remain and continue in full force and effect until the earlier of four years after the Effective Date (unless such date is extended by Court order) or the time that all Trust Assets have been wholly converted to Cash, abandoned or assigned, and all costs, expenses, and obligations incurred in administering the Liquidation Trust have been fully paid, and all remaining income and proceeds of the Trust Assets have been distributed in payment of the claims of all holders of Trust Interests pursuant to the provisions of the Plan; *provided, however*, that upon complete liquidation of the Trust Assets and satisfaction as far as possible of all remaining obligations, liabilities and expenses of the Liquidation Trust pursuant to the Plan prior to such date, the Liquidation Trustee may, with approval of the Bankruptcy Court, sooner terminate the Liquidation Trust. On the termination date of the Liquidation Trust, the Liquidation Trustee will execute and deliver any and all documents and instruments reasonably requested to evidence such termination. Upon termination and complete satisfaction of its duties under the Trust Agreement, the Liquidation Trustee will be forever discharged and released from all power, duties, responsibilities and liabilities pursuant to the Liquidation Trust other than those attributable to fraud, gross negligence or willful misconduct of the Liquidation Trustee, or the failure of the Liquidation Trustee to pay any taxes.

(k) Resignation, Death, or Removal of the Liquidation Trustee

The Liquidation Trustee may resign at any time upon 30 days' written notice to the Post-Confirmation Service List provided that a successor Liquidation Trustee is appointed within the 30-day period. No successor Liquidation Trustee shall in any event have any liability or responsibility for the acts or omissions of any of his or her predecessors. Every successor Liquidation Trustee shall execute, acknowledge and file with the Bankruptcy Court and deliver to the Post-Confirmation Service List an instrument in writing accepting such appointment hereunder, and thereupon such successor Liquidation Trustee, without any further act, shall become fully vested with all of the rights, powers, duties and obligations of his or her predecessor.

(l) Tax Treatment of the Liquidation Trust

The Debtor intends that the Liquidation Trust will be treated as a "liquidating trust" within the meaning of Section 301.7701-4(d) of the Treasury Regulations. Accordingly, the Liquidation Trustee shall, in an expeditious but orderly manner, liquidate and convert to Cash any non-Cash assets, make timely distributions to the beneficiaries of the Liquidation Trust, and not unduly prolong its duration. The transfer of the Excluded Assets to the Liquidation Trust shall be treated as a transfer to the beneficiaries of the Liquidation Trust for all purposes of the Internal Revenue Code (e.g., sections 61(a)(12), 483, 1001, 1012 and 1274) followed by a deemed transfer by such beneficiaries to the Liquidation Trust. The Liquidation Trust shall be considered a "grantor" trust, and the beneficiaries of the Liquidation Trust shall be treated as the grantors and deemed owners of the Liquidation Trust. To the extent valuation of the transferred property to the Liquidation Trust is required under applicable law, the Liquidation Trustee shall value the transferred property and notify in writing the beneficiaries of the Liquidation Trust of such valuations. The assets transferred to the Liquidation Trust shall be valued consistently by the Liquidation Trustee and the Trust beneficiaries, and these valuations will be used for all federal income tax purposes.

(m) Liquidation Trust Interests

The beneficial interests in the Liquidation Trust shall not be represented by certificates and shall be transferable subject, as applicable, to Bankruptcy Rule 3001(e) and any other provision of law.

(n) Reserves

To the extent not otherwise provided for herein or ordered by the Bankruptcy Court, the Liquidation Trustee shall estimate appropriate reserves of Cash to be set aside in order to pay or reserve for administration costs and costs of holding and liquidating any non-Cash property, including but not limited to taxes and professional fees and accrued expenses. Notwithstanding any contrary provision contained herein, the Liquidation Trustee shall not be obligated to physically segregate and maintain separate accounts for reserves. Separate reserves and funds may be merely bookkeeping entries or accounting methodologies, which may be revised from time to time, to enable the Liquidation Trustee to determine Cash available for Distributions, reserves and amounts to be paid to parties-in-interest.

(o) Exculpation; Indemnification

The Liquidation Trust shall not be liable to any Person, including the any holder of a Claim, Interest, or beneficial interest in the Liquidation Trust, for any action taken or omitted, except those acts arising out of fraud, willful misconduct, or gross negligence. The Liquidation Trustee shall be entitled to indemnification by the Liquidating Trust and its beneficiaries, against, and reimbursement for, all losses, fees, and expenses in defending any and all of actions or inactions, except for any actions or inactions involving fraud, willful misconduct, or gross negligence. Any indemnification claim of the Liquidating Trustee shall be satisfied from the Trust Assets.

The Liquidating Trust shall, to the fullest extent permitted by applicable non-bankruptcy law, indemnify and hold harmless the agents, representatives, attorneys, professionals and employees of the Liquidation Trustee and the Liquidation Trustee himself/herself (each an "Indemnified Party"), from and against any and all liabilities, losses, damages, claims, costs and expenses, including but not limited to, attorneys' fees and costs, arising out of or due to their actions or omissions with respect to the Liquidation Trust or the implementation or administration of the Liquidation Trust, if the Indemnified Party acted in good faith, in accordance with professional ethical obligations of such Indemnified Party, where applicable, and in a manner reasonably believed to be in or not opposed to the best interests of the Liquidation Trust and its beneficiaries, and, with respect to any criminal action or proceeding, had no reasonable cause to believe its conduct was unlawful.

VII. THE SOLICITATION; VOTING PROCEDURES

7.01 *Solicitation Package*

Accompanying this Joint Disclosure Statement for the purpose of soliciting votes on the Joint Plan are copies of (i) the Joint Plan; (ii) the notice of, among other things, the time for submitting Ballots to accept or reject the Joint Plan, the date, time, and place of the hearing to consider Confirmation of the Joint Plan and related matters, and the time for filing objections to Confirmation of the Joint Plan; and, as applicable, (iii) a Ballot or Ballots (and return envelope(s)) that you may use in voting to accept or to reject the Joint Plan), or a notice of non-voting status, (collectively the "Solicitation Package"). Only holders eligible to vote in favor of or against the Joint Plan will receive a Ballot(s) as part of their Solicitation Package. If you did not receive a Ballot and believe that you should have, please contact the Debtor's counsel at Bracewell & Giuliani LLP, Attn: Lauren C. Kessler, 1445 Ross Avenue, Suite 3800, Dallas, Texas 75202, 214-468-3800, lauren.kessler@bgllp.com.

7.02 *Eligibility to Vote*

Under the Bankruptcy Code, only impaired classes of claims or interests are entitled to vote to accept or reject a plan of reorganization. A class that is not impaired under a plan is deemed to have accepted a plan and, therefore, does not vote. Under the Bankruptcy Code and the Joint Plan, unclassified Administrative Claims are unimpaired and, therefore, not entitled to vote.

