COURT FILE NUMBER	**1201-15908**
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	Calgary
APPLICANT	**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended** **AND IN THE MATTER OF THE MCBURNEY CORPORATION**
DOCUMENT	**SUPPLEMENTAL ORDER** **(FOREIGN MAIN PROCEEDING)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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File No. 505554-000000

DATE ON WHICH ORDER WAS PRONOUNCED: December 20, 2012

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: Madam Justice B.E.C. Romaine

UPON THE APPLICATION of McBurney Power Limited, a wholly owned subsidiary of The McBurney Corporation ("McBurney"), in its capacity as the foreign representative (the "Foreign Representative") of McBurney; **AND UPON** reading the Affidavit of John Curtis McBurney, sworn December 17, 2012, filed; **AND UPON** hearing the submissions of Counsel for the Applicant and any other counsel in attendance at the application; **AND UPON** it appearing appropriate in the circumstances to grant this recognition order;

IT IS HEREBY ORDERED THAT:

SERVICE

1. The time for service of notice of this Application and supporting materials is hereby abridged and validated and further service of the Application and supporting materials is hereby dispensed with.

INITIAL RECOGNITION ORDER

2. Any capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Initial Recognition Order (Foreign Main Proceeding) dated December 20, 2012 (the "Recognition Order").

3. The provisions of this Supplemental Order shall be interpreted in a manner complementary and supplementary to the provisions of the Recognition Order, provided that in the event of a conflict between the provisions of this Supplemental Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS

4. The following orders (collectively, the "Foreign Orders") of the United States Bankruptcy Court for the Northern District of Georgia (the "U.S. Court") made in the Foreign Proceedings are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA:

   (a) the order dated October 31, 2012 authorizing the Foreign Representative to act as a foreign representative with respect to the Foreign Proceeding (the "Foreign Representative Order"), attached as Schedule A to this Order;

   (b) the order dated May 3, 2012 approving the disclosure statement, proposed voting procedures, scheduling confirmation hearing to consider confirmation of debtor's plan of reorganization and approving the form of notice of confirmation hearing (the "Solicitation Order"), attached as attached as Schedule B to this Order; and

(c) the order dated June 20, 2012 confirming the third amended Plan in the Foreign Proceedings, (the "Confirmation Order") attached as Schedule C to this Order.

APPOINTMENT OF INFORMATION OFFICER

5. FTI Consulting Canada Inc. (the "Information Officer") is hereby appointed as an officer of this Court, with the powers and duties set out herein.

6. The Information is hereby authorized and empowered, but not obligated, to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request.

7. The Information Officer shall report to Court from time to time with respect to the status of these proceedings and the status of the Foreign Proceedings, which reports may include information relating to the Property, the Business, the implementation of the Plan, or such other matters as may be relevant to the proceedings herein.

8. The Information Officer shall have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of McBurney to the extent that it is necessary to perform its duties arising under this Order;

9. The Information Officer shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

10. McBurney and the Foreign Representative shall (i) advise the Information Officer of all material steps taken by McBurney or the Foreign Representative in these proceedings or in the Foreign Proceedings, (ii) cooperate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (iii) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

11. The Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and

shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

12. The Information Officer shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed herein, and such other materials as this Court may order from time to time, and (ii) may post on its website any other materials that the Information Officer deems appropriate.

13. The Information Officer is hereby authorized and empowered to provide any creditor of McBurney with information provided by McBurney in response to reasonable requests for information made in writing by such stakeholder addressed to the Information Officer. The Information Officer shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by McBurney or the Foreign Representative is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Information Officer, the Foreign Representative and McBurney may agree.

14. The Information Officer and counsel to the Information Officer, if any, shall be paid by McBurney their reasonable fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. McBurney is hereby authorized and directed to pay the accounts of the Information Officer and counsel for the Information Officer, if any, on a monthly basis.

15. The appointment of the Information Officer shall not constitute the Information Officer to be an employer or a successor employer or payor within the meaning of any legislation governing employment or labour standards or pension benefits or health and safety or any other statute, regulation or rule of law or equity for any purpose whatsoever and further that the Information Officer shall be deemed not to be an owner or in possession, care, control or management of the Property or Business whether pursuant to environmental legislation or any other statute, regulation or rule of law or equity under any federal, provincial or other jurisdiction for any purpose whatsoever.

16. The Information Officer and its legal counsel, if any, shall pass their accounts from time to time, and for this purpose, the accounts of the Information Officer and its legal counsel, if any, are hereby referred to a judge of the Commercial List of the Alberta Court of Queen's Bench and the accounts of the Information Officer and its counsel shall not be subject to approval in the Foreign Proceedings.

ADMINISTRATION CHARGE

17. The Information Officer, counsel to the Information Officer, if any, and counsel to McBurney shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property in Canada, which charge shall not exceed an aggregate amount of $40,000, as security for their professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order.

18. The rights and protections afforded the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, and shall incur no liability or obligations as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

NO PROCEEDINGS AGAINST MCBURNEY OR THE PROPERTY

19. Until further ordered by this Honourable Court (the "Stay Period"), no proceeding or enforcement process in any court or tribunal in Canada (each, a "Proceeding") shall be commenced or continued against or in respect of McBurney or affecting its business (the "Business") or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property"), except with leave of this Court, and any and all Proceedings currently under way against or in respect of McBurney or affecting the Business or the Property are hereby stayed and suspended.

NO EXERCISE OF RIGHTS OR REMEDIES

20. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of McBurney, or

affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies in the Foreign Proceeding, (ii) empower McBurney to carry on any business in Canada which McBurney is not lawfully entitled to carry on, (iii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (iv) prevent the filing of any registration to preserve or perfect a security interest, (v) prevent the registration of a claim for lien, or (vi) prevent (a) a person from seeking or obtaining benefits under a government-mandated workers' compensation system; or (b) a government agency or insurance company from seeking or obtaining reimbursement, contribution, subrogation or indemnity as a result of payments made to or for the benefit of such person under such a system and fees and expenses incurred under any insurance policies, laws or regulations covering workers' compensation claims.

NO INTERFERENCE WITH RIGHTS

21. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by McBurney in Canada, except with leave of this Court.

22. During the Stay Period, all Persons having oral or written agreements with McBurney or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of McBurney, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by McBurney, and that McBurney shall be entitled to the continued use in Canada of their current premises, if any, telephone numbers, facsimile numbers, internet addresses and domain names, if any.

VALIDITY OF CHARGES CREATED BY THIS ORDER

23. The filing, registration or perfection of the Administration Charge shall not be required and the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect the Administration Charge.

24. The Administration Charge shall constitute a charge on the Property in Canada and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, the "Encumbrances") in favour of any Person.

25. Except as otherwise expressly provided for herein, or as may be approved by this Court, McBurney shall not grant any Encumbrances over any Property in Canada that rank in priority to or *pari passu* with the Administration Charge unless McBurney also obtains the prior written consent of the Information Officer and counsel.

26. The Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the charge (collectively, the "Chargees") shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds McBurney, and notwithstanding any provision to the contrary in any Agreement:

    (a) the creation of the Charges shall not create or be deemed to constitute a breach by McBurney of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

(c) the payments made by McBurney to the Chargees pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

27. Any charge created by this Order over leases of real property in Canada shall only be a charge in McBurney's interest in such real property leases.

SERVICE AND NOTICE

28. McBurney, the Foreign Representative and the Information Officer shall each be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to McBurney's creditors or other interested parties at their respective addresses as last shown on McBurney's records and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

29. McBurney, the Foreign Representative and the Information Officer, and any party who has filed an Application , may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time.

GENERAL

30. The Information Officer may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

31. Nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor a proposal trustee, or a trustee in bankruptcy of McBurney, the Business or the Property.

32. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere, to give effect to this Order and to assist McBurney, the Foreign Representative and the Information Officer and their respective counsel and agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to McBurney, the Foreign Representative and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist McBurney, the Foreign Representative and the Information Officer and their respective agents in carrying out the terms of this Order.

33. Each of McBurney, the Foreign Representative and the Information Officer be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

34. The Guidelines for Court-to-Court Communications in Cross-Border Cases developed by the American Law Institute (the "Guidelines") and attached as Schedule D hereto is adopted by this Court for the purposes of these recognition proceedings. The Information Officer or the Foreign Representative may from time to time apply to this Court for advice and directions or for such further or other relief the Information Officer may deem necessary or appropriate in connection with the proper execution of this Order, or any other Order in these proceedings, the discharge or variation of its respective powers and duties under this Order and the recognition in Canada of subsequent Orders of the U.S. Court made in the Foreign Proceeding.

35. Any interest party may apply to this Court to vary or amend this Order or to seek other relief on not less than seven (7) days' notice to McBurney and the Foreign Representative and their respective counsel, and to any other party or parties likely to affected by the order sought, or upon such other notice, if any, as this Court may order.

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A" – FOREIGN REPRESENTATIVE ORDER

IT IS ORDERED as set forth below:

Date: October 31, 2012

James R. Sacca
U.S. Bankruptcy Court Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:	)	
	)	Chapter 11
THE McBURNEY CORPORATION,	)	
	)	Case No. 11-70684-jrs
Debtor.	)	
	)	

ORDER AUTHORIZING MCBURNEY POWER LIMITED TO ACT AS FOREIGN REPRESENTATIVE IN CANADA

Upon the motion (the "Motion")[1] of The McBurney Corporation, the reorganized debtor (the "Debtor"), for entry of an order authorizing MPL to act as the Foreign Representative on behalf of the Debtor's estate in the CCAA Proceeding in Canada; and it appearing that the relief requested in the Motion is in the best interests of the Debtor's estate, its creditors and all other parties in interest; and the Court having jurisdiction to consider the Motion and relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being

[1] Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Motion.

proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and upon the arguments and testimony presented at the hearing before the Court; and after due deliberation and sufficient cause appearing therefor, it is ORDERED that:

1. The Motion is GRANTED.

2. McBurney Power Limited ("MPL") is hereby authorized to act as the Foreign Representative on behalf of the Debtor's estate in the CCAA Proceeding. As Foreign Representative, MPL shall be authorized and shall have the power to act in any way permitted by applicable foreign law, including the authority to seek recognition of this Chapter 11 case in the CCAA Proceeding.

3. This Court requests the aid and assistance of the Canadian Court to recognize this bankruptcy case as a "foreign proceeding" and MPL as a "foreign representative" under the CCAA and requests that the Canadian Court recognize and give full effect to this Order in all provinces and territories of Canada.

4. The Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

5. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

[END OF DOCUMENT]

Prepared and presented by:

PARKER HUDSON RAINER & DOBBS LLP
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SCHEDULE "B" – SOLICITATION ORDER

IT IS ORDERED as set forth below:

Date: May 3, 2012

James R. Sacca
U.S. Bankruptcy Court Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re	)	**Chapter 11**
THE McBURNEY CORPORATION,	)	**Case No. 11-70684-jrs**
Debtor.	)	

ORDER APPROVING DISCLOSURE STATEMENT, APPROVING PROPOSED VOTING PROCEDURES, SCHEDULING CONFIRMATION HEARING TO CONSIDER CONFIRMATION OF DEBTOR'S PLAN OF REORGANIZATION, AND APPROVING FORM OF NOTICE OF CONFIRMATION HEARING

The Debtor The McBurney Corporation (the "Debtor") having filed with the Court on March 23, 2012, the *Chapter 11 Plan of Reorganization of The McBurney Corporation* (as at any time amended or modified, the "Plan") [Doc. No. 185] and the *Disclosure Statement*

Filed in Clerk's Office and a true copy certified this 1 day of May 2012
M. REGINA THOMAS, CLERK
By: Deputy Clerk

Accompanying Chapter 11 Plan of Reorganization of The McBurney Corporation (the "Original Disclosure Statement") [Doc. No. 186]; and the Debtor having filed with the Court on March 23, 2011, the *Motion of Debtor for Order Conditionally Approving Disclosure Statement, Approving Proposed Voting Procedures, Scheduling Combined Hearing to Consider Final Approval of Disclosure Statement and Confirmation of Debtor's Plan of Reorganization, and Approving Form of Notice of Combined Hearing* (the "Motion") [Doc. No. 187], seeking, among other forms of relief, the entry of an Order, on an *ex parte* basis, (i) conditionally approving the Disclosure Statement, (ii) approving procedures for soliciting votes accepting the Plan, (iii) approving procedures for tabulating ballots accepting or rejecting the Plan, (iv) setting a deadline for objecting to final approval of the Disclosure Statement and to confirmation of the Plan, and (v) scheduling a combined hearing on final approval of the Disclosure Statement and confirmation of the Plan; and the Court having entered an Order on March 28, 2012 [Doc. No. 190], (i) denying the Motion to the extent that the Debtor sought conditional approval of the Original Disclosure Statement and the scheduling of a combined hearing to consider final approval of the Original Disclosure Statement and confirmation of the Original Plan, and (ii) setting the hearing to consider approval of the Original Disclosure Statement for April 30, 2012 (the "Disclosure Statement Hearing"); and it appearing from the certificates and affidavits of service on file with the Court that proper and timely notice of the Motion and the Disclosure Statement Hearing were given; and it appearing that such notice was adequate and sufficient; and the Debtor having filed on April 25, 2012, the *First Amended Disclosure Statement Accompanying First Amended Chapter 11 Plan of Reorganization of The McBurney Corporation* (the "First Amended Disclosure Statement") [Doc. No. 207]; and the Debtor having filed on May 2, 2012, the *Second Amended Disclosure Statement Accompanying Second Amended Chapter 11*

Plan of Reorganization of The McBurney Corporation (the "Disclosure Statement") [Doc. No. 215], making certain modifications, including those requested by this Court at the Disclosure Statement Hearing; and the Court having jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested by the Debtor being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and after due deliberation and sufficient cause having been shown for the relief requested in the Motion; and the relief requested in the Motion being in the best interests of the Debtor, its estate and creditors,

IT IS HEREBY FOUND THAT:

A. All capitalized terms, not otherwise defined in this Order, shall have the meanings ascribed to such terms in the Motion.

B. The notice of the Disclosure Statement Hearing was properly served upon all persons entitled to receive such notice and constituted sufficient notice to all such parties of the Disclosure Statement Hearing and of the deadline to object to approval of the Disclosure Statement.

C. The Disclosure Statement contains "adequate information" within the meaning of Section 1125 of the Bankruptcy Code.

D. The form of notice of non-voting status (the "Notice of Non-Voting Status") to be sent to Holders of Administrative Claims and Priority Tax Claims, to Holders of Claims in Class A (Priority Non-Tax Claims), Class B (Secured Claims), and to all known parties to executory contracts and unexpired leases who do not hold filed or scheduled Claims (excluding Claims scheduled as contingent, unliquidated or disputed), substantially in the form attached hereto as

Exhibit 2, complies with Bankruptcy Rule 3017 and adequately addresses the particular needs of this Chapter 11 case.

E. The form of the Debtor Cover Letter, in substantially the form attached hereto as Exhibit 3, contains sufficient information and is appropriate under the circumstances.

F. The Confirmation Hearing Notice (as defined below), substantially in the form attached hereto as Exhibit 4; the procedures set forth below for providing notice to all creditors and equity security holders of the time, date and place of the Confirmation Hearing; and the contents of the Solicitation Packages comply with Rules 2002 and 3017 of the Bankruptcy Rules and constitute sufficient notice to all interested parties.

G. The forms of each Ballot attached hereto as Exhibits 5-1 – 5-4 are substantially consistent with Official Form No. 14, adequately address the particular needs of this Chapter 11 case and are appropriate for the Classes of Claims entitled to vote to accept or reject the Plan.

H. The ballot for Class E (General Unsecured Claims) attached hereto as Exhibit 5-3 provides sufficient notice of the option to elect to be treated as a Holder of a Claim in Class D (Convenience Claims).

I. The Ballots call for sufficient information to assure that duplicate Ballots are not submitted and tabulated and that the Ballots accurately reflect the votes of Holders of Claims.

J. Ballots need not be provided to the Holders of Administrative Claims and Priority Tax Claims and to Holders of Claims in Class A (Priority Non-Tax Claims), Class B (Secured Claims), and to Holders of Equity Interests in Class G (Equity Interests), because the Plan either provides that such Classes are unimpaired and, therefore, the Holders of such Claims are deemed to accept the Plan, or, with respect to Class G (Equity Interests) the Plan provides that such Class is impaired and that the Holders of such Equity Interests are deemed to reject the Plan.

K. The procedure the Debtor proposes in the Motion for distributing Solicitation Packages is sufficient to comply with the applicable requirements set forth in the Bankruptcy Code and the Bankruptcy Rules and will provide for a fair and equitable voting process.

L. The procedure the Debtor proposes for each Holder of a Claim in Class E (General Unsecured Claims) to elect to be treated as a Holder of a Claim in Class D (Convenience Claims) is sufficient to comply with any applicable requirements set forth in the Bankruptcy Code and the Bankruptcy Rules and will provide for a fair and equitable voting process.

M. The period set forth below during which the Debtor may solicit acceptances to the Plan is a reasonable and adequate period of time for creditors to receive the Solicitation Package, to make an informed decision to accept or reject the Plan, and to complete and submit Ballots.