A Class is "impaired" under the Bankruptcy Code when the legal, equitable and contractual rights of the holders of claims or interests in that class are modified or altered. Holders in Classes 3, 4, 5, 6, and 7 are impaired and, therefore, are entitled to vote to accept or reject the Joint Plan. Holders in Classes 8 and 9 will receive no distribution under the Joint Plan and are deemed to have rejected the Joint Plan; therefore the Debtor will not solicit votes from holders of Interest in Class 8 or holders of claims in Class 9.

If you are the Holder of a Claim entitled to vote on the Joint Plan but there is a pending objection with respect to your Claim, you will be required to seek temporary allowance by the Court of your Claim for voting purposes. Rule 3018 of the Federal Rules of Bankruptcy Procedure provides that the Court may after notice and hearing temporarily allow a Claim in an

amount that the Court deems proper for the purpose of accepting or rejecting the Joint Plan. If the Debtor has filed an objection with respect to your Claim or Equity Interest, you are urged to seek the assistance of your own attorney.

Assuming that any Class opposes or any Creditor, Equity Interest holder, or other party in interest objects to the Joint Plan, the Plan Proponents intend to confirm the Joint Plan notwithstanding such objection.

7.03 ***Voting Instructions***

After carefully reviewing the Joint Plan, this Joint Disclosure Statement and the exhibits thereto, and the detailed instructions accompanying your Ballot, please indicate your acceptance or rejection of the Joint Plan by voting in favor of or against the Joint Plan on the enclosed Ballot. Please complete and sign your Ballot and return it in the envelope provided so that it is RECEIVED by Voting Agent on or before the Plan Voting Deadline set forth on the Ballot.

Each Ballot has been coded to reflect the Class of Claims it represents. Accordingly, in voting to accept or reject the Joint Plan, you must use only the coded Ballot or Ballots sent to you with this Joint Disclosure Statement.

If (i) you have any questions about (a) the procedures for voting, (b) the packet of materials that you have received, or (c) the amount of your Claim or holdings, or (ii) you wish to obtain an additional copy of the Joint Plan, this Joint Disclosure Statement, or any exhibits to such documents, please contact the Debtor's Voting Agent:

Bracewell & Giuliani LLP
Attn: Samuel M. Stricklin
1445 Ross Ave., Suite 3800
Dallas, TX 75202

IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR VOTE MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT ON OR BEFORE _____, 2014, AT 5:00 P.M. PREVAILING CENTRAL TIME AT THE ABOVE ADDRESS. EXCEPT TO THE EXTENT ALLOWED BY THE COURT OR DETERMINED OTHERWISE BY THE DEBTOR, BALLOTS RECEIVED AFTER THE PLAN VOTING DEADLINE WILL NOT BE ACCEPTED OR USED IN CONNECTION WITH THE PLAN PROPONENTS' REQUEST FOR CONFIRMATION OF THE JOINT PLAN OR ANY MODIFICATION THEREOF.

ONLY BALLOTS WITH ORIGINAL SIGNATURES WILL BE COUNTED. BALLOTS WITH COPIED SIGNATURES WILL NOT BE ACCEPTED OR COUNTED. YOU MAY NOT SUBMIT A BALLOT ELECTRONICALLY, INCLUDING VIA EMAIL OR FACSIMILE. ONLY ORIGINAL BALLOTS RECEIVED BY THE VOTING AGENT BY THE PLAN VOTING DEADLINE WILL BE COUNTED.

7.04 *Voting Tabulation*

Under the Bankruptcy Code, for purposes of determining whether the requisite acceptances have been received, only holders who actually vote will be counted. The failure of a holder to deliver a duly executed Ballot will be deemed to constitute an abstention by such holder with respect to voting on the Joint Plan and such abstentions will not be counted as votes for or against the Joint Plan.

Unless otherwise ordered by the Court, Ballots that are signed, dated, and timely received, but on which a vote to accept or reject the Plan has not been indicated, will not be counted. The Plan Proponents, in their sole discretion, may request that Debtor's counsel attempt to contact such voters to cure any such defects in the Ballots.

Except as provided below, unless the applicable Ballot is timely submitted to the Voting Agent before the Plan Voting Deadline, together with any other documents required by such Ballot, the Plan Proponents may, in their sole discretion, reject such Ballot as invalid and decline to utilize it in connection with seeking Confirmation of the Joint Plan.

A vote may be disregarded if the Court determines, pursuant to Bankruptcy Code section 1126(e), that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or acting in a fiduciary or representative capacity, such person should indicate such capacity when signing and, unless otherwise determined by the Plan Proponents, must submit proper evidence satisfactory to the Plan Proponents of authority to so act.

The period during which Ballots with respect to the Joint Plan will be accepted by the Plan Proponents will terminate on the Plan Voting Deadline. Except to the extent permitted by the Court, Ballots that are received after the Plan Voting Deadline will not be counted or otherwise used by the Plan Proponents in connection with their request for Confirmation of the Joint Plan (or any permitted modification thereof). IN NO CASE SHOULD A BALLOT BE DELIVERED TO ANY ENTITY OTHER THAN THE VOTING AGENT. BALLOTS SHOULD NOT BE DELIVERED DIRECTLY TO THE COURT.

BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED.

7.05 *Agreements upon Furnishing Ballots*

The delivery of an accepting Ballot to the Voting Agent by a holder pursuant to one of the procedures set forth above will constitute the agreement of such holder to accept (i) all of the terms of, and conditions to, the solicitation and voting procedures and (ii) the terms of the Joint Plan; provided, however, all parties in interest retain their right to object to Confirmation of the Joint Plan pursuant to Bankruptcy Code section 1128.

VIII. FEASIBILITY, BEST INTEREST OF THE CREDITORS AND LIQUIDATION

8.01 *Feasibility of the Joint Plan*

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of the Joint Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successors to the Debtor under the Joint Plan, unless such liquidation or reorganization is proposed in the Joint Plan. The Plan Proponents believe that the value of the Debtor's property, assets, and business as a going concern, is greater than the Allowed Claims, such that continued operations, along with the Debtor's existing cash, will be sufficient to pay all Allowed Claims in accordance with the Joint Plan. Accordingly, the Plan Proponents believe that the Joint Plan is feasible and meets the requirements of section 1129(a)(11) of the Bankruptcy Code.

8.02 *Best Interest of Creditors Test*

Before the Joint Plan may be confirmed, the Court must find (with certain exceptions) that the Joint Plan provides, with respect to each Class, that each holder of a Claim or interest in such Class either: (a) has accepted the Joint Plan; or (b) will receive or retain under the Joint Plan property of a value, as of the Effective Date, that is not less than the amount that such person would receive or retain if the Debtor liquidated under chapter 7 of the Bankruptcy Code. In chapter 7 liquidation case, unsecured creditors and interest holders of a debtor are paid from available assets generally in the following order, with no junior Class receiving any payments until all amounts due to senior Classes have been paid fully or any such payment is provided for:

- Secured creditors (to the extent of the value of their collateral);
- Administrative and other priority creditors;
- Unsecured creditors;
- Debt expressly subordinated by its terms or by order of the Court; and
- Interest holders.

The Plan Proponents believe that the value of any distributions in a chapter 7 case would be less than the value of distributions under the Joint Plan because, among other reasons, the Debtor's property and assets are worth significantly less if they are liquidated as opposed to allow the Debtor's business to continue its operations as a going concern, proceeds received in a chapter 7 liquidation are likely to be significantly discounted due to the distressed nature of the sale, and the Debtor's estate would have to pay the fees and expenses of a chapter 7 trustee in addition to the Professionals' pre-conversion fees and expenses (thereby further reducing cash available for distribution).

IX. CONFIRMATION PROCEDURES

9.01 *The Confirmation Hearing*

Bankruptcy Code section 1128(a) requires the Court, after notice, hold a Confirmation Hearing. Bankruptcy Code section 1128(b) provides that any party in interest may object to Confirmation of the Joint Plan.

The Court has scheduled the Confirmation Hearing for _____, 2014 at __:__ _.m., prevailing Central Time, before Honorable Robert L. Jones, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Northern District of Texas, Lubbock Division, Room 314, 1205 Texas Avenue, Lubbock, Texas 79401.

Objections to Confirmation of the Joint Plan must be filed and served on the Plan Proponents and the other parties set forth in the order approving the Joint Disclosure Statement, and certain other parties, by no later than _____, 2014, at 5:00 p.m. prevailing Central Time, in accordance with the order approving the Joint Disclosure Statement. THE COURT MAY NOT CONSIDER OBJECTIONS TO CONFIRMATION OF THE JOINT PLAN IF ANY SUCH OBJECTIONS HAVE NOT BEEN TIMELY SERVED AND FILED IN COMPLIANCE WITH THE ORDER APPROVING THE JOINT DISCLOSURE STATEMENT.

The notice of the Confirmation Hearing will contain, among other things, the deadline to object to Confirmation of the Joint Plan, the Plan Voting Deadline, and the date and time of the Confirmation Hearing.

9.02 *Statutory Requirements for Confirmation of the Plan*

At the Confirmation Hearing, the Court shall determine whether the requirements of Bankruptcy Code section 1129 have been satisfied. The Plan Proponents believe that the Joint Plan satisfies or will satisfy the applicable requirements, as follows:

- The Joint Plan complies with the applicable provisions of the Bankruptcy Code.
- The Plan Proponents will have complied with the applicable provisions of the Bankruptcy Code.
- The Joint Plan has been proposed in good faith and not by any means forbidden by law.
- Any payment made or promised under the Joint Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Joint Plan and incident to the case, has been disclosed to the Court, and any such payment: (a) made before the Confirmation of the Joint Plan is reasonable; or (b) is subject to the approval of the Court as reasonable if it is to be fixed after the Confirmation of the Joint Plan.
- The Plan Proponents have disclosed the identity and affiliations of any individual proposed to serve, after Confirmation of the Joint Plan, as a director, officer, or

voting trustee of the Debtor, an Affiliate of the Debtor participating in the Joint Plan with the Debtor, or a successor to the Debtor under the Joint Plan, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and equity security holders and with public policy.

- The Plan Proponents have disclosed the identity of any insider (as defined in Bankruptcy Code section 101) that will be employed or retained by the Debtor, and the nature of any compensation for such insider.

- The Joint Plan does not propose any rate change that is subject to approval by a governmental regulatory commission.

- Either each holder of an Impaired Claim or Interest has accepted the Joint Plan, or will receive or retain under the Joint Plan on account of that Claim or Interest, property of a value, as of the Effective Date of the Joint Plan, that is not less than the amount that the holder would receive or retain if the Debtor was liquidated on that date under chapter 7 of the Bankruptcy Code.

- Each Class of Claims that is entitled to vote on the Joint Plan has either accepted the Joint Plan or is not Impaired under the Joint Plan, or the Joint Plan can be confirmed without the approval of each voting Class pursuant to Bankruptcy Code section 1129(b).

- Except to the extent that the holder of a particular Claim will agree to a different treatment of its Claim, the Joint Plan provides that Administrative Claims, Allowed Priority Non-Tax Claims, and Allowed Secured Tax Claims, will be paid in full, in Cash, on the Effective Date, or as soon thereafter as practicable.

- At least one Class of Impaired Claims will accept the Joint Plan, determined without including any acceptance of the Joint Plan by any insider holding a Claim of that Class.

- Confirmation of the Joint Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor or any successors thereto under the Joint Plan unless such a liquidation or reorganization is proposed in the Joint Plan.

- All fees of the type described in 28 U.S.C. § 1930, including the fees of the United States Trustee, will be paid as of the Effective Date.

- The Debtor has no retirement benefit obligations.

The Plan Proponents believe that: (a) the Joint Plan satisfies or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code; (b) the Plan Proponents have complied or will have complied with all of the requirements of chapter 11; and (c) the Joint Plan has been proposed in good faith.

(a) Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to Confirmation, that, except as described in the following section, each Class of Claims or Equity Interests that is Impaired under the Joint Plan accept the Joint Plan. A class that is not impaired under a plan of reorganization is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. A class is Impaired unless the plan: (a) leaves unaltered the legal, equitable and contractual rights to which the claim or interest entitles the holder of that claim or equity interest; or (b) notwithstanding any contractual provision or applicable law that entitles the holder of such claim or interest after the occurrence of a default—(1) cures any such default that occurred before or after the commencement of the case under this title, other than a default of a kind specified in section 365(b)(2) of this title or of a kind that section 365(b)(2) expressly does not require to be cured; (2) reinstates the maturity of such claim or interest as such maturity existed before such default; (3) compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; (4) if such claim or such interest arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(l)(A), compensates the holder of such claim or such interest (other than the debtor or an insider) for any actual pecuniary loss incurred by such holder as a result of such failure*;* and (5) does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder of such claim or interest.