N. The procedures for soliciting and tabulating votes to accept or reject the Plan (as more fully set forth in the Motion and below) provide for a fair and equitable voting process and are consistent with Section 1126 of the Bankruptcy Code.

IT IS HEREBY ORDERED THAT:

1. All capitalized terms, not otherwise defined in this Order, shall have the meanings ascribed to such terms in the Motion.

2. The Motion is **GRANTED** as provided herein.

A. Approval of Disclosure Statement

3. The Disclosure Statement attached hereto as Exhibit 1 is hereby approved as containing adequate information within the meaning of Section 1125 of the Bankruptcy Code.

B. Approval of Voting Status

4. The date this Order is entered shall be the "Record Holder Date" for the purposes of determining the Holders of Claims entitled to receive the Solicitation Package and to vote on the Plan, except as specified herein.

5. The "Voting Classes" shall include the Holders of Claims in Class C (PBGC Claims), Class D (Convenience Claims), Class E (General Unsecured Claims), and Class F (Intercompany Claims), as these Classes of Claims are described in the Plan.

6. Only the following Holders of Claims in the Voting Classes (the "Voting Holders") shall be entitled to vote with regard to such Claims: (i) the Holders of timely filed proofs of claim as reflected, as of the close of business on the Record Holder Date, on the official claims register maintained by the Court (the "Official Claims Register") which are in an amount greater than zero dollars and which have not been disallowed, disqualified, expunged, or suspended prior to the computation of the vote on the Plan; (ii) the Holders of scheduled Claims that are listed in the Debtor's schedules of liabilities filed with the Court (as at any time amended, the "Schedules") as not contingent, unliquidated, or disputed Claims (excluding scheduled Claims that have been superseded by a timely filed proof of claim); provided, however, that the assignee of a transferred and assigned Claim (whether a timely filed or scheduled Claim) shall be permitted to vote such Claim only if the transfer and assignment has been noted on the Court's docket and is effective pursuant to Bankruptcy Rule 3001(e) as of the close of business on the Record Holder Date and which Claim has not been disallowed, disqualified, expunged or suspended as of the Voting Deadline.

C. Approval of Solicitation Package and Distribution Procedure

7. The package of documents for the Debtor's solicitation of votes on the Plan (the "Solicitation Package") shall contain copies of the following:

(i) the Debtor Cover Letter;

(ii) the Confirmation Hearing Notice;

(iii) a copy of the Disclosure Statement (with all exhibits, including the Plan);

(iv) a Ballot (with instructions); and

(v) a copy of this Order (without the exhibits).

8. Ballots need not be provided to the Holders of Administrative Claims and Priority Tax Claims and to Holders of Claims in Class A (Priority Non-Tax Claims), Class B (Secured Claims), and Class G (Equity Interests), because the Plan either provides that such Classes are unimpaired and, therefore, the Holders of such Claims are deemed to accept the Plan, or the Plan provides that such Class is impaired and that the Holders within such Class are deemed to reject the Plan.

9. The forms of the Ballots attached hereto as Exhibits 5-1 – 5-4 are substantially consistent with Official Form No. 14, adequately address the particular needs of this Chapter 11 case, and are appropriate for the Class of Claims entitled to vote to accept or reject the Plan. In addition to enabling the Voting Holders to cast their votes to accept or reject the Plan, the Ballot for Class E (General Unsecured Claims) allows each such Voting Holder the option to elect to be treated as the Holder of a Claim in Class D (Convenience Claims). The Court hereby approves such forms of the Ballots and authorizes the Debtor's use of such forms in connection with soliciting votes on the Plan.

10. The form of the Debtor Cover Letter, in substantially the form attached hereto as Exhibit 3, contains sufficient information and is appropriate under the circumstances. The Court hereby approves such form of the Debtor Cover Letter and authorizes the Debtor's use of such form in connection with soliciting votes on the Plan.

11. The Confirmation Hearing Notice, substantially in the form attached hereto as Exhibit 4, and the procedures set forth in the Motion and below for providing notice to all creditors and equity holders of the time, date and place of the Confirmation Hearing, comply with Rules 2002 and 3017 of the Bankruptcy Rules, constitute sufficient notice to all interested parties, and are approved for use by the Debtor.

12. On or before **May 7, 2012** (the "Solicitation Package Mailing Date"), the Debtor shall distribute or cause to be distributed by United States Mail, adequate postage prepaid, a Solicitation Package to each Voting Holder, except as specified herein.

13. Any Solicitation Packages returned to the Voting Agent by the United States Postal Service as undeliverable, but with a forwarding address will be promptly re-mailed by the Voting Agent to the new address. Should a Solicitation Package be returned to the Voting Agent as undeliverable without a forwarding address, the Voting Agent will request a revised address from Debtor's counsel. If Debtor's counsel cannot provide a revised mailing address, the Voting Agent will be under no further obligation to re-mail the Solicitation Package.

D. Approval of Notice to Non-Voting Classes

14. The form of notice of non-voting status (the "Notice of Non-Voting Status") to be sent to Holders of Administrative Claims and Priority Tax Claims, to Holders of Claims in Class A (Priority Non-Tax Claims), Class B (Secured Claims), and Class G (Equity Interests), and to all known parties to executory contracts and unexpired leases who do not hold filed or scheduled claims (excluding claims scheduled as contingent, unliquidated or disputed), substantially in the form attached hereto as Exhibit 2, complies with Bankruptcy Rule 3017 and adequately addresses the particular needs of this Chapter 11 case. Such Notice of Non-Voting Status is

approved, and the Court authorizes the Debtor to use such form in connection with the solicitation process described in the Motion and this Order.

15. In lieu of mailing the Solicitation Package, on or before the Solicitation Package Mailing Date, the Debtor shall deposit or cause to be deposited in the United States mail, postage prepaid, the Notice of Non-Voting Status to each Holder known to the Debtor of an Administrative Claim, Priority Tax Claim, and of Claims in Class A (Priority Non-Tax Claim), Class B (Secured Claims), and Class G (Equity Interests), as such Classes of Claims are described in the Plan, and to all known parties to executory contracts and unexpired leases who do not hold filed or scheduled Claims (excluding Claims scheduled as contingent, unliquidated or disputed).

E. Approval of Voting and Tabulation Procedures

16. The Garden City Group, Inc. (the "Voting Agent") was previously approved by this Court to serve as the balloting agent and is hereby authorized to receive, analyze and tabulate all Ballots.

17. Except as otherwise provided herein, to be counted as a vote to accept or reject the Plan, each Ballot must be properly executed, completed, and the original thereof delivered to the Voting Agent so as to be actually received by the Voting Agent no later than **4:00 p.m. (prevailing Eastern time) on June 7, 2012**, or by such later date and time as the Debtor may specify in accordance with this Order (the "Voting Deadline"), at the following address:

GCG, Inc.
Attn: The McBurney Corporation Ballot Processing
5151 Blazer Parkway, Suite A
Dublin, OH 43017

18. The Debtor, in its sole discretion, may extend the Voting Deadline without further Order of this Court to a date that is no later than two days before the Confirmation Hearing (as defined below) by filing notice of such extension with the Court.

19. Solely for purposes of voting to accept or reject the Plan, not for the purposes of the allowance of or distribution on account of a Claim, and without prejudice to the rights and remedies of the Debtor in any other context, the amount of each Claim within a Class of Claims entitled to vote to accept or reject the Plan shall be set forth on the Ballot for the Holder of the Claim. With respect to Claims, the amount of such Claim set forth on the Ballot should be one of the following:

(a) if a Claim is listed in the Schedules as not contingent, unliquidated or disputed (excluding scheduled Claims that have been superseded by a timely filed proof of claim), such Claim shall be allowed for voting purposes in the amount set forth in the Schedules;

(b) if a Claim for which a proof of claim has been timely filed is contingent or unliquidated, such Claim shall be temporarily allowed for voting purposes only at $1.00, and the Ballot mailed to the Holder of such Claim shall be marked as voting at $1.00;

(c) if a Claim is partially liquidated and partially unliquidated, the Claim shall be allowed for voting purposes only in the liquidated amount;

(d) Unless otherwise set forth in these tabulation procedures, Ballots will be tabulated based on the voting amount provided to the Voting Agent by Debtor's counsel and pre-printed on the Ballots or on the amount inserted by a Voting Holder if no pre-printed amount is listed on such Holder's Ballot;

(e) if a Claim has been estimated or otherwise allowed for voting purposes by Order of the Court, such Claim shall be temporarily allowed in the amount so estimated or allowed by the Court for voting purposes only;

(f) if a Claim is listed in the Schedules as contingent, unliquidated or disputed and a proof of claim was not (i) filed by the applicable bar date for the filing of proofs of claim established by the Court or (ii) deemed timely filed by an Order of the Court prior to the Voting Deadline, then such Claim shall be temporarily disallowed for voting purposes only;

(g) if a Holder timely filed a proof of claim for a Claim and such proof of claim is not filed as contingent or unliquidated, the Claim shall be allowed for voting purposes in the amount set forth in such proof of claim; provided, however, if the Debtor files an objection to such Claim before the Voting Deadline, such Claim shall be temporarily allowed for voting purposes only at $1.00, except to the extent and in the manner as may be set forth in such objection or in an Order of the Court; and

(h) any Holder who has filed or purchased duplicate Claims that are classified under the Plan in the same Class shall be provided with only one Solicitation Package and one Ballot for voting a single Claim in such Class, regardless of whether the Debtor has objected to such duplicate Claims.

20. Any Holder of a Claim may challenge the amount of such Claim for voting purposes in accordance with the above procedures by serving on counsel for the Debtor and filing with the Court on or before the later of (a) ten (10) days after the Record Holder Date and (b) 4:00 p.m. (prevailing Eastern time) on the seventh (7th) day after the date of service of an objection, if any, to such Claim, a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim in a greater amount for purposes of voting to accept or reject the Plan.

21. As to any Holder filing a motion pursuant to Bankruptcy Rule 3018(a), the amount of such Holder's Claim temporarily allowed for voting purposes shall be as specified in Paragraph 46 of the Motion unless, after notice and a hearing, the Court enters an order directing otherwise.

22. In considering a motion pursuant to Bankruptcy Rule 3018(a), the Court may, among other things, consider whether all or any part of the Claim that is the subject of such motion may be subordinated under Section 510 of the Bankruptcy Code or expunged and disallowed.

23. If and to the extent that the Debtor and any Holder filing a motion pursuant to Bankruptcy Rule 3018(a) are unable to resolve the issues raised by such motion prior to the Voting Deadline established by the Court, then, at or before the Confirmation Hearing, the Court can determine the extent to which such Ballot should be counted as a vote on the Plan.

24. The Ballots submitted by a Voting Holder to the Voting Agent shall be tabulated in accordance with the following rules:

(a) any Ballot which is properly completed, executed and timely returned to the Voting Agent but does not indicate an acceptance or rejection of the Plan or indicates both an acceptance and a rejection of the Plan will not be counted but may be re-submitted after the Voting Deadline to indicate acceptance or rejection;

(b) any Ballot which is returned to the Voting Agent indicating an acceptance or rejection of the Plan but which is unsigned or non-originally signed will not be counted;

(c) whenever a Voting Holder casts more than one ballot voting the same Claim prior to the Voting Deadline, the last properly completed, timely Ballot will be deemed to reflect such Voting Holder's intent and to supersede any prior Ballots and will be the only Ballot counted;

(d) each Voting Holder will be deemed to have voted the full amount of its Claim;

(e) a Voting Holder will not split its vote within a Claim, and thus each Voting Holder will vote all of its Claim within a particular Class either to accept or reject the Plan;

(f) any Ballot that partially rejects and partially accepts the Plan will not be counted;

(g) any Ballot received by the Voting Agent by telecopier, facsimile or other electronic communication will not be counted;

(h) any Ballot which is returned to the Voting Agent indicating acceptance or rejection of the Plan, but which is signed by an agent of the Voting Holder, will not be counted unless the capacity of such agent is reflected on the Ballot;

(i) a Voting Holder with multiple Claims within a particular Class must vote all of its Claims within such Class either to accept or reject the Plan and

may not split their votes, and, therefore, any Ballot filed by a Voting Holder with multiple Claims within a Class who votes inconsistently will not be counted;

(j) any Ballot actually received by the Voting Agent after the Voting Deadline will not be counted, unless the Debtor granted an extension of the Voting Deadline with respect to such Ballot prior to the expiration thereof;

(k) any Ballot that is illegible or contains insufficient information to permit the identification of the Voting Holder will not be counted;

(l) any Ballot cast by a person who does not qualify as a Voting Holder for such Class will not be counted;

(m) any Ballot sent directly to the Debtor, its agents (other than the Voting Agent), or its financial or legal advisors or to any person other than the Voting Agent will not be counted;

(n) any Ballot cast for a Claim that has been disallowed, disqualified, expunged or suspended (for voting purposes or otherwise) will not be counted; and

(o) any Ballot for Class E (General Unsecured Claims) marked both to reflect the election by the Voting Holder to be treated as the Holder of a Claim in Class D (Convenience Claims) and to accept or reject the Plan shall be counted as a vote within Class D (Convenience Claims).

25. For purposes of calculating the number of Allowed Claims in the Voting Classes under Section 1126(c) of the Bankruptcy Code, all Allowed Claims held by one person or entity and any affiliate of such person or entity (including transferees and assignees of scheduled and filed claims) shall be aggregated and treated as one Allowed Claim in such Class.

26. Except as set forth below, the Voting Agent shall be authorized, but not required, to contact any Voting Holder who submits a Ballot that is defective or irregular, but curable, to alert such Voting Holder that its Ballot will not be counted absent curative action. The Voting Agent may disregard any defective Ballot with no further notice or opportunity to cure given to any person, including, without limitation, the Voting Holder submitting such defective Ballot. If the Voting Agent contacts any Voting Holder who submits a defective, but curable Ballot, the

Voting Agent shall be required to make a good faith attempt to contact all who submitted defective, but curable Ballots. Neither the Debtor, the Voting Agent, nor any other person shall incur any liability to any person, including, without limitation, the Voting Holder submitting such defective Ballot, for failing to provide such notification or an opportunity to cure.

27. No defect or irregularity in any Ballot shall be waived without the consent of the Debtor.

28. The Voting Agent shall tabulate all of the Ballots timely served and properly completed (collectively, the "Proper Ballots"), shall file with the Court as soon as practical prior to the start of the Confirmation Hearing, and to the extent reasonably practicable no later than **noon (prevailing Eastern time) on June 12, 2012**, a tabulation of the Proper Ballots, and will report to the Court the results of the voting, including the tabulation of the Proper Ballots at the Confirmation Hearing.

F. Confirmation Hearing and Objections

29. The hearing at which time the Court will consider confirmation of the Plan is scheduled to commence at **10:00 a.m. on June 14, 2012**, in Courtroom 1404 in the United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division, 75 Spring Street, Atlanta, Georgia 30303 (the "Confirmation Hearing"). The Confirmation Hearing may be adjourned from time to time without further notice other than an announcement of the adjourned date(s) at such Confirmation Hearing and at any adjourned hearings.

30. Any objection to confirmation of the Plan must be filed with the Clerk of the Court, United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division, 75 Spring Street, Atlanta, Georgia 30303, together with proof of service, by no later than **4:00 p.m. (prevailing Eastern time) on June 7, 2012** (the "Objection Deadline"), and must be served on

each of the persons listed on Schedule 1 attached hereto so as to be received by them no later than the Objection Deadline. Any objection to confirmation of the Plan must be in writing and (i) must state the name and address of the objecting party and the nature and amount of its Claims or Equity Interests and (ii) must state, with particularity, the basis for and nature of its objection and the specific ground for each objection. Any objection not filed and served as set forth in this Order shall be deemed waived and shall not be considered by the Court.

31. The Debtor shall serve a copy of the Confirmation Hearing Notice on all Holders of Claims and Equity Interests known to the Debtor by first class mail, adequate postage prepaid.

G. General Provisions

32. The Debtor is authorized to take or refrain from taking any action and expending such funds necessary or appropriate to implement the terms of and the relief granted in this Order without seeking further Order of the Court.

33. The Debtor is authorized to make non-substantive changes to the Disclosure Statement, the Plan, the Ballot, the Confirmation Hearing Notice, the Notice of Non-Voting Status, any other notice related to the Plan or the Disclosure Statement, the Debtor Cover Letter, and all exhibits and appendices to any of the foregoing, without further Order of the Court, including, without limitation, changes to correct typographical and grammatical errors, to insert dates and to fill in blanks, and to make conforming changes among the Disclosure Statement, the Plan and any other materials in the Solicitation Packages prior to their distribution.

34. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

35. This Order shall be binding upon the Debtor, all Holders of Claims against or Equity Interests in the Debtor, any trustee appointed under Chapter 7 or Chapter 11 of the Bankruptcy Code, and all other parties in interest.

36. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, or 9014, or any other otherwise applicable Bankruptcy Rule, the terms and conditions of this Order shall be effective and enforceable immediately upon its entry.