(b) Confirmation Without Acceptance by All Impaired Classes

Bankruptcy Code section 1129(b) allows a bankruptcy court to confirm a plan, even if an Impaired class entitled to vote on the plan has not accepted it, provided that the plan has been accepted by at least one Impaired Class. No Classes are deemed to reject the Joint Plan. However, the Plan Proponent cannot guarantee that all Impaired Classes will accept the Joint Plan. If any Impaired Class does not accept the Joint Plan, the Plan Proponents intend to seek confirmation of the Joint Plan pursuant to Bankruptcy Code section 1129(b). Bankruptcy Code section 1129(b) states that, notwithstanding an Impaired class's failure to accept a plan of reorganization, the plan shall be confirmed, at the plan proponent's request, in a procedure commonly known as "cram down," so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is Impaired under, and has not accepted, the plan.

The condition that a plan be "fair and equitable" with respect to a non-accepting class of secured creditors includes the following requirements that either: (a) the plan provides that holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such claims and that each holder of a claim of such class receive on account of such claims deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder's interest in the estate's interest in such property; (b) the plan provides for the sale, subject to 363(k) of this title, of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under (a) or (c) of

this paragraph; or (c) the plan provides for the realization by such holders of the indubitable equivalent of such claims.

The condition that a plan be "fair and equitable" with respect to a non-accepting class of unsecured claims includes the following requirement that either: (a) the plan provides that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (b) the holder of any claim or equity interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or equity interest any property.

The Plan Proponents reserve the right to alter, amend, modify, revoke or withdraw the Joint Plan or any exhibit or schedule, including to amend or modify it to satisfy Bankruptcy Code section 1129(b), if necessary.

9.03 *Identity of Persons to Contact for More Information*

Any interested party desiring further information about the Joint Plan should contact Debtor's counsel at the following phone number and/or address:

Bracewell & Giuliani LLP
Attention: Samuel M. Stricklin or Lauren Kessler
1445 Ross Ave., Suite 3800
Dallas, TX 75202
214.758.1634

X. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

If the Joint Plan is not confirmed and consummated, the alternatives to the Joint Plan include: (a) liquidation of the Debtor under chapter 7 of the Bankruptcy Code; and (b) an alternative plan of reorganization.

10.01 *Liquidation Under Chapter 7*

If no plan can be confirmed, the Debtor's Chapter 11 Case may be converted to a case under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed (or elected) to liquidate the Debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on the recoveries of holders of Claims and Interests is set forth below. The Plan Proponents believe that liquidation under chapter 7 would result in smaller distributions to creditors than those provided for in the Plan because a chapter 7 trustee would likely abandon all of the guar beans because, among other reasons, it would be costly to relocate the guar beans in agent locations and there are no known buyers of unprocessed guar beans in a chapter 7. As a result, proceeds received in a chapter 7 liquidation are likely to be significantly less because there is no place for a chapter 7 trustee to sell the Debtor's unprocessed guar beans, the Debtor's other assets are likely to be significantly discounted due to the distressed nature of the sale of the Debtor's property and assets, and the Debtor's estate would have to pay the fees and expenses of a chapter 7 trustee in addition to the Professionals' pre-conversion fees and expenses (thereby further reducing cash available for distribution).

After considering the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to the holders of Claims and Interests in the Chapter 11 Cases, the Plan Proponents have determined that Confirmation of the Joint Plan will provide each holder of an Allowed Claim or Interest with a recovery that is not less than such holder would receive pursuant to a liquidation of the Debtor under chapter 7 of the Bankruptcy Code.

10.02 *Alternative Plan of Reorganization*

If the Joint Plan is not confirmed, the following alternatives are available: (a) confirmation of another chapter 11 plan; (b) conversion of the Chapter 11 Case to one under chapter 7 of the Bankruptcy Code; or (c) dismissal of the Chapter 11 Case leaving Creditors and Equity Interest holders to pursue available non-bankruptcy remedies. The Plan Proponents believe these alternatives to the Joint Plan are not likely to benefit creditors. The Plan Proponents believe that the Joint Plan, as described herein, enables holders of Claims and Interests to realize the highest and best value under the circumstances. The Plan Proponents believe that any alternative form of chapter 11 plan is a much less attractive alternative to creditors than the Joint Plan because of the far greater returns and certainty provided by the Joint Plan. Other alternatives could involve diminished recoveries, significant delay, uncertainty, and substantial additional administrative costs. Although the Debtor, Scopia, or another party in interest could theoretically file a new plan, the most likely result if the Joint Plan is not confirmed is that the Chapter 11 Case will be converted to one under chapter 7 of the Bankruptcy Code. The Plan Proponents believe that conversion of the Chapter 11 Case to a chapter 7 case would result in (i) significant delay in distributions to all creditors who would have received a distribution under the Joint Plan and (ii) diminished recoveries for certain classes of creditors due to an increase in administrative expenses, the likely abandonment of all of the Debtor's guar beans, and a decreased value of the Debtor's property and assets. If the Chapter 11 Case is dismissed, creditors would be free to pursue non-bankruptcy remedies in their attempts to satisfy claims against the Debtor. However, in that event, creditors would be faced with the costs and difficulties of attempting, each on its own, to collect claims from a non-operating entity.

XI. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

11.01 *Rejection of Certain Executory Contracts and Unexpired Leases*

Each Executory Contract and Unexpired Lease, unless it is the subject of a pending motion to assume, shall be rejected as of the Confirmation Date, which rejection shall be effective on the Effective Date or on such later date as may be agreed upon in writing by the counterparty to such Executory Contract or Unexpired Lease and the Liquidation Trustee. All such rejected Executory Contracts and Unexpired Leases shall no longer represent the binding obligations of the Debtor or the Liquidation Trust after the rejection date. Entry of the Confirmation Order shall constitute approval of such rejections under Bankruptcy Code §§ 365 and 1123.

11.02 *Rejection Damages Bar Date*

Any Claim arising out of the rejection of an Executory Contract pursuant to the Confirmation Order or prior order of the Bankruptcy Court must be filed with the Bankruptcy

Court on or before the Rejection Claim Bar Date, and shall be served on counsel for the Liquidation Trustee. Any such Claims not filed by the Rejection Claim Bar Date shall be discharged and forever barred. Each Allowed Claim arising from the rejection of an Executory Contract shall be treated as an Allowed General Unsecured Claim. The Bankruptcy Court shall determine the amount, if any, of the Claim of any Entity seeking damages by reason of the rejection of any Executory Contract or Unexpired Lease.

11.03 ***Reservation of Rights***

Neither the exclusion nor inclusion of any contract or lease by the Debtor on any Exhibit to the Plan, nor anything contained in the Plan, will constitute an admission by the Debtor or the Liquidation Trustee that any such contract or lease is or is not in fact an Executory Contract or Unexpired Lease or that the Debtor or the Liquidation Trust or Trustee has any liability thereunder. Nothing in the Plan will waive, excuse, limit, diminish, or otherwise alter any of the defenses, Claims, Rights of Action, or other rights of the Debtor or the Liquidation Trustee under any Executory Contract or non-Executory Contract or any Unexpired Lease or expired lease. Nothing in the Plan will increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtor or the Liquidation Trustee under any Executory Contract or non-Executory Contract or any Unexpired Lease or expired lease.