END OF DOCUMENT

Prepared and presented by:

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Exhibit 1

Second Amended Disclosure Statement

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re	)	**Chapter 11**
THE McBURNEY CORPORATION,	)	**Case No. 11-70684-jrs**
Debtor.	)	

SECOND AMENDED DISCLOSURE STATEMENT ACCOMPANYING SECOND AMENDED CHAPTER 11 PLAN OF REORGANIZATION OF THE MCBURNEY CORPORATION

PARKER, HUDSON, RAINER & DOBBS LLP
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Attorneys for The McBurney Corporation

Dated: May 2, 2012
Atlanta, Georgia

This Disclosure Statement has been prepared pursuant to Section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016(b) and is not necessarily in accordance with the federal or state securities laws or similar laws. This Disclosure Statement contains summaries of certain provisions of the Plan and certain other documents and financial information. The information contained in this Disclosure Statement is provided for the purpose of soliciting acceptances of the Plan and should not be relied upon for any purpose other than to determine whether and how to vote on the Plan. The Debtor believes that these summaries are fair and accurate. The summaries of the financial information and the documents that are attached to, or incorporated by reference into, this Disclosure Statement are qualified in their entirety by reference to such information and documents. In the event of any inconsistency or discrepancy between a description in this Disclosure Statement and the terms and provisions of the Plan, or the other documents and financial information incorporated in this Disclosure Statement by reference, the 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 this Disclosure Statement have been made as of the date of this Disclosure Statement unless otherwise specified. Holders of Claims and Equity Interests reviewing this Disclosure Statement should not infer at the time of such review that there have been no changes in the facts set forth in this Disclosure Statement since the date of this Disclosure Statement. Each Holder of a Claim entitled to vote on the plan should carefully review the Plan and this Disclosure Statement in their entirety before casting a ballot. This Disclosure Statement does not constitute legal, business, financial, or tax advice. Any entities desiring any such advice or any other advice should consult with their own advisors.

No one is authorized to give any information with respect to the Plan other than that which is contained in this 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 this Disclosure Statement and the documents attached to this Disclosure Statement. any information, representations, or inducements made to obtain an acceptance of the Plan that are other than as set forth, or inconsistent with, the information contained in this Disclosure Statement, the documents attached to this Disclosure Statement or the Plan should not be relied upon by any Holder of a Claim or Equity Interest.

With respect to contested matters, adversary proceedings, and other pending, threatened, or potential litigation or other actions, this 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.

This Disclosure Statement has not been approved or disapproved by the United States Securities and Exchange Commission, nor has the United States Securities and Exchange Commission passed upon the accuracy or adequacy of the statements contained in this Disclosure Statement or upon the merits of the Plan.

Although the Debtor believes that the Plan complies with all applicable provisions of the Bankruptcy Code, the Debtor cannot assure such compliance or that the Bankruptcy Court will confirm the Plan.

Although the Debtor has used its best efforts to ensure the accuracy of the financial information provided in this Disclosure Statement, the financial information contained in or incorporated by reference into this Disclosure Statement has not been audited, except as specifically indicated otherwise. Please refer to Chapter XI of this Disclosure Statement, entitled "Risk Factors" for a discussion of certain considerations in connection with a decision by a Holder of an impaired Claim to accept the Plan. Unless otherwise specifically indicated, the financial information contained in this Disclosure Statement has not been audited and is based on an analysis of data available at the time of the preparation of the Plan and this Disclosure Statement.

To be counted, the ballots upon which Holders of impaired Claims entitled to vote shall cast their vote to accept or reject the Plan indicating acceptance or rejection of the Plan must be received in accordance with the instructions on such ballot.

This Disclosure Statement contains forward-looking statements within the meaning of Section 27A and Section 21E of the Securities Act, as amended. Such statements may contain words such as "may, "will," "might," "expect," "believe, "anticipate," "could," "would," "estimate," "continue," "pursue," or the negative thereof or comparable terminology, and may include, without limitation, information regarding the debtor's expectations regarding future events. Forward-looking statements are inherently uncertain, particularly in light of the uncertainties of litigation, and actual results may differ from those expressed or implied in this Disclosure Statement and the forward-looking statements contained herein. In preparing this Disclosure Statement, the Debtor relied on financial data derived from its books and records or that was otherwise made available to it at the time of such preparation and on various assumptions. While the Debtor believes that such financial information fairly reflects the financial condition of the Debtor as of the date hereof and that the assumptions regarding future events reflect reasonable business judgments, no representations or warranties are made as to the accuracy of the financial information contained herein or the Debtor's forecast of potential distributions under the Plan. The Debtor expressly cautions readers not to place undue reliance on any forward-looking statements contained herein. Among the factors that could cause actual results to differ materially from current estimates of future performance is the Debtor's ability to develop, prosecute, confirm, and consummate a plan with respect to this Chapter 11 case.

The information contained in this Disclosure Statement is as of the filing date of this Disclosure Statement, and the Debtor is under no obligation, and expressly disclaims any obligation, to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

TABLE OF CONTENTS

Page

Chapter I. INTRODUCTION 1

Chapter II. FREQUENTLY ASKED QUESTIONS 2

1. Who is the Debtor? 2
2. How long has the Debtor been in Chapter 11? 3
3. What is Chapter 11? 3
4. What type of Plan was filed? 3
5. What is confirmation of the Plan? 3
6. Who votes on the Plan? 4
7. How can I determine if my Claim or Equity Interest is allowed? 4
8. How can I determine if my Claim or Equity Interest is impaired? 4
9. How can I determine in which Class my Claim or Equity Interest has been placed? 4
10. How can I determine what I will receive under the Plan? 4
11. Do I have to vote for the Plan to receive a Distribution based on my Claim 4
or Equity Interest? 4
12. How is the Plan accepted? 5
13. If my Class votes to accept the Plan, do I get what the Plan provides for my Class? 5
14. How do I vote on the Plan? 5
15. Is my Claim or Equity Interest being paid in full under the Plan? 5
16. What is the amount of my Claim or Equity Interest? 5
17. When will the Distribution on my Claim be made? 6
18. To what address will the Distribution be sent? 6
19. Are there risk factors associated with the Plan? 6

Chapter III. GENERAL INFORMATION ABOUT THE DEBTOR 6

A. The Debtor's Business 6
C. Events Leading to the Commencement of the Chapter 11 Case 7

2. Tate & Lyle Project 8
3. Other Liabilities 9

Chapter IV. THE DEBTOR'S CURRENT AND FORMER MANAGEMENT 10

Chapter V. THE DEBTOR'S SIGNIFICANT ASSETS AND LIABILITIES 10

A. The Debtor's Assets 10
B. The Debtor's Liabilities 10

Chapter VI. PENDING LEGAL ACTIONS 12

A. Tate & Lyle Litigation 12
B. Other Pre-Petition Actions Against the Debtor 13
B. Potential Estate Causes of Action 15

Chapter VII. SIGNIFICANT POST-PETITION DEVELOPMENTS AND STATUS 16

A. First Day Relief 19
B. Case Administration and Related Activities 20
1. Appointment of the Creditors' Committee 20
2. Establishment of a Bar Date 21

Chapter VIII. SUMMARY OF THE PLAN 23

A. Overview of the Plan 24
B. Classification and Treatment of Claims under the Plan 25
1. Payment and Treatment of Priority Claims 25
a. Administrative Claims 25
b. Priority Tax Claims 27
c. Class A (Priority Non-Tax Claims) 27
2. Classification and Treatment of Non-Priority Claims 28
a. Class B (Secured Claims) 28
b. Class C (PBGC Claims) 28
c. Class D (Convenience Claims) 29
d. Class E (General Unsecured Claims) 29
e. Class F (Intercompany Claims) 30
f. Class G (Equity Interests) 30

Chapter IX. IMPLEMENTATION OF THE PLAN 30

A. Structure of the Debtor After the Effective Date 30
B. Management of the Debtor 31
C. The Debtor and Plan Implementation 31
D. Retention of Professionals by the Debtor 31
E. Claims Administration 31
1. Allowance of Claims and Equity Interests 32
2. Objections to Claims or Equity Interests 32
3. Temporary Allowance and Estimation of Claims 32
a. Temporary Allowance of Claims for Voting Purposes 32
b. Estimation of Claims and Equity Interests for Distribution Purposes 33
4. Reserve for Disputed Claims 33
F. Funding of the Plan 33
G. Discharge of Claims 34
H. Plan Injunction 34
I. Exculpation of the Debtor 34
J. Means of Implementing the Plan 35
K. Abandonment of Estate Property 35

Chapter X. CONDITIONS PRECEDENT TO CONFIRMATION CONTAINED IN THE BANKRUPTCY CODE 35

A. Section 1129 of the Bankruptcy Code 35

1. Acceptance of the Plan 36
2. Confirmation Without Acceptance of All Impaired Classes - Cramdown 36
3. "Best Interests" Test 37
4. Feasibility 38

Chapter XI. RISK FACTORS 38

A. Certain Bankruptcy Law Considerations 38

1. Objections to Plan's Classification of Claims and Equity Interests 39
2. Failure to Satisfy Voting Requirements 39
3. Inability to Secure Confirmation of Plan 39
4. Nonconsensual Confirmation 40
5. Objections to Amount or Classification of a Claim 40
6. Risk of Non-Occurrence of Effective Date 41
7. Effect of Certain Contingencies 41

B. Risk Factor that May Affect Recovery 41
C. Disclosure Statement Disclaimers 41

1. Information Contained Herein is for Soliciting Votes 41
2. Disclosure Statement Not Approved by Regulatory Authorities 41
3. No Legal or Tax Advice Provided by Disclosure Statement 42
4. No Admissions 42
5. Failure to Identify Litigation Claims or Projected Objections 42
6. No Waiver of Debtor's Rights 42
7. Debtor Professionals' Reliance 42
8. Potential for Inaccuracies; No Duty to Update 43
9. No Representations Outside Disclosure Statement Are Authorized 43

Chapter XII. ALTERNATIVES TO THE PLAN 43

A. Chapter 7 Liquidation 43
B. Alternative Liquidation Plans 44

Chapter XIII. OTHER MATTERS 44

A. Tax Consequences of the Plan 44
B. Disclaimers 44
C. Confirmation Hearing 45
D. Conditions to Effectiveness of the Plan 45
E. Plan Injunction 45
F. Retention of Jurisdiction by the Bankruptcy Court 46
G. Amendments to the Plan 46
H. Cram Down 46
I. No Admissions 46

Chapter XV. CONCLUSION AND RECOMMENDATION 46

EXHIBIT A Plan of Reorganization ..... B

EXHIBIT B Liquidation Analysis C

Chapter I. INTRODUCTION

On July 15, 2011 (the "Petition Date"), The McBurney Corporation (the "Debtor") filed with the United States Bankruptcy Court for the Northern District of Georgia (the "Bankruptcy Court") a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code").

The Debtor is a corporation formed under the laws of the State of Georgia and, prior to the Petition Date, was headquartered and conducted business at 1650 International Court, Suite 100, Norcross, Georgia 30093. Since the Petition Date, the Debtor has continued to manage its business affairs as debtor in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

The Debtor now seeks confirmation of a proposed Second Amended Chapter 11 Plan of Reorganization of the Debtor The McBurney Corporation (the "Plan"), a copy of which is attached hereto as Exhibit A. This Second Amended Disclosure Statement (this "Disclosure Statement") is designed to provide creditors with adequate information to enable them to make a decision whether to vote for or against the Plan. This Disclosure Statement discusses, among other things, (i) voting instructions, (ii) classification of claims against the Debtor, (iii) payments of claims, and (iv) the Debtor's history, business, and property. This Disclosure Statement also contains a summary and analysis of the Plan. All creditors and interest holders of the Debtor are advised and urged to read this Disclosure Statement, the Plan and any other Exhibit attached to this Disclosure Statement in their entirety before voting to accept or reject the Plan. This Disclosure Statement has been approved by Order of the Bankruptcy Court.

NO REPRESENTATIONS ABOUT THE DEBTOR OR THE PLAN ARE AUTHORIZED EXCEPT AS CONTAINED IN THIS DISCLOSURE STATEMENT AND THE PLAN, AND, IN MAKING YOUR DECISION WHETHER TO VOTE FOR OR AGAINST THE PLAN, YOU SHOULD NOT RELY ON ANY REPRESENTATION THAT IS NOT CONTAINED HEREIN. INSTEAD, ANY SUCH REPRESENTATION OR INDUCEMENT SHOULD BE REPORTED DIRECTLY TO THE BANKRUPTCY COURT OR TO THE DEBTOR OR ITS COUNSEL. THE BANKRUPTCY COURT HAS NOT VERIFIED THE ACCURACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, AND THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT IMPLY THAT THE BANKRUPTCY COURT ENDORSES OR APPROVES THE PLAN, BUT ONLY THAT, IF ACCURATE, THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT IS SUFFICIENT TO PROVIDE AN ADEQUATE BASIS FOR CREDITORS AND EQUITY INTEREST HOLDERS TO MAKE INFORMED DECISIONS WHETHER TO ACCEPT OR REJECT THE PLAN.

Accompanying this Disclosure Statement are copies of:

1. the notice fixing the time for submitting acceptances or rejections of the Plan, the time for filing objections to confirmation of the Plan, and of the date and time of the hearing to consider confirmation of the Plan and related matters; and

2. for those Holders of Claims entitled to vote on the Plan, a ballot for voting on acceptance or rejection of the Plan.

Section 1126(b) of the Bankruptcy Code provides that only classes of claims or equity interests that are "impaired" under a plan are entitled to vote on that plan unless deemed not to accept the plan. Under the Plan, the Claims in Class C (PBGC Claims), Class D (Convenience Claims), Class E (General Unsecured Claims), Class F (Intercompany Claims), and Class G (Equity Interests) will be impaired. The Debtor is sending ballots to all of the Holders of such impaired Claims known to the Debtor. The Holders of Equity Interests in Class G are deemed to have rejected the Plan. Therefore, such Holders are not entitled to vote and will not be receiving any ballot on account of such Equity Interests.

Defined Terms and Conflict between Plan and Disclosure Statement. Most words or phrases used in this Disclosure Statement shall have their usual and customary meanings. Words or phrases used in this Disclosure Statement that are defined in the Plan, and not otherwise defined in this Disclosure Statement, shall have the definitions set forth in the Plan. Otherwise, the capitalized terms used but not defined in this Disclosure Statement shall have the meanings ascribed to such terms in the Bankruptcy Code or the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). In the event of any conflict between any statement in this Disclosure Statement and in the Plan, the Plan controls.

Voting Instructions. After carefully reviewing the Disclosure Statement and its Exhibits, please indicate your vote on the enclosed ballot. **IN ORDER FOR YOUR VOTE TO COUNT, YOUR BALLOT MUST BE RECEIVED BEFORE 4:00 P.M., EASTERN TIME, ON JUNE 7, 2012, unless such deadline is extended by the Debtor to the extent authorized (the "Voting Deadline").** If you need additional ballots, please contact the person identified in the instructions to the ballot that you receive.

It is important that you exercise your right to vote to accept or to reject the Plan. You should read the ballot carefully and follow the instructions. In voting for or against the Plan, please use only the ballot(s) sent to you with this Disclosure Statement or obtained from the person identified in the instructions to the ballot. Ballots that are signed and returned, but not expressly voted either for acceptance or rejection of the Plan, will be counted as an acceptance of the Plan.

YOU SHOULD RETURN YOUR COMPLETED BALLOT(S) TO THE PERSON IDENTIFIED IN THE INSTRUCTIONS TO YOUR BALLOT(S) BY THE VOTING DEADLINE.

Chapter II. FREQUENTLY ASKED QUESTIONS

Set forth below is a list of frequently asked questions and answers to assist each creditor in understanding the Debtor's bankruptcy case and the proposed Plan:

1. Who is the Debtor?

The Debtor, a Georgia corporation, was founded in 1911. It is in the business of designing and constructing steam boiler systems that are used for various purposes, including,

without limitation, manufacturing plant processes, power generation, and other applications requiring steam power generation. The Debtor also provides construction, installation, design, and procurement services; purchases and sells boiler equipment, materials, and supplies; repairs boiler equipment; and provides maintenance services to various customers operating and constructing steam boiler systems.

The Debtor has issued capital stock consisting of a single class of shares designated as Class B voting common shares of one dollar par value per share. As of the Petition Date, there were 76,500 shares of outstanding common stock. The common stock is held by four individuals, with Willard B. McBurney, John Curtis McBurney, Sr., and Franklin Blakeslee McBurney holding approximately 97% of the outstanding shares.

The Debtor has three wholly-owned subsidiaries – McBurney Corporation of California ("McBurney California"), organized under the laws of California in 1980; McBurney Power Limited ("MPL"), organized in 1991 under the laws of British Columbia, Canada; and SC McBurney BioEnergy SRL ("MBE"), organized under the laws of Romania in 2007.

2. How long has the Debtor been in Chapter 11?

The Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code on July 15, 2011.

3. What is Chapter 11?

Chapter 11 is the chapter of the federal Bankruptcy Code used for the reorganization of a business. Under Chapter 11, a company may attempt to restructure its finances so that it can continue to operate its business in an orderly manner so that all creditors will be treated fairly.

Formulation of a plan of reorganization is the primary purpose of a Chapter 11 case. A Chapter 11 plan sets forth and governs the treatment and rights to be afforded to creditors and interest holders with respect to their Claims against and equity interests in a debtor. According to Section 1125 of the Bankruptcy Code, acceptances of a Chapter 11 plan may be solicited by a debtor only after a written disclosure statement approved by the Bankruptcy Court has been provided to each creditor or interest holder who is entitled to vote on the plan. This Disclosure Statement is presented to the Debtor's creditors and interest holders to satisfy the disclosure requirements contained in Section 1125 of the Bankruptcy Code.

4. What type of Plan was filed?

The Debtor proposed a plan of reorganization, a copy which is attached hereto as Exhibit A.

5. What is confirmation of the Plan?

Confirmation means that the Bankruptcy Court approves the Plan, at which time the Plan becomes binding on the Debtor and Holders of Claims and Equity Interests. The Bankruptcy Court must hold a confirmation hearing before it approves the Plan. The Bankruptcy Court has ordered that the confirmation hearing shall be held on **June 14, 2012, at 10:00 a.m., (prevailing**

Eastern Time), in Courtroom 1404 at the United States Bankruptcy Court, Northern District of Georgia, 75 Spring Street, Atlanta, Georgia 30303. Chapter X of this Disclosure Statement contains more information on the requirements for confirmation of the Plan.

6. Who votes on the Plan?

Creditors holding Allowed Claims may vote on the Plan provided that their Claims are impaired by the treatment proposed in the Plan. Allowed Claims in Class C (PBGC Claims), Class D (Convenience Claims), Class E (General Unsecured Claims), and Class F (Intercompany Claims) will be impaired under the Plan. Class G (Equity Interests) will also be impaired, but the Holders of such Equity Interests are deemed to have rejected the Plan and will not be entitled to vote.

7. How can I determine if my Claim or Equity Interest is allowed?

Chapter IX of this Disclosure Statement explains how to determine if your Claim is allowed for voting purposes. Only Holders of Allowed Claims may vote on and receive Distributions under the Plan. Each Holder of an Allowed Claim impaired by the treatment proposed in the Plan will receive a ballot to vote on the Plan. If you do not receive a ballot and believe that you should have, you should contact Tyronia M. Smith, Esq. at (404) 880-4769.

8. How can I determine if my Claim or Equity Interest is impaired?

Article 5 of the Plan describes in detail which Claims and Equity Interests are impaired, and that Article should be read carefully. Allowed Claims in the following categories or classes are not impaired: Administrative Claims, Priority Tax Claims, Class A (Priority Non-Tax Claims), and Class B (Secured Claims). Claims in Class C (PBGC Claims), Class D (Convenience Claims), Class E (General Unsecured Claims), and Class F (Intercompany Claims) will be impaired, and the Holders of such Claims will be entitled to vote. Class G (Equity Interests) also will be impaired under the Plan, but, as stated above, the Holders of such Equity Interests are deemed to have rejected the Plan and will not be entitled to vote.

9. How can I determine in which Class my Claim or Equity Interest has been placed?

Chapter VIII, Section B of this Disclosure Statement and Article 2 of the Plan describe the Classes of Claims and Equity Interests. The ballot that you receive will advise you in which Class the Debtor has placed your Claim, subject to objections as to the allowance of your Claim. If you disagree with the Class in which the Debtor has placed your Claim or Equity Interest, you must file an objection with the Bankruptcy Court.

10. How can I determine what I will receive under the Plan?

Chapter VIII, Section B of this Disclosure Statement and Articles 3 through 6 of the Plan also describe the treatment of each class of Claims and Equity Interests under the Plan.

11. Do I have to vote for the Plan to receive a Distribution based on my Claim or Equity Interest?

No, provided the Plan is confirmed. If the Plan is confirmed, the Holders of Allowed Claims and Equity Interests will receive whatever the Plan provides for the Class in which such Claims or Equity Interests have been placed, whether or not you vote for or against the Plan by sending in your ballot. If you are the Holder of a Claim and support confirmation of the Plan, however, you should be sure to fill out the ballot correctly and return it before the deadline noted on your ballot. It is not anticipated that the Holders of Equity Interests will receive any Distribution under the Plan even if the Plan is confirmed.

12. How is the Plan accepted?

For a class of Claims to accept the Plan, persons holding at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the "voting" Claims must accept the Plan. If you do not vote, you lose your right to be part of the determination as to which way your Class will vote. The votes from each Class will be counted separately to determine whether the Class as a whole voted to accept or reject the Plan.

13. If my Class votes to accept the Plan, do I get what the Plan provides for my Class?

Usually, but not automatically. The Plan first must be confirmed by the Bankruptcy Court. You must also have an Allowed Claim or Equity Interest, which is a Claim or Equity Interest that is not a Disputed Claim or Equity Interest. The Plan defines what is an Allowed Claim or Equity Interest and a Disputed Claim or Equity Interest. If you have filed a timely proof of claim and no objection is made to your Claim or Equity Interest by the applicable deadline, your Claim or Equity Interest is deemed allowed. You will be notified of any objection to your Claim or Equity Interest.

14. How do I vote on the Plan?

To vote on the Plan, mark the accompanying ballot and return it in accordance with the instructions noted on your ballot.

15. Is my Claim or Equity Interest being paid in full under the Plan?

The Debtor believes that Allowed Claims in the following categories and classes will be Paid in Full: Administrative Claims, Priority Tax Claims, Class A (Priority Non-Tax Claims), Class B (Secured Claims), and Class C (PBGC Claims). The Debtor does not believe that Allowed Claims in Class D (Convenience Claims), Class E (General Unsecured Claims), and Class F (Intercompany Claims) will be Paid in Full. The Debtor does not anticipate that there will be a payment to the Holders of Equity Interests in Class G (Equity Interests).

16. What is the amount of my Claim or Equity Interest?

The amount of your Claim depends on the amount owed to you by the Debtor or the value of the goods or services you provided to the Debtor. Therefore, the amount of each creditor's Claim against the Debtor varies. The amount of your Equity Interests depends on the number of such interests you hold. As discussed above, each Holder of an impaired Allowed

Claim will receive a ballot. If you do not receive a ballot and believe you should have, you should contact Tyronia M. Smith, Esq. at (404) 880-4769. If the Debtor objects to your Claim or Equity Interest, you will receive notice of this objection and will have an opportunity to contest the objection.

17. When will the Distribution on my Claim be made?

Before any Distributions can be made, the Plan first must be confirmed by the Bankruptcy Court, a topic discussed at greater length in Chapter X of this Disclosure Statement. **The initial Distribution to Holders of certain Allowed Claims will be made on the Initial Distribution Date, which pursuant to Section 9.4(a) of the Plan is a date no later than thirty (30) days after the later of (i) the Effective Date, or (ii) the date of entry of an order that becomes a Final Order allowing a Disputed Claim. Depending on the Class of Claim that you hold, additional distributions may be made.**

18. To what address will the Distribution be sent?

The Debtor intends to send any Distribution directly to each Holder of an Allowed Claim or Equity Interest. In the case of an Allowed Claim that is not impaired under the Plan, Distributions will be sent to the last known address of the Holder of such Claim. The ballot sent to each Holder of an impaired Allowed Claim will include an address for such Holder. The initial Distribution will be sent to that address, unless the Holder notifies the Court (and the Debtor) in writing prior to the date on which the hearing on confirmation of the Plan is initially scheduled that the address listed on the ballot is incorrect or should be changed. The ballot will contain spaces for the Holder to correct the listed address. Unless a Holder gives timely written notice of a change or correction in address, the Distribution to each Holder holding an impaired Allowed Claim will be sent to the address listed on the ballot. Any subsequent Distributions will be sent to the same address, unless that address is superseded by proofs of claim or transfer of claims filed pursuant to Bankruptcy Rule 3001 (or at the last known address of such Holder if the Debtor has been notified in writing of a change in address). The Debtor will not be liable to any Holder in the event that a Distribution made on account of such Holder's Claim or Equity Interest is sent to an incorrect address.

19. Are there risk factors associated with the Plan?

There are risk factors, more fully set forth in Chapter XI (Risk Factors), that may adversely affect the confirmation of the Plan and the timing and ability of the Debtor to make Distributions (or the size of any Distributions) as contemplated by the Plan, if confirmed.

Chapter III. GENERAL INFORMATION ABOUT THE DEBTOR

A. The Debtor's Business

The Debtor is in the business of designing and constructing steam boiler systems that are used for various purposes, including, without limitation, manufacturing plant processes, power generation, and other applications requiring steam power generation. The Debtor also provides construction, installation, design, and procurement services; purchases and sells boiler

equipment, materials, and supplies; repairs boiler equipment; and provides maintenance services to various customers operating and constructing steam boiler systems.

The Debtor has supplied boiler systems for the wood products industry, power generation industry, and various other industrial applications, including more recently, specialized "biomass" fired boiler systems for industrial uses such as ethanol production or utilization of biomass fuels for generating thermal or electrical energy. The Debtor has designed and constructed boiler systems in many parts of the world, including Canada, Chile, England, Mexico, the Philippines, Romania, Thailand, and the United States, and has supplied equipment and design services for projects in numerous other countries.

As referenced above, the Debtor has three subsidiaries – McBurney California, MPL, and MBE. McBurney California provides field services and repair services through employees and provides payroll services to the Debtor. McBurney California previously engaged in contracting or subcontracting of projects involved in the Debtor's business and jobs undertaken in California. However, McBurney California did not have any commercial activity for some period of time preceding the Petition Date. McBurney California provides hourly construction workers for the Debtor's use on various projects. The Debtor pays McBurney California for services rendered on a weekly basis by making electronic deposits into McBurney California's payroll account.

MPL is organized in Canada for the purpose of providing field services, contracting services, and execution of projects in Canada related to the Debtor's business. From time to time, the Debtor serves as a subcontractor or supplier of goods and services to MPL with respect to projects in Canada.

MBE was formed for the purpose of providing field services, contracting services, and execution of projects in Romania and other parts of Europe related to the Debtor's business. From time to time, the Debtor serves as a subcontractor or supplier of goods and services to MBE with respect to projects in Romania and elsewhere in Europe.

B. The Debtor's Workforce

As of the Petition Date, the Debtor employed approximately 44 employees (the "Employees") in Georgia, South Carolina, Florida, Arkansas, and Alabama. The Debtor's Employees include several corporate officers. All but two of the Employees were full-time Employees, and none of the Employees is covered by a collective bargaining agreement. There are also approximately seven independent contractors (the "Independent Contractors") used by the Debtor.

As mentioned above, the Debtor engages McBurney California to provide construction workers on certain projects in the United States. The number of the construction workers employed by McBurney California varies from week to week depending on the needs of a particular project. Each week, the Debtor deposits funds into the McBurney California payroll account for services rendered by McBurney California during the previous week.

C. Events Leading to the Commencement of the Chapter 11 Case

1. Abitibi Project

In 2007, the Debtor entered into a contract with Abitibi-Consolidated Inc. ("Abitibi-Consolidated"), a company organized in Ontario, Canada, for the design and supply of equipment for a biomass boiler system. Abitibi-Consolidated also entered into a contract with MPL for the provisions of construction services for a biomass boiler system. In October of 2007, Abitibi-Consolidated merged with Bowater Inc. to form AbitibiBowater Inc. ("Abitibi") and became the eighth largest pulp and paper manufacturer in the world.

Abitibi was at that time an international leader in paper processing and manufacturing, particularly in the newsprint industry. The contracts with Abitibi and its subsidiaries were for the supply of equipment and construction services pertaining to the construction of a manufacturing plant incorporating a biomass fired steam boiler system in Fort Frances, Ontario. The contract for the supply of equipment by the Debtor provided an initial purchase price of $13,296,625. The initial contract amount for the construction services provided by MPL was $9,046,155.00 (Canadian). On April 16, 2009, Abitibi and its subsidiaries filed insolvency proceedings under the laws of Canada and under the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. At the time of filing insolvency proceedings, Abitibi was in arrears and in default on its payments to the Debtor in the amount of $945,032.46 and to MPL in the amount of $9,872,008.76 (Canadian).

The Canadian insolvency proceedings continued for a period of twenty (20) months (until October 2010) when plans of reorganization under the Canadian and United States insolvency laws were confirmed. On December 10, 2010, the Debtor received payment on the material supply contract of $1,147,836.55 (Canadian) on the equipment purchases. On December 10, 2010, MPL received payment on the labor contract of $6,162,273.65 (Canadian), from which payments were required to be made to directly to MPL subcontractors -- $4,818,551.22 to MBB Power Services and $382,325.75 to Woodbridge Construction, leaving a net payment to MPL of $961,396.68 (Canadian). On February 14, 2011, a subsequent payment on the MPL contract was made in the amount of $182,184.96 (Canadian) net of distribution to another subcontractor (Rugged Air). Additional claims against Abitibi remain pending, primarily for claims of an MPL subcontractor, MBB Power Services.

The payment defaults by Abitibi and ensuing insolvency proceedings caused extreme financial hardship on the Debtor. Directly or through MPL, the Debtor was owed in excess of $10,000,000 for a period of approximately two years. The Debtor was forced to divert substantial cash from its business operations as it incurred legal expenses both to defend claims and pursue the recovery of funds from Abitibi in the Canadian insolvency proceedings. As a result, the Debtor was unable to pay many of its suppliers and other creditors and was forced to curtail its business operations. Numerous lawsuits were filed against the Debtor by creditors in the United States and Canada. By the time partial payment was received from Abitibi, significant damage to the Debtor's business had occurred.

2. Tate & Lyle Project

In February of 2006, McBurney commenced negotiations with Tate & Lyle Industries, PLC ("Industries"), a corporation based in the United Kingdom. Industries engaged in various agriculturally related businesses, including sugar processing and refining through various

subsidiaries and divisions throughout the world. Industries was interested in certain combustion technologies for use of biomass fuels for steam generation. The negotiations between Industries and the Debtor eventually led to the execution of contracts for two projects, one in Fort Dodge, Iowa, and the other in London, England.

In December 2006, the Debtor and Industries entered into a contract for the United Kingdom project ("UK project") for the design of the boiler system, procurement of equipment, and provision of incidental field consulting and start-up services. The contract specified an initial project "Fixed and Target Cost" of $17,195,430 plus provision for certain jobsite costs and services and start-up services on a time and materials basis.

During the course of the Debtor's performance of the UK project in 2009, Industries ceased making payments of invoices regularly transmitted by the Debtor. By April of 2010, Industries was in default of its payment obligations to the Debtor in the amount of $3,933,449.00. Despite repeated demands for payment of the past due indebtedness, Industries failed to make payment and asserted back charge claims against the Debtor. The Debtor commenced a lawsuit against Industries in the State Court of Gwinnett County, Georgia, which was removed to the United States District Court for the Northern District of Georgia (the "District Court"), styled The McBurney Corporation v. Tate & Lyle Industries, Limited, Civil Action File No. 11-CV-00885-JOF (the "Tate & Lyle Action"). In the Tate & Lyle Action, the Debtor sought to recover more than $3,900,000.00 in damages for breach of contract. The Tate & Lyle Action was still pending on the Petition Date.

3. Other Liabilities

The defaults and nonpayment of sums due from Industries and Abitibi resulted in the Debtor not being able to pay many of its suppliers, and other creditors, in a timely manner. Some of these creditors filed lawsuits to collect the indebtedness owed by the Debtor. With respect to claims against which it had no known defense, the Debtor consented to the entry of judgments that require payment of the debts due over time and, in some instances, in an aggregate amount less than the total indebtedness. Prior to the Petition Date, the Debtor was not been able to satisfy all of the monthly payment obligations set forth in the consent judgments. As of the Petition Date, the principal balance of the judgments ranged from approximately $8,000 to approximately $55,000. One or more of the judgment liens created by entry of these judgments is avoidable because one or more of the judgments were entered against the Debtor within the 90-day period immediately preceding the Petition Date.

The Debtor's cash flow problems also prevented the Debtor from paying its quarterly minimum funding contributions under The McBurney Corporation Defined Benefit Plan and Trust (the "Pension Plan"), which is covered by Title IV of ERISA and was underfunded as of the Petition Date. As of January 1, 2011, the market value of the Pension Plan assets was $282,082. There are currently 67 participants in the Pension Plan, of which 13 are active participants not receiving benefits, 5 are retired participants currently receiving benefits, and 49 are terminated participants with deferred vested benefits. The Pension Plan has been frozen for over 20 years and no additional participants can be added to the Pension Plan. Since the second quarter of 2009, the Debtor has not paid any of the quarterly minimum funding contributions that has come due under the Pension Plan. As a result of this non-payment by the Debtor, certain

excise taxes and fees have accrued, and continue to accrue, on the past due contributions. As of September 15, 2011, the amount of the past due minimum funding contributions was not less than $292,548, excluding excise taxes and other fees. During the 2012 plan year for the Pension Plan, the Debtor is required to make contributions in the amount of $24,966 per quarter on April 15, July 15, October 15, 2012, and January 15, 2013. Any amounts paid by the Debtor will be applied first to the past due contributions.

Chapter IV. THE DEBTOR'S MANAGEMENT

Since the Petition Date, the Debtor's officers and directors have managed the day-to-day operations of the Debtor's business, and they will continue to do so until the Effective Date. From and after the Effective Date, the following Persons will serve as the Debtor's officers and directors:

Officers

President:	Franklin Blakeslee McBurney
Chief Financial Officer:	John Curtis McBurney, Sr.
Secretary:	John Curtis McBurney, Sr.