XII. RESOLVING DISPUTED CLAIMS AND INTERESTS

12.01 ***Objections to Claims***

Unless otherwise provided herein, objections to Claims shall be filed with the Bankruptcy Court and served upon the Holders of each of the Claims to which objections are made as soon as practicable, but in no event after the later of (i) 365 days after the Effective Date or (ii) 30 days after the filing of a proof of claim or other assertion of a Claim against the Estate. All parties-in-interest shall retain the right to file such objections. The deadline to object to Claims can be extended automatically for an additional 90 days by the Liquidation Trustee by filing a notice with the Bankruptcy Court, which extension shall be effective for all parties-in-interest. Further extensions to the deadline to object to Claims may be granted by the Bankruptcy Court upon motion of the Liquidation Trustee without notice or a hearing.

12.02 ***Claims Filed After Objection Deadline***

Unless the Bankruptcy Court otherwise directs or unless otherwise provided herein, any newly filed Claim filed later than 365 days after the Effective Date shall be disallowed in full and removed from the Claims Register without further order of the Bankruptcy Court. Filed or scheduled Claims may be amended or reconsidered only as provided in the Bankruptcy Code and Bankruptcy Rules.

12.03 ***Retention of Claims and Defenses***

After the Effective Date, except as released in the Plan or by Bankruptcy Court order, the Liquidation Trustee shall have and retain any and all rights and defenses the Debtor had with respect to any Claims immediately prior to the Effective Date, including Rights of Action.

12.04 ***Claims Administration Responsibilities***

Except as otherwise specifically provided in the Plan, after the Effective Date, the Liquidation Trustee shall have the authority: (1) to file, withdraw, or litigate to judgment any objections to claims; (2) to settle or compromise any such Claims that are Disputed without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

12.05 ***Adjustment to Claims Without Objection***

Any Claim that has been paid or satisfied or any Claim that has been amended or superseded may be adjusted or removed from the Claims Register at the request of the Debtor and applicable Claim holder without any further notice to or action, order, or approval of the Bankruptcy Court.

12.06 ***Disallowance of Claims or Interests***

Any Claims or Interests held by Entities from which property is recoverable under Bankruptcy Code §§ 542, 543, 550, or 553 or that is a transferee of a transfer avoidable under Bankruptcy Code §§ 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a), shall be deemed disallowed pursuant to Bankruptcy Code § 502(d), and Holders of such Claims may not receive any distributions on account of such Claims until such time as such Rights of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Estate by that Entity have been turned over or paid to the Liquidation Trustee.

12.07 ***Offer of Judgment***

The Liquidation Trustee is authorized to serve upon a Holder of a Claim an offer to allow judgment to be taken on account of such Holder's Claim, and, pursuant to Bankruptcy Rules 7068 and 9014, Federal Rule of Civil Procedure 68 shall apply to such offer of judgment. To the extent the Holder of a Claim must pay the costs incurred by the Liquidation Trustee after such offer, the Liquidation Trustee is entitled to set off such amounts against the amount of any distribution to be paid to such Holder without any further notice to or action, order, or approval of the Bankruptcy Court.

XIII. DISTRIBUTIONS OF PROPERTY UNDER THE PLAN

13.01 ***General***

Except as otherwise specified herein, the Liquidation Trustee shall make all Distributions required to Holders of Allowed General Unsecured Claims and all other Distributions required under the Plan.

13.02 ***Delivery of Distributions***

Subject to Bankruptcy Rule 9010, Distributions to Holders of Allowed Claims will be

made by mail (1) at the address of each such Holder as set forth on the Proofs of Claim filed by such Holder, (2) at the address set forth in any written notice of address change delivered after the date of any related Proof of Claim to the Liquidation Trustee, if after the Effective Date or the Debtor, if prior to the Effective Date, or (3) at the address reflected in the Schedules filed by the Debtor if no Proof of Claim is filed and the Liquidation Trustee has not received a written notice or address change.

If any Distribution to the Holder of an Allowed Claim is returned as undeliverable, the Liquidation Trustee shall use reasonable efforts to determine such Holder's then-current address. After reasonable efforts, if the Liquidation Trustee still cannot determine such Holder's then-current address, no further Distributions shall be made to such Holder unless and until the Liquidation Trustee is notified of such Holder's then-current address.

Undeliverable distributions shall be set aside and held in a segregated account in the name of the Liquidation Trustee (or the Liquidation Trust, as necessary and as applicable). If the Liquidation Trustee is able to determine or is notified of such Holder's then-current address, then such Distribution, together with any interest earned thereon and proceeds thereof shall be paid or distributed to such Holder within ten Business Days of the date the Liquidation Trustee determines the Holder's then-current address. If the Liquidation Trustee cannot determine, or is not notified of, a Holder's then-current address by the later of six months after the Distribution Date or six months after the date of the first Distribution to such Holder, the Distribution reserved for such Holder shall be deemed an unclaimed Distribution to which section 13.04 of this Article shall apply.

13.03 ***Rounding of Fractional Distributions***

Notwithstanding any other provision of the Plan, the Liquidation Trustee shall not be required to make any Distributions or payment of fractional dollars. Whenever any payment of Cash of a fraction of a dollar would otherwise be required under the Plan, the actual payment may reflect a rounding of such fraction (up or down) to the nearest whole dollar, with half dollars or less being rounded down

13.04 ***Unclaimed Distributions***

If the current address of a Holder of an Allowed Claim entitled to a Distribution has not been determined by the later of six months after the Distribution Date or six months after the date of the first Distribution to such Holder, then such Holder shall be deemed to have released such Allowed Claim. If such Holder was entitled to a Distribution as a Holder of an Allowed Claim, then that Holder's Distribution(s) shall be distributed pro-rata in accordance with the Plan to the remaining Holders of Allowed Claims on the next Distribution Date.

13.05 ***Uncashed Checks***

Checks issued in respect of Allowed Claims will be null and void if not negotiated within ninety days after the date of issuance thereof, and such Holder of an Allowed Claim will forfeit its right to such Distribution. In no event shall any funds escheat to the State of Texas or other Governmental Unit.

13.06 ***Compliance with Tax Requirements***

In connection with the Plan, to the extent applicable the Liquidation Trustee shall comply with all withholding and reporting requirements imposed on it by any Governmental Unit, and all Distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Failure by the Holder of an Allowed Claim to timely provide such information as may be necessary to comply with such requirements shall be grounds for forfeiture of the applicable Distribution.