Board of Directors

Chairman:	Willard B. McBurney
Member:	John Curtis McBurney, Sr.
Member:	Franklin Blakeslee McBurney

Chapter V. THE DEBTOR'S SIGNIFICANT ASSETS AND LIABILITIES

A. The Debtor's Assets

The Debtor derives substantially all of its income from the business activities described above, which include design services, procurement services, construction services, repair services and maintenance services. It rents its headquarters office and owns no real property. The Debtor also has a leasehold interest in a warehouse in Arkansas. The warehouse is owned by the Debtor's employee and is used to store certain miscellaneous items such as tools.

As of the Petition Date, the Debtor's assets had an aggregate book value of approximately $7,439,946, although the fair market value of these assets likely is significantly less. The Debtor's assets consist primarily of the following personal property: claims against Industries and others, accounts receivable, furniture, equipment, inventory, and automobiles.

B. The Debtor's Liabilities

By Order entered July 29, 2011 [Doc. No. 41], the Bankruptcy Court set September 20, 2011, as the deadline for all proofs of claim to be filed against the Debtor in this Case. Based upon the schedules the Debtor filed with the Bankruptcy Court and the proofs of claim filed to

date, pre-petition Claims against the Debtor total approximately $31,401,304.42. The primary pre-petition liabilities that were asserted against the Debtor are as follows:[1]

Claimant	Description of Claim(s)	Approximate Amounts Asserted
Tate and Lyle Industries Limited	Unsecured claim for breach of contract	$8,099,929.82
T&L Sugars Ltd.	Unsecured claim for breach of contract	$6,695,990.00
KODA Energy, LLC	Unsecured claim for damages for breach of contract	$2,820,021.27
International Brotherhood of Boilermakers	Unsecured claim for back pay; $61,545.31 may be entitled to priority treatment	$2,563,331.58
National Labor Relations Board	Unsecured claim for back pay; $61,545.31 may be entitled to priority treatment	$2,563,331.58
Pension Benefit Guaranty Corporation	Unsecured claims for liability under pension plan; at least $12,859.00 may be entitled to priority treatment	$1,322,229.00
Canada Revenue Agency	Unsecured claim for Canadian taxes	$734,861.71
AAF Limited	Unsecured claim based on consent judgment	$405,014.39
Liberty Mutual Insurance Company	Unsecured claim for liability for property loss	$267,303.00
Universal Limited, Inc.	Unsecured claim for services rendered	$265,268.29
De Lage Landen Financial Services, Inc.	Unsecured claim for lease agreement	$213,539.37
Internal Revenue Service	Priority claim for estimated FICA taxes in 2012	$189,000.00
Flatiron Capital	Secured claim for money loaned	$162,884.25
Franklin B. McBurney	Unsecured claim for salary and vacation pay	$116,797.69
Power Consulting Engineers, LLC	Unsecured claim for services rendered	$115,547.80
ePartners, Inc.	Priority claim for outstanding invoices	$89,571.78
Internal Revenue Service	Priority claim for unfiled or unpaid taxes	$84,795.06

1 For the purposes of this Disclosure Statement, the Debtor only lists the pre-petition liabilities that are valued at more than $75,000. A complete list of all proofs of claim filed against the Debtor are available at the Clerk's Office for the United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division. If you have an ECF password, the list of proofs of claim may be assessed at http://ecf.ganb.uscourts.gov.

Claimant	Description of Claim(s)	Approximate Amounts Asserted
Turner Bros. Crane & Rigging, LLC	Unsecured claim for crane rental	$81,750.11
Southern Environmental, Inc.	Unsecured claim for services rendered	$80,799.07
John Zink Company, LLC	Unsecured claim for outstanding invoices	$79,732.96

The Debtor may have defenses, setoffs or counterclaims that would reduce or eliminate the Debtor's liability to some or all of the Claims identified herein. In listing these Claims, the Debtor is not admitting any liability to any of these claimants and is not waiving or releasing any defenses, objections, counterclaims, setoffs, rights or remedies with respect to any of these Claims. The Debtor expressly reserves any and all defenses, objections, counterclaims, setoffs, rights or remedies with respect to each of these Claims.

Chapter VI. PENDING LEGAL ACTIONS

A. Tate & Lyle Litigation

Following the alleged payment defaults by Industries in connection with the UK project, the Debtor commenced the Tate & Lyle Action. The Debtor sought to recover more than $3,900,000.00 in damages from Industries for breach of contract.

In the Tate & Lyle Action, Industries filed motions to dismiss on the basis of a lack of personal jurisdiction and forum non conveniens. The motions to dismiss were still pending on the Petition Date. On August 30, 2011, the District Court denied the motions to dismiss. On October 4, 2011, Industries filed an answer in the Tate & Lyle Action. Industries and T&L Sugars eventually filed a counterclaim against the Debtor in the Tate & Lyle Action, asserting claims for damages in excess of $14,500,000.00.

On January 23, 2012, the Debtor, Industries and T&L Sugars participated in a mediation session as ordered by the District Court (the "Mediation"). The parties were not able to resolve the dispute during the Mediation; however, the parties continued to negotiate a resolution of the Tate & Lyle Action. On April 2, 2012, the Debtor filed a *Motion of Debtor Under Bankruptcy Rule 9019 to Approve Settlement and Compromise and Form of Notice* in the Bankruptcy Case, pursuant to which the Debtor sought entry of an order approving a settlement and compromise with Industries and T&L Sugars. Under the proposed settlement terms, Industries and T&L Sugars would make a one-time payment of $350,000 to the Debtor and withdraw their respective claims against the Debtor, and the Debtor would dismiss the Tate & Lyle Action. A hearing on the proposed settlement among the Debtor, Industries, and T&L Sugars will be held on April 30, 2012.

B. Other Pre-Petition Actions Against the Debtor

As of the Petition Date, any civil litigation filed against the Debtor prior to that date was automatically stayed by operation of law, subject to a possible grant of relief from the automatic stay by the Bankruptcy Court. To the best of the Debtor's knowledge, the following is a list of the litigation commenced against the Debtor within the two (2) year period immediately preceding the Petition Date and may have been pending or threatened as of the Petition Date:2

Caption of Suit/Case Number	Nature of Proceeding	Court or Agency
AAF Limited v. McBurney Corp., Case No. 10-C-10351-S1	Suit on Account for $445,014.49	State Court of Gwinnett County, Georgia
KSB Inc. v. McBurney Corp., Case No. 10-C-12242-S4	Suit for $19,064.48	State Court of Gwinnett County, Georgia
De Lage Financial Services Inc. v. McBurney Corp., Case No. 10-C-09171-S5	Personal property foreclosure	State Court of Gwinnett County, Georgia
De Lage Landen Financial Services Inc. v. McBurney Corp., Case No. 10-C-11802-S2	Suit for $213,539.36	State Court of Gwinnett County, Georgia
KODA Energy LLC	Suit for $1,966,344.90	Minnesota
McNaughton-McKay Southeast Inc. v. McBurney Corp., Case No. 10-C-07242-S1	Suit on account	State Court of Gwinnett County, Georgia
Patton's Inc v. The McBurney Corporation, Case No. 10-C-03554-S2	Contract suit	State Court of Gwinnett County, Georgia
FeedForward Inc. v. The McBurney Corporation, Case No. 10-C-06969-S2	Suit on account	State Court of Gwinnett County, Georgia
Pruce Newman Pipework Ltd. v. McBurney Corp., Case No. 10-C-03219-S2	Suit on account	State Court of Gwinnett County, Georgia
Twin City Clarage Inc. v. McBurney Corp., Case No. 09-C-21831-S4	Contract dispute	State Court of Gwinnett County, Georgia
Rice Lake Contracting Corp. d/b/a Rice Lake Construction Group v. McBurney Corporation of Georgia a/k/a The McBurney Corporation, File No. 09-2619	Breach of subcontract	Fourth Judicial District Court of Hennepin County, Minnesota

2 Some of the identified suits were resolved prior to the Petition Date. Resolution includes, but is not limited to, the entry of judgments against the Debtor.

Caption of Suit/Case Number	Nature of Proceeding	Court or Agency
(rhk/rle)		
Sihi Pymps Inc. v. McBurney Corp., Case No. 10-C-02899-S3	Suit on account	State Court of Gwinnett County, Georgia
Crane Environmental Inc. v. McBurney Corp., Case No. 10-C-13080-S3	Contract suit	State Court of Gwinnett County, Georgia
Joseph T. Ryerson & Son Inc. v. McBurney Corp., Case No. 10-C-16345-S2	Suit on Account	State Court of Gwinnett County, Georgia
Interstate Nationalease Inc. v. McBurney Corp., Case No. 10-M-16224	Small claims	Magistrate Court of Gwinnett County, Georgia
McBurney Corp. v. Tate & Lyle Industries, Case No. 11-C-01256-S2	Contract	State Court of Gwinnett County, Georgia
Custom Instrumentation Services Corporation v. The McBurney Corporation, Civil Action No. 11-C-03596-1	Suit on open account, for breach of contract and for unjust enrichment	State Court of Gwinnett County, Georgia
Bobbi A. Miles v. The McBurney Corporation, et al., Index No. 5624/2006	Wrongful death suit	Supreme Court of the State of New York, Duchess County
Rugged Air Systems Ltd. v. The McBurney Corporation, File No. CV-10-0249	Non-payment for services provided	Superior Court of Justice, Ontario
Merck Co., Inc. v. McBurney Corporation, et al.		Superior court for Union County, New Jersey
Woodbridge Constructors Inc. v. The McBurney Corporation, File No. CV-09-0074	Breach of contract	Superior Court of Justice, Ontario
Bank of the West, as Assignee of CIT Technology Financing Services, Inc. v. The McBurney Corporation, Civil Action No. 11-C-03268-3	Breach of contract	State Court of Gwinnett County, Georgia
Lyon Financial Services, Inc. d/b/a U.S. Bancorp Business Equipment Finance Group v. The McBurney Corporation, Civil Action No. 10-C-10830-2	Breach of contract	State Court of Gwinnett County, Georgia
McBurney Corp. v. Tate & Lyle Industries, Case No. 11 cv-00885-JOF	Contract	U.S. District Court of the Northern District of Georgia, Atlanta

Caption of Suit/Case Number	Nature of Proceeding	Court or Agency
		Division
Avis Rent A Car System, LLC v. The McBurney Corporation, Case No. 11C-05590-6	Suit for Money Damages	State Court of Gwinnett County, Georgia
Dwight W. Prouty Co., Inc. v. The McBurney Corporation, Civil Action No. 11-C-04652-6	Suit on account	State Court of Gwinnett County, Georgia
Phoenix Limited, LLC v. Bunge North America, Inc., et al., Case No. 2009-L-9	Action to subordinate lien	circuit Court of the First Judicial Circuit Alexander County, Illinois
In re AbitibiBowater Inc.	Outstanding claim owed by AbitibiBowater to the Debtor	Canada
Macawber Engineering, Inc. v. The McBurney Corporation, Case No. 11-075	Suit on account	Chancery Court for Blount County, Tennessee
Liberty International Underwriters (LIU) on behalf of Telogia Power against The McBurney Corporation	Damage relating to air heater tubes	No suit filed
Control International, Inc. v. the McBurney Corporation, Cause No. JC1000302N	Suit on account	Justice Court for Precinct 3 Place 3, Dallas County , Texas

Historically, the Debtor defended each of the cases filed against it. However, as a result of the filing of the Chapter 11 case, the Debtor believes that any litigation that was pending against it on the Petition Date is stayed unless and until otherwise ordered by the Bankruptcy Court. The Debtor intends to object to any Claims arising out of or related to any litigation commenced against it. The Debtor's exposure, if any, to an award of damages in these cases is not susceptible to an accurate determination at this time.

C. Potential Estate Causes of Action

As discussed below, the Debtor is in the process of investigating potential Estate Causes of Action it might have for, among other things, preferences and fraudulent conveyances. The Debtor has not completed its investigation and has not commenced any actions on potential Claims since the Petition Date. Under the terms of the Plan, the Debtor will continue its investigation and would commence actions on those Claims that the Debtor, in its sole discretion, determines should be pursued. Any recovery from these actions will be distributed in accordance with the terms of the Plan, if confirmed by the Bankruptcy Court.

Chapter VII. POTENTIAL CLAIMS BY AND AGAINST THE DEBTOR

There are a number of potential claims that may be asserted in this Bankruptcy Case or following confirmation of the Plan, either by the Debtor against insiders (including officers, directors, and affiliated entities) or third parties or against the Debtor by third parties. Also, legal and accounting firms who provided services pre-petition to the Debtor may be subject to suit by the Debtor. These potential claims are discussed briefly below.

In addition, if the Reorganized Debtor determines that state or federal criminal laws may have been violated, the Reorganized Debtor may refer these matters to the appropriate government authorities. If, in investigating potential claims, the Reorganized Debtor discovers possible instances of tax or bank fraud, the Reorganized Debtor may refer the matter to the appropriate federal and state authorities.

A. Claims by the Debtor

Upon completion of their investigation, the Debtor or the Reorganized Debtor may conclude that Estate Causes of Action exist against a number of Persons, including (i) one or more officers, directors, insiders or related or affiliated entities for, among other things, Avoidance Claims (including, without limitation, preferences and fraudulent conveyances), diversion of corporate assets, breach of fiduciary duties, mismanagement and other tortious or wrongful conduct, (ii) legal and accounting firms for pre-petition professional malpractice, (iii) unrelated third parties for Avoidance Claims (including, without limitation, preferences and fraudulent conveyances) and other actionable conduct, and (iv) against third parties for amounts owed for goods, loans, or services rendered.

The Debtor is continuing to identify and evaluate the basis for and the wisdom of pursuing any claims on behalf of the Estate. Under the terms of the Plan, the Debtor is authorized to decide whether to assert these claims and, if so, to initiate the proceedings to pursue these claims and to compromise or otherwise settle the claims as provided in the Plan. The Debtor may determine that there are no such claims in favor of the Estate or, if so, that the cost of pursuing these claims is greater than the benefit of obtaining a judgment.

The Plan states that, except as expressly provided in Section 10.6 of the Plan, the Reorganized Debtor retains all Causes of Action accruing to it and the Estate (including all Estate Causes of Action), all rights of setoff, and all other legal and equitable claims or defenses for the benefit of the beneficiaries under the Plan. Such possible Causes of Action include possible Avoidance Claims against (a) Persons who were paid or received the benefit of payments or other transfers of value made by the Debtor within 90 days prior to the Petition Date for goods and services previously provided; (b) insiders of the Debtor who were paid or received the benefit of payments or other transfers of value made by the Debtor within one year prior to the Petition Date for goods or services previously provided; (c) Persons who were paid or received the benefit of payments or other transfers of value made by the Debtor within four years (or such longer reachback period as may be effective under applicable law) prior to the Petition Date who did not provide reasonably equivalent value for the consideration provided to them; (d) Persons who were paid or received the benefit of payments or other transfers of value made with the intent to hinder, delay, or defraud the Debtor's creditors; and (e) Persons who were paid or

received the benefit of payments or other transfers of value from the Debtor after the Petition Date without Bankruptcy Court authorization. **Without limiting the generality of the foregoing, the Persons listed on Exhibit C are insiders, professionals and other individuals or entities whose pre-petition acts or omissions or whose receipt of pre-petition or post-petition transfers of property of the Debtor may be the subject of investigations by the Debtor or the Reorganized Debtor as to the existence of potential Estate Causes of Action.**

The inclusion of a Person's name on Exhibit C is not an expression of opinion or representation as to the nature, extent or merit of any claim or claims that may be held by the Debtor against such Person. However, all Persons identified in this Disclosure Statement by category or name should understand that all claims against them held by the Debtor are preserved and may be asserted following confirmation and the Effective Date of the Plan. Furthermore, this list of Persons is not intended, and shall not be construed, as an exhaustive list of all Persons against whom the Debtor may have claims. The failure of the Debtor to include any Person on this list is not intended, and shall not be construed, as a waiver, discharge or release of any claims the Debtor may have against any Person not identified on this list. The Debtor intends to preserve, and expressly reserves, all claims, rights and remedies, if any, the Debtor may have against any and all Persons for the benefit of its Estate and creditors.

It is anticipated that many of the Estate Causes of Action, if asserted, will be vigorously defended by the defendants.

1. Claim Against Insiders.

As part of its duties under the Bankruptcy Code, the Debtor will investigate whether there are any possible claims against the principal members of the Debtor's present and former officers, directors and other management personnel. To the extent there are any such claims, the claims held by the Debtor are preserved for the benefit of the Estate under the Plan.

2. Professional Liability.

To assist the Debtor in the operation of its business prior to the Petition Date, the Debtor retained a number of attorneys, accounting and other professional firms. Any and all claims held by the Debtor against any professional persons employed, retained, or consulted by the Debtor are preserved for the benefit of the Debtor's creditors under the Plan, whether or not the attorneys, accountants, or other professional persons are identified by name in this Disclosure Statement.

Under state law, attorneys, accountants and other professionals generally have a duty to use such skill, prudence and diligence as a professional of ordinary skill and capacity would commonly possess and exercise in performance of all of the tasks they undertake. If an attorney, accountant or other professional breaches this duty and the client suffers damages as a result, the client would have a claim against the attorney or accountant for professional malpractice. In addition, this duty to exercise care also may extend to certain third parties who relied upon the services and functions performed by the attorneys and accountants that the Debtor retained. The Debtor has not determined whether there may be a basis for asserting claims against some or all of the legal, accounting or other professional firms that rendered services for the Debtor, and the

Debtor is continuing to evaluate these potential claims. The Debtor will continue and complete this process.