13.07 ***De Minimis Distributions***

Ratable Distributions to Holders of Allowed Claims will not be made if such Distribution will result in a Distribution amount of less than $5.00, unless a request for such a distribution is made in writing to the Liquidation Trustee.

XIV. EFFECT OF PLAN CONFIRMATION

14.01 ***Legally Binding Effect***

Provisions of this Plan shall bind all Creditors and Interest Holders, whether or not they accept this Plan. On and after the Effective Date, all Creditors and Interest Holders shall be precluded and enjoined from asserting any Claim or Interest against the Debtor, the Reorganized Debtor, the Liquidation Trust, the Liquidation Trustee, Scopia, or their respective assets or properties based on any transaction or other activity of any kind that occurred prior to the Confirmation Date except as permitted under the Plan.

14.02 ***Derivative Litigation Claims***

Claims or causes of action derivative of or from the Debtor are Estate property under Bankruptcy Code § 541. On and after the Effective Date, all such Derivative Litigation Claims, regardless of whether pending on the Petition Date, and unless released under the terms of this Plan, will be retained by, vest in, and/or become property of the Liquidation Trust. All named plaintiffs (including certified and uncertified classes of plaintiffs) in any actions pending on the Effective Date relating to any Derivative Litigation Claims and their respective servants, agents, attorneys, and representatives shall, on and after the Effective Date, be permanently enjoined, stayed, and restrained from pursuing or prosecuting any Derivative Litigation Claim.

XV. RETENTION OF CAUSES OF ACTION

15.01 ***Liquidation Trustee's Preservation, Retention and Maintenance of Rights of Action***

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement entered into in connection with the Plan, in accordance with Bankruptcy Code § 1123(b)(3) the Liquidation Trustee shall retain and shall have the exclusive right, authority, and discretion (without further order of the Bankruptcy Court) to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, or withdraw, or litigate to judgment any and all Rights of Action that the Debtor or the Estate may hold against any Entity, whether

arising before or after the Petition Date, and shall possess the rights, powers, and duties of a trustee under the Bankruptcy Code with respect to such Rights of Action. The Debtor reserves and shall retain the foregoing Rights of Action for the Liquidation Trustee notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Case.

15.02 *Preservation of All Rights of Action Not Expressly Settled or Released*

Unless a Right of Action is expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order, the Debtor reserves such Right of Action (including any counterclaims) for later adjudication by the Liquidation Trustee. Therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such Rights of Action (including counterclaims) on or after the Confirmation of the Plan.

THE DESCRIPTIONS OF POTENTIAL CAUSES OF ACTION IN THE DEFINITION OF "RIGHTS OF ACTION" IN THE PLAN GLOSSARY AND IN "EXHIBIT B" TO THE DISCLOSURE STATEMENT ARE NOT INTENDED TO BE A DEMAND ON ANY OF THE POTENTIAL DEFENDANTS IN SUCH CAUSES OF ACTION, AND ARE NOT AN INDICATION OF WHETHER A MERITORIOUS CAUSE OF ACTION EXISTS.

THE DESCRIPTIONS ARE ALSO NOT INTENDED TO LIMIT CLAIMS OR CAUSES OF ACTION WHICH MAY BE ASSERTED AGAINST ANY POTENTIAL DEFENDANT.

NEVERTHELESS, BY THE DESCRIPTIONS IN THIS PLAN AND IN THE DISCLOSURE STATEMENT AND SUBJECT TO ALL OTHER PROVISIONS OF THIS PLAN, THE LIQUIDATION TRUSTEE EXPRESSLY, SPECIFICALLY AND UNEQUIVOCALLY RESERVES ALL RIGHTS IN ALL CAUSES OF ACTION, INCLUDING THE RIGHTS OF ACTION DESCRIBED IN THE PLAN GLOSSARY AND IN THE DISCLOSURE STATEMENT. ANY POTENTIAL DEFENDANT WHO IS ALSO A CREDITOR IN THIS CASE SHOULD ASSUME THAT A CAUSE OF ACTION MAY BE PURSUED BY THE DEBTOR OR LIQUIDATION TRUST/TRUSTEE, AS APPLICABLE, AND ACT ACCORDINGLY. UNDER NO CIRCUMSTANCES SHOULD ANY POTENTIAL DEFENDANT, OR ANY COURT WITH COMPETENT JURISDICTION TO ADJUDICATE THE CAUSES OF ACTION DESCRIBED IN THE PLAN AND DISCLOSURE STATEMENT, RELY ON THE DESCRIPTIONS IN THIS PLAN AND THE DISCLOSURE STATEMENT AS A FULL AND COMPLETE DESCRIPTION OF ANY AND ALL CAUSES OF ACTION OR FOR ANY OTHER PURPOSE.

XVI. MODIFICATION, REVOCATION, OR WITHDRAWAL OF PLAN

16.01 *Modification to the Plan*

This Plan may be amended or modified by the Debtor as provided in Bankruptcy Code § 1127 and Bankruptcy Rule 3019.

16.02 *Revocation or Withdrawal of the Plan*

The Debtor and Scopia reserve the right to revoke or withdraw this Plan at any time prior to the Confirmation Date and to file subsequent plans. If the Debtor and Scopia revoke or withdraw this Plan prior to the Confirmation Date, or if the Confirmation Date or the Effective Date does not occur, then (i) this Plan—including all settlements and releases contained herein—shall be deemed null and void in all respects; (ii) any settlement or compromise embodied in this Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void in all respects; and (iii) nothing contained in the Plan shall be deemed to constitute an admission, waiver or release of any claims by or against the Debtor or any other Entity, or to prejudice in any manner the rights of the Debtor, the Estate or any Entity in any further proceedings involving the Debtor.