3. Insurance Claims.

The Debtor is investigating claims that might be asserted under any policies of insurance issued to, for the benefit of, or paid for by the Debtor. All claims held by the Debtor against any insurance company, insurance agent or insurance broker, or under any insurance policy issued to, for the benefit of, or paid for by the Debtor, are preserved for the benefit of the Debtor's creditors under the Plan, whether or not such insurance company, insurance agent, insurance broker, or insurance policy is identified by name in this Disclosure Statement.

4. Piercing Corporate Veil.

Certain claims of the Debtor for the benefit of the Debtor's creditors, including some of the claims described in this Disclosure Statement and accounts receivable and other ordinary course of business claims, may be against corporate or limited partnership entities. In some instances, further investigation may reveal that there may be a basis for the Debtor to "pierce the corporate veil" to hold the shareholders and controlling persons of these corporations liable for the indebtedness owed to the Debtor.

5. Preferences and Fraudulent Conveyances.

During the year preceding the Debtor's bankruptcy filing, there were transfers of the Debtor's assets, including payments made on account of antecedent debts, that the Bankruptcy Court may adjudge to be preferences or fraudulent conveyances under Sections 544, 547, 548 or 550 of the Bankruptcy Code. There may also have been post-petition transfers that could be avoided under Section 549 of the Bankruptcy Code, but the Debtor is presently unaware of any such transfers. Some preferential or fraudulent transfers may have been made to insiders or related entities of the Debtor.

The Bankruptcy Court may determine that some of the payments or other transfers by the Debtor constitute voidable preferences. Under Section 547 of the Bankruptcy Code, a debtor can avoid any transfer of an interest in its property if the transfer (i) was made to or for the benefit of a creditor, (ii) was for or on account of an antecedent debt owed by the debtor, (iii) was made while the debtor was insolvent, (iv) was made on or within ninety (90) days before the date the debtor filed for bankruptcy relief (or for an insider of the debtor within one (1) year of the debtor's bankruptcy filing) and (v) enables the creditor to receive more than that creditor would receive in a Chapter 7 liquidation of the debtor. If the Bankruptcy Court concludes that a payment or other transfer of the debtor's assets was a preference under Section 547, these assets (or their value) must be returned to the debtor's bankruptcy estate. The creditor receiving the preference would have a claim against the debtor in the amount the creditor was required to return to the debtor's bankruptcy estate.

The Bankruptcy Court also may conclude that some transfers of the Debtor's assets constitute fraudulent conveyances. Under Section 548 of the Bankruptcy Code, a debtor can avoid as a fraudulent transfer any transfer of an interest in its property, or any obligation incurred by the debtor, that was made or incurred within two (2) years of the debtor's bankruptcy filing if

(i) the debtor made the transfer or incurred the obligation with the actual intent to hinder, delay or defraud its creditors, or (ii) the transfer or obligation the debtor received was for less than a reasonably equivalent value and

- the debtor was insolvent on the date that the transfer was made or the obligation was incurred (or became insolvent as a result of the transfer or obligation);
- the debtor was engaged in a business or transaction, or was about to engage in a business or a transaction, for which the debtor was unreasonably undercapitalized; or
- the debtor intended to incur, or believed that it would incur, debts that would be beyond its ability to pay as these debts matured.

If the Bankruptcy Court concludes that a transfer was fraudulent, the transaction will be voided, and the assets transferred (or their value as determined by the Bankruptcy Court) must be returned to the Debtor's bankruptcy estate. All such claims held by the Debtor are preserved for the benefit of the Debtor's creditors under the Plan.

B. Claims Against the Debtor

Creditors and others may assert a variety of Claims against the Debtor. The Debtor is not aware of any Claims against the Debtor other than those identified in the Debtor's schedules with the Bankruptcy Court, those Claims now on file with the Bankruptcy Court as proofs of claims and those discussed in this Disclosure Statement. The bar date for filing proofs of claim against the Debtor was September 20, 2011. The Debtor and the Reorganized Debtor have the right under the Plan to object to or seek equitable subordination of any Claim.

Chapter VIII. SIGNIFICANT POST-PETITION DEVELOPMENTS

A. First Day Relief

As noted above, the Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court on July 15, 2011. On the Petition Date, the Debtor filed a number of motions (the "First Day Motions") intended to provide the Debtor with a smooth transition into Chapter 11, minimize disruptions and maintain the confidence and support of employees, and ensure compliance with state and federal obligations. Certain of those motions are described below.

1. Employee Wages and Benefits

On the Petition Date, the Debtor's workforce included approximately 44 part-time, full-time, and salaried employees (including some officers) and three independent contractors. The Debtor also used McBurney California to employ construction workers on an as-needed basis for projects across the country. These employees, independent contractors and construction workers were essential to the Debtor's efforts to restructure and reorganize its operations in this Chapter 11 Case. Therefore, the Debtor moved for and obtained authorization to, among other things, (i)

pay certain wages, salaries and vacation pay; (ii) reimburse certain business expenses; (iii) pay contributions to and benefits under employee benefit plans; and (iv) make certain third-party payments for which payroll deductions were made prior to the Petition Date.

2. Utility Motion

As of the Petition Date, the Debtor was provided with water, electricity, gas, local and long-distance telephone, and other similar services (collectively the "Utility Services") from six companies in Georgia and Alabama (collectively the "Utility Companies"). Such Utility Services were vital to maintaining and servicing the Debtor's headquarters. Therefore, the Debtor moved for and obtained an order from the Bankruptcy Court prohibiting the Utility Companies from discontinuing, altering or refusing to provide Utility Services to the Debtor on account of unpaid pre-petition invoices. The Debtor also requested and received approval of certain procedures for the Utility Companies to obtain "adequate assurance of future payment" in accordance with Section 366 of the Bankruptcy Code.

3. Cash Management Motion

As of the Petition Date, the Debtor utilized a centralized cash management system for its day-to-day operations. The cash management system provided a well-established means for collection, concentration, management and distribution of funds used in the Debtor's daily operations. In order to ensure as few disruptions as possible to its day-to-day operations, the Debtor sought and obtained authorization to maintain and use its bank accounts as they existed on the Petition Date. The Debtor also obtained authority to continue to use its existing stock of pre-printed checks, business forms and stationary without reference to the Debtor's status as a debtor in possession.

4. Cash Collateral Motion

As of the Petition Date, there were three unsatisfied judgments against the Debtor totaling $90,609.82. Because one or more the judgments may have been valid and unavoidable liens against the Debtor's personal property, the Debtor moved for and obtain authorization to use the proceeds of certain personal property. To the extent that a valid and unavoidable judgment lien existed, each judgment creditor was entitled to adequate protection on account of the Debtor's use of proceeds of the personal property and any diminution in value arising out of the Debtor's use, sale, lease, or disposition of the personal property. On August 17, 2011, the Bankruptcy Court entered a final order authorizing the Debtor to use cash collateral and granting certain judgment creditors with a continuing replacement lien in and upon all parts, tools, equipment and inventory acquired by the Debtor after the Petition Date.

B. Case Administration and Related Activities

1. Appointment of the Creditors' Committee

On July 28, 2011, the United States Trustee (the "US Trustee") appointed an official committee of unsecured creditors (the "Committee"). The members of the Committee were:

Industrial Screw Conveyors, Inc.
4133 Conveyor Drive
Burleson, TX 76028

Crawley Corp., d/b/a Macawber Engineering, Inc.
1829 Clydesdale Street
Maryville, TN 37801

Universal Limited, Inc.
PO Box 610097
Birmingham, AL 35261-0097

The Committee has not been actively involved in the Debtor's bankruptcy case. According to representations made by the US Trustee, the Committee has been or will be disbanded.

2. Establishment of a Bar Date

By Order entered July 29, 2011 [Doc. No. 41], the Bankruptcy Court established September 20, 2011 (the "Bar Date"), as the date by which all Claims must have been filed in order to receive a Distribution in the Case. Approximately 109 claims were filed against the Debtor before the Bar Date. The Debtor is currently in the process of reviewing and reconciling the proofs of claim filed against the Debtor.

By Order entered October 27, 2011 [Doc. No. 109], the Bankruptcy Court extended the deadline to file proofs of claim through November 30, 2011, as to the National Labor Relations Board (the "NLRB") and the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers Helpers, AFL-CIO (the "Union"). The NLRB and the Union each filed claims in excess of $1 million.

3. Schedules and Statement of Financial Affairs

On July 27, 2011, the Debtor filed its schedules of assets and liabilities (the "Schedules") and statement of financial affairs (the "SOFA") with the Bankruptcy Court, identifying the assets and liabilities of its estate. Certain of the Schedules and the SOFA were amended on October 26, 2011. Additional amendments to the Schedules and the SOFA may be filed.

4. Exclusivity

Under Section 1121 of the Bankruptcy Code, a debtor has the exclusive right to (i) file a plan of reorganization during the first 120 days of its Chapter 11 case and (ii) solicit acceptances of the plan during the first 180 days of the case. These periods (the "Exclusive Periods") may be extended for cause. The Debtor has sought and obtained several extensions of the Exclusive Periods. Currently, the Debtor has until March 30, 2012, to file a plan and until May 31, 2012, to solicit acceptances of the plan.

C. Matters Relating to Business Operations

1. Sonoco Agreement

The Debtor requested and obtained authority to enter into an agreement with Sonoco Products Company ("Sonoco"). Under the terms of the agreement with Sonoco, the Debtor will design and construct a biomass fired renewable energy facility in Hartsville, South Carolina. This project will take approximately two years to complete.

2. Amended Lease Agreement

The Debtor requested and obtained authority to amend the lease agreement with SVN Gwinnett Park, LLC ("Landlord") and to assume the lease as amended. Under the terms of the amended lease, the Debtor's monthly rent obligations have been reduced by over $3,000 per month for a period of 24 months and the Debtor will not be responsible for any portion of operating expenses, insurance premiums or real estate taxes. The term of the lease was also extended to November 30, 2021.

D. Relief Requested By Creditors

1. Flatiron Capital

On August 23, 2011, Flatiron Capital, a division of Wells Fargo Bank, N.A. ("Flatiron Capital") filed a motion requesting adequate protection of its interests under certain insurance policies. By Stipulation and Consent Order entered on September 9, 2011 [Doc. No. 76], the Debtor was authorized to make monthly cash payments to Flatiron as adequate protection.

2. CISCO

On September 12, 2011, Custom Instrumentation Services Corporation ("CISCO") filed a motion requesting modification of the automatic stay to enable CISCO to continue certain litigation against the Debtor's officers. By Order dated October 17, 2011, the Bankruptcy Court acknowledged that the automatic stay did not apply to non-debtors and preserved the Debtor's right to object to any claim filed against it by CISCO.

3. Colonial Pacific

On September 26, 2011, Colonial Pacific Leasing Corporation ("Colonial Pacific") filed a motion requesting, among other things, entry of an order compelling the Debtor to perform under a certain master lease agreement or to assume or reject the master lease agreement. The master lease agreement provided for the lease of certain vehicles to the Debtor. By Consent Order dated November 1, 2011, the Debtor was authorized to make certain monthly payments to Colonial Pacific for the use of the vehicles.

4. DeLage Landen Financial Services, Inc.

On January 11, 2012, DeLage Landen Financial Services, Inc. ("DeLage") filed a motion to compel the Debtor to assume or reject certain agreements with DeLage regarding certain

payroll and management software products. By Consent Order dated February 28, 2012, agreements between DeLage and the Debtor were rejected.

D. Significant Litigation

1. Tate & Lyle Action

As of the Petition Date, the Tate & Lyle Action was pending in the District Court. On November 18, 2011, the Bankruptcy Court entered an Order (the "Stay Relief Order"), pursuant to which Industries and T&L Sugars, Ltd. ("T&L Sugars") were granted limited relief from the automatic stay under 11 U.S.C. § 362 to proceed with mediation and exchange information as contemplated in an order entered by the District Court on November 10, 2011. The Stay Relief Order did not authorize either Industries or T&L Sugars to pursue claims or counterclaims against the Debtor in the Tate & Lyle Action. On November 30, 2011, Industries filed a counterclaim against the Debtor in the Tate & Lyle Action and T&L Sugars attempted to intervene in the Tate & Lyle Action (without Bankruptcy Court or District Court approval) by asserting certain claims against the Debtor.

On January 23, 2012, the Debtor, Industries and T&L Sugars participated in a mediation session. The parties were not able to resolve their claims during the mediation session. Nevertheless, the parties continued to negotiate a possible settlement of their claims. A *Motion of Debtor Under Bankruptcy Rule 9019 to Approve Settlement and Compromise and Form of Notice* is currently pending before the Bankruptcy Court, pursuant to which the Debtor seeks entry of an order approving a settlement and compromise with Industries and T&L Sugars. Under the proposed settlement terms, Industries and T&L Sugars would make a one-time payment of $350,000 to the Debtor and withdraw their respective claims against the Debtor, and the Debtor would dismiss the Tate & Lyle Action.

2. The Avoidance Actions

The Debtor's estate includes, among other things, potential causes of action to (i) avoid pre-petition transfers under Section 544, 547, and 548 of the Bankruptcy Code, (ii) avoid unauthorized post-petition transfers under Section 549 of the Bankruptcy Code, and (iii) recover those transfers under Section 550 of the Bankruptcy Code. The Debtor is in the process of reviewing its books and records to determine if it would be in the best interests of its estate to pursue certain additional Causes of Action seeking the return of various pre- and post-petition transfers to third parties. Upon completion of such analysis, the Debtor will file suit as is appropriate.

Chapter IX. SUMMARY OF THE PLAN

This part of the Disclosure Statement summarizes the provisions of the Plan. The Plan, if confirmed by the Bankruptcy Court, will be binding on the Debtor and its creditors and interest holders. This Disclosure Statement does not constitute, or change the provisions of, the Plan. If there are any discrepancies between the Plan and the following summary of the Plan, the Plan will control. Therefore, creditors are urged to review carefully all of the provisions of the Plan for the full details of the proposed treatment of Claims against and Equity Interests in the Debtor

and are further urged to consult counsel to fully understand the Plan. A copy of the Plan is attached to this Disclosure Statement as Exhibit A.

A. Overview of the Plan

The purpose of the Plan is to implement the Debtor's restructuring based on a capital structure that can be supported by cash flow from the operation of the Debtor's business. The Debtor believes that the reorganization contemplated by the Plan is in the best interests of the holders of Allowed Claims. If the Plan is not confirmed, the Debtor believes that it will be forced to either file an alternate plan of reorganization or liquidate under Chapter 7 of the Bankruptcy Code. In either event, the Debtor believes that the holders of Allowed Claims would realize a less favorable distribution of value, or, in certain cases, none at all, for their Claims. See the Liquidation Analysis attached hereto as Exhibit B.

The Plan will be funded by the net proceeds (after normal and reasonable operational expenses) of the Debtor's business operations, the Equity Contribution, and the net proceeds, if any, received (after reasonable attorneys' fees and expenses) from the resolution of the Tate & Lyle Action. All funds available for distribution under the Plan will be used to pay the outstanding Allowed Claims against the Debtor in accordance with the classifications and order of priority of these Claims under the Plan. These classes of Claims are listed in the Plan. Prior to the payment of any General Unsecured Claims, the Plan provides for the payment of Administrative Claims and thereafter Priority Claims. In addition, Secured Claims are paid either from an abandonment of the Collateral securing such Secured Claims or cash in the amount of the Secured Claim. The Claims filed by the PBGC will be resolved as provided herein. Holders of Convenience Claims will receive thirty percent (30%) of their Convenience Claim in full satisfaction of such Claim. General Unsecured Claims are entitled to pro rata treatment and shall receive periodic payments over a maximum period of four (4) years. The Intercompany Claims will be deemed withdrawn as of the Effective Date and shall not receive any Distributions under the Plan. The Debtor does not anticipate any Distribution will be available to Holders of Equity Interests in Class G (Equity Interests). The Plan provides that all Equity Interests will be canceled, without prejudice to the right of the Holders of such interests to receive a Distribution, if any is made, under the Plan on account of such Equity Interests. If there are insufficient funds to pay Allowed Claims or Equity Interests in a particular Class in full, available funds will be distributed pro rata among the members of that Class.

Reserves will be established for the payment of Disputed Claims to the extent required in the Plan. As part of its duties, the Debtor will evaluate and contest Claims and Equity Interests (if necessary) asserted against the Debtor when, in its judgment and based on all of the circumstances, the Debtor concludes that the Claim or Equity Interest should be contested. Other parties in interest also are entitled to object to and otherwise challenge Claims asserted against and Equity Interests asserted in the Debtor.

Unless otherwise provided in the Plan, the initial Distribution to the Debtor's creditors under the Plan will be made on the Initial Distribution Date, which will be within thirty (30) days after the Effective Date. The Effective Date will occur after, and only after, each of the following conditions precedent have been met, unless otherwise waived by the Debtor: (a) the Confirmation Order has been entered, is in full force and effect, and is not stayed by order of a

court of competent jurisdiction; (b) no order of a court has been entered that remains effective that restrains the Debtor from implementing or consummating the Plan; (c) the Debtor has determined that it has sufficient Cash on hand to pay all amounts that are required to be Paid in Full and in Cash on the Effective Date; and (d) all authorizations, consents and regulatory approvals required, if any, in connection with the Plan's effectiveness have been obtained.

B. Classification and Treatment of Claims under the Plan

1. Payment and Treatment of Priority Claims

Under the Bankruptcy Code, Administrative Claims, Priority Tax Claims and Priority Non-Tax Claims are all entitled to priority over the other Claims asserted against the Debtor. These Claims are unimpaired under the Plan. Under Section 1124 of the Bankruptcy Code, a class of Claims is impaired under a plan unless, with respect to each Claim of such class, (i) the plan leaves unaltered the legal, equitable, and contractual rights to which such Claim entitles the Holder of such Claim; or (ii) all defaults are cured, the original maturity of the Claim is reinstated, and the Claim is otherwise treated as provided in clause (i).

a. Administrative Claims

Administrative Claims under Section 503(b) of the Bankruptcy Code are Claims for the actual and necessary costs of preserving the Debtor's bankruptcy estate and are entitled to priority under Section 507(a)(2) of the Bankruptcy Code. The Bankruptcy Court has authorized the Debtor to retain attorneys to assist it during the course of the Case. Pursuant to Section 330 of the Bankruptcy Code, the Bankruptcy Court may authorize the Debtor to pay these professionals for the services they perform, and, pursuant to Section 503(b)(1) of the Bankruptcy Code, the Claims of these professionals for payment constitute Administrative Claims. Also included among the Claims in this Class are any Claims of post-petition trade creditors (if any) pursuant to the various trade agreements between the Debtor and these trade creditors.

Furthermore, if the Debtor untimely rejects an unexpired lease or executory contract that had not previously been assumed and the Estate received a post-petition benefit under this contract, the other party to this contract or lease may assert an Administrative Claim. In accordance with Section 7.1 of the Plan, except as set forth in any contract, instrument, release, indenture or other agreement or document entered into in connection with the Plan, each executory contract and unexpired lease to which the Debtor is a party shall be deemed assumed, unless such contract or lease (i) was assumed or rejected by the Debtor prior to the Effective Date, (ii) expired or terminated pursuant to its own terms prior to the Effective Date, or (iii) is identified in a schedule of executory contracts or unexpired leases to be rejected, which schedule will be filed no later than one (1) Business Day before the Confirmation Hearing. The Debtor reserves the right to change its election with respect to the acceptance or rejection of any executory contract or lease at any time prior to the Effective Date.

With respect to any executory contract or unexpired lease rejected by the Debtor, if the rejection by the Debtor (pursuant to the Plan or otherwise) of such executory contract or unexpired lease results in a Claim, then such Claim will be forever barred and will not be enforceable against the Debtor or the Estate, or with respect to any Estate Property, unless a

proof of claim is filed with the Bankruptcy Court on or before the Bar Date or, if after the Effective Date, within thirty (30) days after service of the later of (a) notice of the Confirmation Order or (b) other notice that the executory contract or unexpired lease has been rejected.

In specifying the treatment of the Administrative Claims, the Plan distinguishes between non-ordinary course Administrative Claims and ordinary course Administrative Claims. Any Person who asserts an Administrative Claim that arises before the Confirmation Date, including Claims under Section 503(b)(2)-(5) of the Bankruptcy Code, but excluding Claims of Professional Persons for the payment of Professional Compensation and Claims described in Section 3.2 of the Plan, must, on or before the Administrative Claim Bar Date, file an application with the Bankruptcy Court for allowance of such Claim as an Administrative Claim specifying the amount of and basis for such Claim; provided, however, that applicants who have filed an application with the Bankruptcy Court before the Administrative Claim Bar Date need not file a new application. Failure to file a timely application for allowance will bar a claimant from seeking recovery on such Administrative Claim. The Debtor will have sixty (60) days from the Effective Date (or such longer period as may be allowed by order of the Bankruptcy Court) to review and object to any such Administrative Claims. Administrative Claims that are allowed under applicable provisions of the Bankruptcy Code will be paid, in full, in single cash payments on the later to occur of the Effective Date or thirty (30) days following entry of a Final Order by the Bankruptcy Court allowing the Claim, unless the Holder agrees in writing to a different treatment of such Administrative Claim.

All Debtor Professional Persons asserting entitlement to Debtor Professional Compensation for services rendered to the Debtor must file and serve on the Debtor and the United States Trustee an application for final allowance of such Debtor Professional Compensation not later than sixty (60) days after the Effective Date. Such application may include requests for Debtor Professional Compensation for services rendered or expenses incurred prior to the Effective Date or thereafter in connection with any applications for allowance of Debtor Professional Compensation pending on or filed after the Effective Date, including responding to or otherwise addressing any objections to such Debtor Professional Compensation. All such Debtor Professional Compensation, when and if so awarded, will be paid, in full, in single Cash payments within thirty (30) days following the date on which the order by the Bankruptcy Court allowing the Debtor Professional Compensation becomes a Final Order, unless the party entitled to payment thereof agrees in writing to a different and less favorable treatment thereof. Debtor Professional Persons who are required to file and serve applications for final allowance of their Claims for Debtor Professional Compensation and who do not file and serve such applications by the deadline required in the Plan will be forever barred from asserting such Claims for Debtor Professional Compensation against the Debtor. Objections to any Claim for Debtor Professional Compensation must be filed and served on the Debtor, the United States Trustee, and the Debtor Professional Person asserting the Claim for Debtor Professional Compensation not later than thirty (30) days (or such longer period as may be allowed by order of the Bankruptcy Court) after the date on which an application for allowance of such Claim for Debtor Professional Compensation was served.

As for Administrative Claims incurred in the ordinary course of the operation of the Debtor or administration of the Estate during the pendency of the Case, the Debtor may satisfy such administrative expenses by means of the Debtor's payment or performance of the

obligations in accordance with the terms and conditions of the agreement or applicable law giving rise to such obligations; provided, however, that the Debtor's failure to pay or perform such obligations will not relieve the Holder of such Claim from the requirement to file and serve before the Administrative Claim Bar Date an application with the Bankruptcy Court for allowance of such Claim as an Administrative Claim.

All fees due the United States Trustee under the Bankruptcy Code are to be paid in the ordinary course, and the United States Trustee will not be required to file a proof of claim or application to recover those fees.

b. Priority Tax Claims

Tax Claims under Section 507(a)(8) of the Bankruptcy Code are entitled to priority. The taxes entitled to such priority include (i) taxes on income or gross receipts that meet the requirements set forth in Section 507(a)(8)(A); (ii) property taxes meeting the requirements of Section 507(a)(8)(B); (iii) taxes that were required to be collected or withheld by the Debtor and for which the Debtor is liable in any capacity as described in Section 507(a)(8)(C); (iv) employment taxes on wages, salaries or commissions that are entitled to priority pursuant to Section 507(a)(4), to the extent that such taxes also meet the requirements of Section 507(a)(8)(D); and (v) pre-petition penalties related to any of the foregoing Priority Tax Claims to the extent that these penalties are compensation for actual pecuniary loss as provided for in Section 507(a)(8)(G). Except as otherwise provided in the Plan and unless the Holder of the Claim agrees to a different treatment, each Holder of an allowed Priority Tax Claim will receive cash from the Debtor in the amount of the Claim on the later to occur of the Effective Date or thirty (30) days after the date on which such Priority Tax Claim becomes an Allowed Claim.

The Holder of the IRS Claim shall receive, in full satisfaction of such Claim, forty-eight (48) monthly payments of $1,867.00 each, beginning on the first (1st) day of the month immediately following the Effective Date, and continuing thereafter on the first (1st) day of each calendar month thereafter. During the repayment period set forth herein, the Debtor must remain in compliance with its obligations to the IRS by timely filing returns (or extensions thereof) and making federal tax deposits when due. If the Debtor defaults in its obligations to the IRS or the Holder of the IRS Claim, the Debtor shall have thirty (30) days to cure such default following receipt of written notice from the IRS or the Holder of the IRS Claim stating that a default has occurred.

c. Class A (Priority Non-Tax Claims)

Class A consists of all Priority Claims other than Administrative Claims and Priority Tax Claims. These Claims are entitled to priority under Section 507(a) of the Bankruptcy Code and include the following: (i) Unsecured Claims for wages, salaries or commissions as described in and limited by Section 507(a)(4); and (ii) Unsecured Claims for contributions to an employee benefit plan as described in and limited by Section 507(a)(5). The Holder of an allowed Priority Claim in Class A is entitled to receive Cash on the Initial Distribution Date in the allowed amount of such Claim, unless the Holder consents to a different treatment.

2. Classification and Treatment of Non-Priority Claims

The remaining Classes of Claims under the Plan (Classes B through G) are not entitled to priority under the Bankruptcy Code. The Claims in Class B (Secured Claims) are unimpaired. The Claims in Class C (PBGC Claims), Class D (Convenience Claims), Class E (General Unsecured Claims), Class F (Intercompany Claims), and the Equity Interests in Class G (Equity Interests) are all impaired. The Holders of Claims or Equity Interests in these impaired Classes will receive Distributions set forth in the Plan (if any) in complete satisfaction of all Claims against and Equity Interests in the Debtor and, except as expressly set forth in the Plan, will have no other rights or remedies against the Debtor or any of its assets. Based on the Debtor's estimates, the Holders of Equity Interests are not going to receive any Distribution under the Plan. As discussed above, however, the Plan does not in any way restrict or impair the rights of the Debtor's creditors or interest holders to pursue whatever Claims they may have arising from the activities of the Debtor and its related entities against persons or property other than the Debtor and its assets.

a. Class B (Secured Claims)

Class B will consist of all Allowed Claims that are Secured Claims. Unless the Holder of such Claim agrees in writing with the Debtor to different treatment, each Holder of an Allowed Claim in Class B will receive, on account of such Claim and in full satisfaction thereof, either (at the Debtor's option) (a) abandonment from the Estate of the collateral securing such Claim or (b) Cash in the allowed amount of such Claim (including any interest on such Claim that the Bankruptcy Court determines is required to be paid to such Holder pursuant to Section 506(b) of the Bankruptcy Code) until such Allowed Class B Claim is Paid in Full. Distributions on account of a Claim in Class B shall be made on the later to occur of (a) the Initial Distribution Date or (b) thirty (30) days after the date on which such Claim becomes an Allowed Claim.

With respect to the Claim filed by McNaughton-McKay SE Inc. and in full satisfaction thereof, the Debtor has elected to pay McNaughton-McKay SE Inc. the principal amount of its Claim, plus accrued interest, on the earlier to occur of (i) sixty (60) days after entry of the Confirmation Order or (ii) the Effective Date.

b. Class C (PBGC Claims)

Unless the PBGC agrees otherwise in writing to a different treatment with the Reorganized Debtor, the Reorganized Debtor shall satisfy the minimum funding standard requirements under 26 U.S.C. §§ 412 and 430 and 29 U.S.C. §§ 1082 and 1083, shall be liable for payment of PBGC premiums in accordance with 29 U.S.C. §§ 1306 and 1307, and shall administer the Pension Plan in accordance with the applicable provisions of ERISA and the Internal Revenue Code. The Reorganized Debtor's obligation to fund the Pension Plan in accordance with ERISA and the Internal Revenue Code shall continue on and after the Effective Date and until such time as the Pension Plan is terminated in accordance with the applicable provisions of ERISA. The Pension Plan shall remain in effect on the Effective Date and shall continue thereafter until terminated in accordance with its terms as amended from time to time. On the Effective Date, the Reorganized Debtor shall cure any funding shortfalls for the Pension Plan with respect to plan years beginning prior to January 1, 2012, which have been estimated by

the Pension Plan's actuary to be $292,548. After the Effective Date, the Reorganized Debtor will make all payments required under the Pension Plan. Nothing in this Plan shall restrict (i) the Reorganized Debtor's ability to terminate, or seek a termination of, the Pension Plan in accordance with ERISA and the Internal Revenue Code on or after the Effective Date; or (ii) the Reorganized Debtor's ability to seek waivers of the minimum funding requirements applicable to the Pension Plan. In the event that the Pension Plan terminates after the Effective Date, the Reorganized Debtor and each member of its controlled group of corporations, trades or businesses as defined in the Internal Revenue Code shall be responsible for all liabilities imposed under Title IV of ERISA subject to any rights and defenses that the Reorganized Debtor or such controlled group member may have. Notwithstanding anything in the Plan, no claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action or liabilities whatsoever against any person, Exculpated Party, or entity with respect to the Pension Plan will be released, exculpated, discharged, enjoined or otherwise affected by the Plan, nor shall the entry of the Confirmation Order constitute the approval of any release, exculpation, discharge, injunction, or other impairment of any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action or liabilities whatsoever against any entity with respect to the Pension Plan.

c. Class D (Convenience Claims)

Class D consists of all Allowed General Unsecured Claims that are Convenience Claims. **The Holder of a General Unsecured Claim that exceeds $10,000 and that desires treatment as a Convenience Claim must make an election in writing (in the form annexed to the Order of the Bankruptcy Court conditionally approving this Disclosure Statement) and deliver such written election to the Debtor.** On the later to occur of (i) the Initial Distribution Date, if no objection to such Claim has been timely filed by the Claims Objection Deadline, or (ii) the first Distribution Date after the date on which any timely objection to such Convenience Claim is settled, withdrawn or overruled pursuant to Final Order of the Bankruptcy Court, each Holder of an Allowed Claim in Class D shall receive an amount in Cash necessary to cause fifty percent (50%) of the Payout to be paid. By no later than six (6) months thereafter, each Holder of an Allowed Convenience Claim shall receive an amount in Cash necessary to cause the remaining balance of the Payout to be paid.

d. Class E (General Unsecured Claims)

Class E will consist of all Allowed Claims that are General Unsecured Claims, excluding Convenience Claims and Intercompany Claims. Each Holder of an Allowed Claim in Class E shall be entitled to receive on account of such Holder's Allowed Claim, in full satisfaction thereof, a Pro Rata Share of $800,000 (calculated based on the aggregate amount of all Allowed Claims in Class E), which will be paid (or reserved in the Disputed Claims Reserve as provided in this Plan) in eight (8) semi-annual payments of $100,000 each, beginning on the first Business Day that is no later than six (6) months after the Effective Date and continuing once every six (6) months thereafter until the aggregate amount of $800,000 is paid to Holders of Allowed Claims in Class E. The PBGC and the Holders of Class D Convenience Class or Class F Intercompany Claims shall not be entitled to receive any Distribution made to Holders of Class E General Unsecured Claims.

The Holders of General Unsecured Claims will only receive an aggregate amount of $800,000 regardless of the Debtor's operational success or the ultimate monetary recovery, if any, from successful pursuit of Avoidance Actions or other Estate Causes of Action. A four-year projected cash flow analysis setting forth the Debtor's ability to make the payments to the Holders of Allowed Claims within Class E is attached hereto as Exhibit D. The projected cash flow analysis is only an estimate of the Debtor's future business operations.

Excluding the Claims filed by Industries, T&L Sugars, SC McBurney and the PBGC, there are approximately $14,956,179.82 in General Unsecured Claims on the claims registry that is maintained by the Bankruptcy Court. If each asserted General Unsecured Claim becomes an Allowed Claim, the recovery to Holders of such General Unsecured Claims will be 5.35%. However, the Debtor intends to object to some of the asserted General Unsecured Claims on the basis that, among other things, the claim is duplicative of another filed claim, the claim was not timely filed, or the Debtor disputes the asserted claim amount. If any asserted General Unsecured Claim is disallowed, the anticipated recovery to Holders of General Unsecured Claims that ultimately become Allowed Claims will likely be greater than 5.35%.

e. Class F (Intercompany Claims)

All Intercompany Claims will be withdrawn or subordinated to the prior performance by the Debtor of all of its obligations under the Plan with respect to the Holders of Allowed Claims in Classes C, D, and E. Holders of Intercompany Claims shall not share in any Distribution under the Plan to Holders of Allowed Claims in Class E.

f. Class G (Equity Interests)

Class G will consist of all Equity Interests. On the Effective Date, all Equity Interests in Class G will be deemed canceled and will have no further legal effect. Holders of Equity Interests will not receive or retain any property or Distribution under the Plan; provided that, as set forth in Section 8.9 of the Plan, the New Equity Holders shall receive the new common, voting equity interests of the Reorganized Debtor in consideration of the Equity Contribution.

Chapter X. IMPLEMENTATION OF THE PLAN

As discussed above, the Plan contemplates the reorganization of the Debtor's business affairs, the resolution of Disputed Claims, the prosecution of Estate Causes of Action and the distribution of the Cash and/or other Estate Property to the Holders of Allowed Claims and Equity Interests in accordance with the terms of the Plan and the priorities established under the Bankruptcy Code.