XVII. RETENTION OF JURISDICTION

17.01 *Bankruptcy Court Jurisdiction*

Section 1.02 Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court, even after the Chapter 11 Case has been closed, shall have jurisdiction over all matters arising under, arising in, or relating to the Chapter 11 Case, including proceedings to:

(a) ensure that the Plan is fully consummated and implemented;

(b) enter such orders that may be necessary or appropriate to implement, consummate, or enforce the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

(c) consider any modification of the Plan under Bankruptcy Code § 1127;

(d) hear and determine all Claims, controversies, suits, and disputes against the Debtor, the Liquidation Trust or Liquidation Trustee to the full extent permitted under 28 U.S.C. §§ 157 and 1334;

(e) allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim, including the resolution of any and all objections to the allowance or priority of Claims;

(f) hear, determine, and adjudicate any litigation involving the Rights of Action or other claims or causes of action constituting Estate property;

(g) decide or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any motions or applications involving the Debtor or the Liquidation Trustee that are pending on or commenced after the Effective Date;

(h) resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of the Plan, or any Entity's obligations incurred in connection with the Plan, or any other agreements governing, instruments evidencing, or documents relating to any of the foregoing, including the interpretation or enforcement of any rights, remedies, or obligations under any of the foregoing;

(i) hear and determine all controversies, suits, and disputes that may arise out of or in connection with the enforcement of any subordination and similar agreements among Creditors under Bankruptcy Code § 510;

(j) hear and determine all requests for compensation and/or reimbursement of expenses that may be made for fees and expenses incurred before the Effective Date;

(k) enforce any Final Order, the Confirmation Order, the Final Decree, and all injunctions contained in those orders;

(l) enter an order concluding and terminating the Chapter 11 Case;

(m) correct any defect, cure any omission, or reconcile any inconsistency in the Plan, the Confirmation Order, or any other document or instruments created or entered into in connection with the Plan;

(n) determine all questions and disputes regarding title to the Estate property;

(o) classify the Claims of any Creditor and the treatment of those Claims under the Plan, re-examine Claims that may have been allowed for purposes of voting, and determine objections that may be filed to any Claims;

(p) take any action described in the Plan involving the Debtor or the Liquidation Trustee;

(q) enter and implement such orders that are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

(r) hear, determine and adjudicate any motions or contested matters brought pursuant to Bankruptcy Code § 1112;

(s) hear, determine, and adjudicate all matters the Bankruptcy Court has authority to determine under Bankruptcy Code § 505, including determining the amount of any unpaid liability of the Debtor or the Estate for any tax incurred or accrued during the calendar year in which the Plan is confirmed;

(t) enter a Final Decree as contemplated by Bankruptcy Rule 3022; and

(u) hear, determine, and adjudicate any and all claims brought under the Plan.

17.02 ***Limitation on Jurisdiction***

In no event shall the provisions of this Plan be deemed to confer in the Bankruptcy Court jurisdiction greater than that established by the provisions of 28 U.S.C. §§ 157 and 1334.

XVIII. MISCELLANEOUS PROVISIONS

18.01 *Conditions to Effectiveness*

The Plan will not be effective unless (a) the Confirmation Order becomes a Final Order; and (b) all Plan Documents and other applicable corporate documents necessary or appropriate to the implementation of the Plan have been executed, delivered, and where applicable, filed with the appropriate governmental authorities. Notwithstanding the foregoing, these conditions may be waived at the sole discretion of the Debtor and Scopia.

18.02 *Due Authorization by Claim Holders*

Each and every Creditor who elects to participate in the Distributions provided for herein warrants that the Creditor is authorized to accept in consideration of its Claim against the Debtor the Distributions provided for in this Plan and that there are no outstanding commitments, agreements, or understandings, express or implied, that may or can in any way defeat or modify the rights conveyed or obligations undertaken by the Creditor under this Plan.

18.03 *Filing of Additional Documentation*

On or before the Effective Date, the Debtor may file with the Bankruptcy Court such agreements and other documents as may be reasonably necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

18.04 *Further Authorizations*

The Liquidation Trustee may seek such orders, judgments, injunctions, and rulings as they may deem necessary to further carry out the intentions and purposes of, and give full effect to the provisions of, the Plan.

18.05 *Post Confirmation Service List*

Any Entity that desires to receive notices or other documents required to be served under the Plan after the Confirmation Date must request that the Debtor add such Entity to the Post-Confirmation Service List to be maintained by the Debtor or the Liquidation Trustee. Entities not on the Post-Confirmation Service List shall not receive notices or other documents required to be served under the Plan after the Confirmation Date. Any Entity that provides an e-mail address may be served by e-mail after the Confirmation Date. The Debtor or the Liquidation Trustee shall file the Post-Confirmation Service List with the Bankruptcy Court and amend the Post-Service Confirmation List from time to time.

18.06 *Successors and Assigns*

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

18.07 ***Transfer of Claims***

Any transfer of beneficial interests in the Liquidation Trust shall be in accordance with Bankruptcy Rule 3001(e). Notice of any such transfer shall be forwarded to the Liquidation Trustee by registered or certified mail. Both the transferee and transferor shall execute any notice, and the signatures of the parties shall be acknowledged before a notary public. The notice must clearly describe the beneficial interest to be transferred. No transfer of a partial interest shall be allowed. All transfers must be of one hundred percent of the transferor's interest in the beneficial trust interest.

18.08 ***Exemption from Transfer Tax***

Under Bankruptcy Code § 1146(c), the issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer under the Plan, may not be taxed under any law imposing a stamp tax or similar tax.

18.09 ***Notices***

Any notice required to be given under this Plan shall be in writing. Any notice that is allowed or required hereunder except for a notice of change of address shall be considered complete on the earlier of (a) three days following the date the notice is sent by United States mail, postage prepaid, or by overnight courier service, or in the case of mailing to a non-United States address, air mail, postage prepaid, or personally delivered; (b) the date the notice is actually received by the Entities on the Post-Confirmation Service List by facsimile or computer transmission; or (c) three days following the date the notice is sent to those Entities on the Post-Confirmation Service List as it is adopted by the Bankruptcy Court at the Confirmation Hearing and as amended from time to time.

18.10 ***U.S. Trustee Fees***

The Debtor will pay pre-confirmation fees owed to the U.S. Trustee on or before the Effective Date of the Plan. After confirmation, the Liquidation Trustee will file with the Bankruptcy Court and serve on the U.S. Trustee quarterly financial reports in a format prescribed by the U.S. Trustee, and the Liquidation Trustee will pay post-confirmation quarterly fees to the U.S. Trustee until a Final Decree is entered or the case is converted or dismissed as provided in 28 U.S.C. § 1930(a)(6).

18.11 ***Implementation***

The Liquidation Trustee shall be authorized to perform all reasonable, necessary and authorized acts to consummate the terms and conditions of the Plan.

18.12 ***Operations Between the Confirmation Date and the Effective Date***

During the period from the Confirmation Date through and until the Effective Date, the Debtor shall continue to operate its business as debtor in possession, subject to the oversight of the Bankruptcy Court as provided in the Bankruptcy Code, the Bankruptcy Rules and all orders of the Bankruptcy Court that are then in full force and effect.

18.13 ***No Admissions***

Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed an admission by the Debtor, or any other Entity with respect to any matter set forth herein, including, without limitation, liability on any Claim or Interest or the propriety of the classification of any Claim or Interest.

18.14 ***Exculpation of Debtor's Representatives***

Kirkuk Global LLC, Bracewell & Giuliani LLP, Lain Faulkner & Co., P.C., and each of such firms representatives and employees, shall not be liable to any Person, including the holder of any Claim, Interest, or beneficial interest in the Liquidation Trust, for any action taken or omitted in connection with West Texas Guar, Inc. or this case, except those arising out of fraud, willful misconduct, or gross negligence.

18.15 ***Good Faith***

Confirmation of the Plan shall constitute a finding that (i) the Plan has been proposed in good faith and in compliance with the provisions of the Bankruptcy Code and (ii) the solicitation of acceptances or rejections of the Plan by all Entities and the offer, issuance, sale, or purchase of any security offered or sold under the Plan has been in good faith and in compliance with applicable provisions of the Bankruptcy Code.

18.16 ***Final Decree***

On substantial consummation, the Liquidation Trustee may request the Bankruptcy Court to enter a Final Decree closing the Chapter 11 Case and such other orders that may be necessary and appropriate.

18.17 ***Governing Law***

EXCEPT TO THE EXTENT THAT THE BANKRUPTCY CODE OR BANKRUPTCY RULES OR OTHER FEDERAL LAWS ARE APPLICABLE, AND SUBJECT TO THE PROVISIONS OF ANY OTHER AGREEMENT OR DOCUMENT ENTERED INTO IN CONNECTION WITH THE JOINT PLAN, THE CONSTRUCTION, IMPLEMENTATION AND ENFORCEMENT OF THE JOINT PLAN AND ALL RIGHTS AND OBLIGATIONS ARISING UNDER THE JOINT PLAN SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO CONFLICTS OF LAW PRINCIPLES WHICH WOULD APPLY THE LAW OF A JURISDICTION OTHER THAN THE STATE OF TEXAS OR THE UNITED STATES OF AMERICA.

XIX. CERTAIN RISK FACTORS TO BE CONSIDERED

ALL HOLDERS OF IMPAIRED CLAIMS AND IMPAIRED EQUITY INTEREST SHOULD READ AND CAREFULLY CONSIDER THE RISK FACTORS SET FORTH BELOW AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS JOINT

DISCLOSURE STATEMENT (AND THE EXHIBITS HERETO) PRIOR TO DETERMINING WHETHER AND HOW TO VOTE ON THE JOINT PLAN.

BEFORE DETERMINING WHETHER AND HOW TO VOTE ON THE JOINT PLAN, YOU SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION SET FORTH IN THIS JOINT DISCLOSURE STATEMENT AND, IN PARTICULAR, THE RISKS DESCRIBED BELOW. IF ANY OF THE FOLLOWING RISKS ACTUALLY OCCURS, OUR BUSINESS, FINANCIAL CONDITION OR RESULTS OF OPERATIONS COULD BE HARMED. THE RISKS AND UNCERTAINTIES BELOW ARE NOT THE ONLY ONES WE FACE, BUT REPRESENT THE RISKS THAT WE BELIEVE ARE MATERIAL. HOWEVER, THERE MAY BE ADDITIONAL RISKS THAT WE CURRENTLY CONSIDER NOT TO BE MATERIAL OR OF WHICH WE ARE NOT CURRENTLY AWARE, AND ANY OF THESE RISKS COULD HAVE THE EFFECTS SET FORTH ABOVE.

19.01 *Certain Risks of Non-Confirmation*

There can be no assurance that the requisite acceptances to confirm the Joint Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Court will confirm the Joint Plan. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, a finding by the Court that confirmation of the Joint Plan is not likely to be followed by a liquidation or need for further financial reorganization, and that the value of the distributions to non-accepting Creditors and Equity Interest holders will not be less than the value of the distributions that such creditors or interest holders would receive if the Debtor were liquidated under chapter 7 of the Bankruptcy Code. Although the Plan Proponents believe that these requirements will be satisfied, there can be no assurance that the Court will concur.

19.02 *Dilution Risk*

The Allowed Claims are subject to the risk of dilution if the total amount of Administrative Claims and post-confirmation administration expenses is higher than the Plan Proponents estimate. Accordingly, the amount of distribution that will ultimately be received by a particular holder of an Allowed Claim may be adversely affected by the aggregate amount of other Allowed Claims which may be allowed in higher amounts and/or priority.

19.03 *Other Risks*

Moreover, there can be no assurance that modifications to the Joint Plan will not be required for Confirmation or that such modifications would not necessitate the re-solicitation of votes. Although the Plan Proponents believe that the Effective Date will occur soon after the Confirmation Date, there can be no assurance as to such timing. In the event the conditions precedent to Confirmation of the Joint Plan have not been satisfied or waived (to the extent possible) by the Plan Proponents or applicable party (as provided in the Joint Plan) as of the Effective Date, then the Confirmation Order will be vacated, no distributions under the Joint Plan will be made, and the Debtor and all holders of Claims and Interests will be restored to the status

quo ante as of the day immediately preceding the Confirmation Date as though such Confirmation Date had never occurred.

XX. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE JOINT PLAN

No opinion of counsel has been sought or obtained with respect to any tax consequences of the Joint Plan, and no tax opinion is being given in this Joint Disclosure Statement. No rulings or determinations of the Internal Revenue Service ("IRS") or any other tax authorities have been obtained or sought with respect to the Joint Plan, and the description below is not binding upon the IRS or such other authorities.

NO REPRESENTATIONS ARE MADE REGARDING THE PARTICULAR TAX CONSEQUENCES OF THE JOINT PLAN TO ANY HOLDER OF A CLAIM OR INTEREST. EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE TRANSACTIONS DESCRIBED HEREIN AND IN THE JOINT PLAN.

XXI. RECOMMENDATION AND CONCLUSION

The Debtor and their professional advisors have explored various alternative scenarios, and they believe that the Plan enables the holders of Claims and Equity Interests to realize the maximum recovery under the circumstances. The Debtor believes that the Plan is in the best interests of the Debtor, Creditors, Equity Interest holders, and other parties in interest and believe that the Plan will provide for a more valuable distribution to Holders of Allowed Claims and Equity Interests than all other alternatives.

The Plan has the Debtor's support. Any alternative to Confirmation of the Plan could result in extensive delays and increased administrative expenses resulting in potentially diminished distributions to the Holders of Claims.

Accordingly, the Plan Proponents (i) recommend Confirmation of the Plan, and (ii) urge all Creditors holding Secured and Unsecured Claims to vote to accept the Plan, and all Holders of Equity Interests to vote to accept the Plan and to indicate acceptance by returning their Ballots so as to be received by no later than _____ __, 2014 at 5:00 p.m.

Dated: August 25, 2014

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EXHIBIT A

Joint Plan of Reorganization

EXHIBIT B

Rights of Action