A. Structure of the Reorganized Debtor After the Effective Date

Upon the Effective Date of the Plan, all of the Estate Property (including all Estate Causes of Action) will remain vested in the Debtor. The automatic stay will remain in place. The Debtor will continue to exist after the Effective Date as the Reorganized Debtor in accordance with the laws of the State of Georgia and will continue to have full authority to engage in all lawful activities (i) of a corporation under Georgia law and (ii) necessary or desirable to implement the provisions of the Plan. Equity Interests in the Debtor will be canceled

and will no longer represent an ownership interest (or right to acquire an ownership interest) in the Debtor; and new equity interests in the Reorganized Debtor will be issued to Willard B. McBurney, Franklin Blakeslee McBurney, and John Curtis McBurney, Sr. in exchange for the Equity Contribution.

B. Management of the Reorganized Debtor

On and after the Effective Date, the Reorganized Debtor may continue to operate its business and may use, acquire and dispose of property without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Court, the Bankruptcy Code or the Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or the Confirmation Order.

C. The Reorganized Debtor and Plan Implementation

On and after the Effective Date, the Reorganized Debtor will be authorized to exercise all of the rights and powers, and will discharge all of the duties, conferred upon it under the Plan. The Reorganized Debtor will retain and have all of the rights, powers and duties necessary to carry out its responsibilities under the Plan. Without limiting the generality of the foregoing, the Debtor has the rights, powers, and duties of a trustee under Sections 704(a)(1), (2), (4), (5) and (7) and 1106(a)(6) and (7) of the Bankruptcy Code, and the rights and duties set forth in the Plan.

The Debtor must file with the Bankruptcy Court periodic reports (no less frequently than on an annual basis) regarding the status of the Debtor's implementation of the Plan and the discharge of its duties thereunder.

D. Retention of Professionals by the Debtor

The retention by the Debtor or the Reorganized Debtor of any Post-Confirmation Professionals will be done in the ordinary course of business and will not be subject to the prior approval of the Bankruptcy Court. Any Post-Confirmation Professional Persons retained by the Debtor are entitled to reasonable compensation for services rendered and reimbursement of expenses incurred from available funds of the Estate. The payment of fees and expenses of the Debtor or the Reorganized Debtor and any Post-Confirmation Professional retained by the Debtor or the Reorganized Debtor are to be made in the ordinary course of business and are not subject to the prior approval of the Bankruptcy Court.

E. Claims Administration

To be entitled to receive a Distribution under the Plan, a Holder must have an Allowed Claim or be the Holder of Equity Interests (subject to all Allowed Claims having been Paid in Full). The Debtor's motion seeking approval of this Disclosure Statement requests the Bankruptcy Court to order that the Holders of impaired Claims who are entitled to vote on the Plan include (i) the Holders of Allowed Claims and (ii) the Holders of Disputed Claims (the amount of a Disputed Claim for voting purposes would be limited to $1.00, and if the Holder of a Disputed Claim files a motion seeking relief from the Bankruptcy Court pursuant to Bankruptcy Rule 3018(a) for the temporary allowance of such Claim in a higher amount for voting purposes, the Disputed Claim could be voted only as specified in the order conditionally approving this

Disclosure Statement, unless such motion is granted). In estimating any Claim for voting purposes under Bankruptcy Rule 3018(a), the Bankruptcy Court would be entitled to consider, among other things, whether the Claim is subject to subordination.

References to "Allowed Claims" or to any particular Holder of a Claim or Equity Interest in this Disclosure Statement or the Plan should not be construed to mean that such Claim or Equity Interest has been allowed by the Bankruptcy Court or will not be objected to by the Debtor or any other party in interest having standing to object. THE DEBTOR EXPRESSLY RESERVES ITS RIGHT TO OBJECT TO THE ALLOWANCE, AND TO SEEK SUBORDINATION, OF ALL OR ANY PART OF ANY CLAIM OR EQUITY INTEREST, EITHER PRIOR TO OR AFTER THE VOTING DEADLINE.

1. Allowance of Claims and Equity Interests

A Claim or Equity Interest will be allowed if (i) a proof of claim or interest has been timely filed, and no objection to the Claim or Equity Interest or request for estimation has been filed by the Claims Objection Deadline, (ii) the Claim or Equity Interest is listed in the Debtor's Schedules and is not listed as disputed, contingent or unliquidated, unless the Claim is a Disputed Claim, including a Claim for which a proof of claim was filed in an amount different from the amount listed on the Debtor's Schedules, or (iii) the Claim or Equity Interest is identified as undisputed, non-contingent or liquidated on an amended Schedule filed by the Debtor prior to confirmation of the Plan. If a proof of claim or interest is filed and an objection to or an estimation request for that Claim or Equity Interest is asserted, the objection or estimation request must be resolved before the Claim or Equity Interest will be allowed. If a Claim or Equity Interest listed on the Debtor's Schedules is disputed, contingent, or unliquidated, the Claim or Equity Interest will not be allowed unless (i) a proof of claim or interest was filed on or before the Bar Date, and (ii) objections to the proof of claim or interest are resolved by Final Order. The Debtor's Schedules have been filed with the Bankruptcy Court and may be reviewed there by creditors and parties in interest.

2. Objections to Claims or Equity Interests

From and after the Effective Date, the Reorganized Debtor is authorized (i) to object to any Claims or Equity Interests, (ii) to seek equitable subordination of the whole or any part of a Claim under Section 510(b) or (c)(i) of the Bankruptcy Code or other applicable law, and (iii) pursuant to Bankruptcy Rule 9019(b) and Section 105(a) of the Bankruptcy Code, to compromise and settle Disputed Claims, in accordance with the procedures set forth in Section 6.1 of the Plan.

If an objection to a Claim or Equity Interest is filed, the Holder must file a response to the objection within the time period set by the Bankruptcy Court. Copies of such responses must be served upon the party asserting the objection, the Debtor, and counsel for the Debtor. Failure to file a timely response will be deemed a consent to the objection.

3. Temporary Allowance and Estimation of Claims

a. Temporary Allowance of Claims for Voting Purposes

The Bankruptcy Rules provide that any creditor may request the Bankruptcy Court to temporarily allow its Claim for purposes of voting when an objection to the Claim has been filed. The Holder of such Claim may vote the Claim in the amount, if any, determined by the Final Order resolving the request for temporary allowance.

As previously noted, the Debtor has requested the Bankruptcy Court to order that, while an objection to a Claim is pending (or if a Claim for which a proof of claim has been timely filed is contingent or unliquidated), the Claim will be valued for voting purposes only at $1.00 unless the Bankruptcy Court has temporarily allowed the Claim in a higher amount for voting purposes.

b. Estimation of Claims and Equity Interests for Distribution Purposes

A Holder of a Claim or Equity Interest that is disputed, contingent or unliquidated will not receive any Distribution until the allowance and amount of its Claim or Equity Interest is resolved through the objection procedure. The Bankruptcy Code provides that any party in interest may request the Bankruptcy Court to estimate for purposes of distribution the amount of any contingent or unliquidated Claim, if liquidation of the Claim would unduly delay administration of the Case. The Holder of such a contingent or unliquidated Claim will receive a Distribution based on the amount, if any, determined by the Final Order resolving the request for estimation.

4. Reserve for Disputed Claims

Under the terms of the Plan, the Holder of a Disputed Claim will not receive a Distribution under the Plan until the dispute is resolved in whole or in part in the Holder's favor by a Final Order. To ensure that the Holders of Disputed Claims are not treated differently from other persons holding Claims in the same Class, the Debtor will establish the Disputed Claims Reserve prior to the Initial Distribution to Holders of Priority Non-Tax Claims and General Unsecured Claims and will deposit in that account an amount equal to the share that the Holder of any Disputed Claim would have received if the Disputed Claim had been an Allowed Claim on the date of the Distribution. Once a Disputed Claim has been allowed by a Final Order, the Debtor will distribute to the Holder of such Claim all Estate Property which the Holder would have been entitled to receive on account of this Claim if the Claim had been an Allowed Claim on the Effective Date. If a Disputed Claim is disallowed in whole or in part, the amounts deposited in the Disputed Claims Reserve based upon the disallowed portion of the Disputed Claim will be deposited into the Disbursement Account and re-distributed to the Holders of Allowed Claims in accordance with the Plan.

F. Funding of the Plan

The Plan will be funded by existing Cash on hand, the Equity Contribution, the net proceeds (after reasonable and necessary operational expenses) received from the operation of the Debtor's business, and from any recoveries from the prosecution or settlement of Estate Causes of Action, including the Tate & Lyle Action.

G. Discharge of Claims

Except as provided in the Plan or the Confirmation Order, the rights afforded under the Plan and the treatment of Claims and Interests under the Plan will be in exchange for and in complete satisfaction, discharge and release of all Claims and termination of all Interests arising on or before the Effective Date, including any interest accrued on Claims from the Petition Date. Except as provided in the Plan or in the Confirmation Order, confirmation of the Plan will, as of the Effective Date: (a) discharge the Debtor from all Claims or other debts and Interests that arose on or before the Effective Date, and all debts of the kind specified in Section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not (i) a proof of Claim based on such debt is filed or deemed filed pursuant to Section 501 of the Bankruptcy Code, (ii) a Claim based on such debt is allowed pursuant to Section 502 of the Bankruptcy Code, or (iii) the Holder of a Claim based on such debt has accepted the Plan; and (b) terminate all Interests and other rights of equity security holders in the Debtor.

In accordance with the foregoing, except as provided in the Plan or the Confirmation Order, the Confirmation Order will be a judicial determination, as of the Effective Date, of a discharge of all Claims and other debts and liabilities against the Debtor and a termination of all Interests and other rights of equity security holders in the Debtor, pursuant to Sections 524 and 1141 of the Bankruptcy Code, and such discharge will void any judgment obtained against the Debtor at any time, to the extent that such judgment relates to a discharged Claim or terminated Interest. The foregoing will not limit any rights that any Governmental Unit may have to enforce its police or regulatory authority against the Reorganized Debtor (but not against Estate Property) to the extent such authority is not considered a Claim under applicable bankruptcy law and relates to matters that have not been resolved by other settlements, except that the Reorganized Debtor or its successors may raise any and all available defenses (including defenses under bankruptcy law) in any action by a Governmental Unit.

H. Plan Injunction

The Plan contains an injunction against the taking of certain actions against the Debtor or Estate Property. See Chapter XIII, Section E, *infra*.

I. Exculpation of the Debtor

Under the Plan (as set forth in Section 10.3 thereof), none of the Exculpated Parties (as defined below) will have or incur any liability to any Holder of any Claim or Equity Interest or any other Person (including any Governmental Unit) for any act or omission during the period commencing on the Petition Date and ending on the Effective Date in connection with, or arising out of or related to, the Case, the Plan or this Disclosure Statement (or the formulation, negotiation or dissemination of the Plan or this Disclosure Statement), the solicitation of votes for confirmation of the Plan, the administration of the Case, or the preservation or disposition of any Estate Property (including the prosecution, settlement of, or any negotiations to settle any Cause of Action or the sale or collection of or other realization upon any Estate Property). If the Plan is confirmed, the foregoing will have no effect on the liability of any Exculpated Party that results from any act or omission that is determined in a Final Order to be solely attributable to such Exculpated Party's (a) own gross negligence or willful misconduct or (b) violations of state

or federal criminal laws. As used in the Plan, the term "Exculpated Parties" means, collectively, the Debtor; any director, officer or employee of the Debtor during the Case; and each of the foregoing Person's respective officers, directors, shareholders, members, managers, employees, advisors, investment bankers, consultants, attorneys and accountants, including all Debtor Professional Persons.

J. Means of Implementing the Plan

The Plan is to be implemented primarily through the efforts of the Debtor. Upon the Effective Date of the Plan, the Reorganized Debtor will continue business operations and a portion of its revenues may be used to fund the Plan. The Reorganized Debtor will have the responsibility and authority to investigate and pursue any Estate Causes of Action, including the filing of litigation, and may settle any such Estate Causes of Action on such terms and for such amounts as the Reorganized Debtor deems reasonable and as the Plan provides.

The Reorganized Debtor will pay all Administrative Claims and Priority Tax Claims on the later to occur of the Effective Date or thirty (30) days after the date on which such Claim becomes an Allowed Claim. Priority Non-Tax Claims (Class A) will be paid on the Initial Distribution Date, unless the Holder of such Claim agrees to a different treatment. Unless the Holder agrees to a different treatment, each Holder of an Allowed Claim constituting a Secured Claim in Class B may receive on account of such Claim Cash on the Effective Date in the allowed amount of such Claim or abandonment from the Estate of the collateral securing the claim. The Reorganized Debtor will disburse to the Holders of all other Allowed Claims, in accordance with the treatment specified for such Claims in the Plan, all Available Cash on hand at that time (the "Initial Distribution") on the Initial Distribution Date. After the Initial Distribution, the Reorganized Debtor will make Distributions in payment of Allowed Claims at such times as the Reorganized Debtor deems appropriate in its discretion.

All Distributions under the Plan will be made by the Reorganized Debtor to the Holder of the Allowed Claim at the address of the Holder as listed in the Debtor's bankruptcy schedules, unless this address is superseded by proofs of claim or transfers of claim filed pursuant to Bankruptcy Rule 3001 (or at the last known address of such Holder if the Reorganized Debtor has been notified in writing of a change of address).

K. Abandonment of Estate Property

Section 9.13 of the Plan provides that the Reorganized Debtor may abandon, destroy or contribute to a charitable organization any item of tangible Estate Property, including Books and Records in the possession, custody or control of the Debtor (and, for the avoidance of doubt, Estate Causes of Action will not be deemed to be tangible Estate Property), without notice to any Person. Interested parties should review the provisions of the Plan to answer any questions about the Debtor's authority to abandon Estate Property and the procedure for any such abandonment.

Chapter XI. CONDITIONS PRECEDENT TO CONFIRMATION CONTAINED IN THE BANKRUPTCY CODE

A. Section 1129 of the Bankruptcy Code

Section 1129 of the Bankruptcy Code sets forth the requirements that must be satisfied in order for the Plan to be confirmed. This Disclosure Statement discusses three (3) of the requirements for confirmation with respect to voting: (a) acceptance by impaired Classes; (b) that the Plan be in the best interests of each Holder of a Claim or Equity Interest in an impaired Class that has not voted to accept the Plan; and (c) the feasibility of the Plan. The Debtor believes that the Plan meets all the requirements of Section 1129(a) of the Bankruptcy Code (other than as to voting, which has not taken place) and will seek a ruling of the Bankruptcy Court to this effect at the hearing on confirmation of the Plan. **Each Holder of a Claim or Equity Interest is urged to consult such Holder's own counsel to evaluate each of the standards for confirmation of the Plan under the Bankruptcy Code.**

1. Acceptance of the Plan

The Bankruptcy Code requires, as a condition to confirmation of the Plan, that each impaired class of Claims or interests accept the Plan, subject to the exceptions described below in the following section. A class is deemed impaired if the legal, equitable or contractual rights attached to the Claims or interests in the class are altered in any way by the Plan, with the exception of alterations that cure defaults, reinstate maturities, or provide full payment in cash. The Holders of unimpaired Claims are not entitled to vote on the Plan and, therefore, the Debtor is not seeking acceptance of the Plan by the Holders of Administrative Claims, Priority Tax Claims and Claims in Classes A or B. The Claims in Classes C, D, E, and F are impaired and will be entitled to vote to accept or reject the Plan. The Equity Interests in Class G are not expected to receive any Distribution under the Plan on account of such Equity Interests, are deemed to reject the Plan, and are not entitled to vote.

Pursuant to Section 1126(c) of the Bankruptcy Code, each such impaired class will be deemed to have accepted the Plan if the Holders of at least two-thirds in dollar amount and a majority in number among the Holders of Allowed Claims in the class who actually vote on the Plan vote to accept the Plan. A plan is accepted by an impaired class of equity interests if, of those who vote, Holders of two-thirds of the number of such interests in such class vote to accept such plan. Creditors who fail to vote will not be counted as having voted either for or against the Plan.

2. Confirmation Without Acceptance of All Impaired Classes - Cramdown

Section 1129(a)(8) of the Bankruptcy Code requires that the Plan be accepted by each Class that is impaired by the Plan. Section 1129(b) of the Bankruptcy Code, however, provides that the Bankruptcy Court may still confirm the Plan at the request of the Debtor if all the requirements of Section 1129(a) (except Section 1129(a)(8)) are met and if, with respect to each Class of Claims or Equity Interests that is impaired under the Plan and has not voted to accept the Plan, the Plan "does not discriminate unfairly" and is "fair and equitable." This provision is referred to commonly as "cram down."

In the event that all impaired Classes of Claims do not accept the Plan, the Debtor intends to seek confirmation of the Plan under the cram down provisions of Section 1129(b) of the Bankruptcy Code with respect to any such non-accepting Class. The Debtor believes, that, with respect to such Classes, the Plan meets the requirements of Section 1129(b) and that the Court

should determine that the Plan is "fair and equitable" and "does not discriminate unfairly" as to the Holders of Claims or Equity Interests.

3. "Best Interests" Test

Notwithstanding acceptance of the Plan by each impaired Class, to confirm the Plan, the Bankruptcy Court must determine that the Plan is in the best interests of each Holder of a Claim or Equity Interest in an impaired Class that has not voted to accept the Plan. The so-called "best interests" test of Section 1129(a)(7) of the Bankruptcy Code requires that the Bankruptcy Court find that the Plan provides to each Holder of a Claim or Equity Interest in such impaired Class a recovery on account of the Holder's Claim or Equity Interest that has a value at least equal to the value of the Distribution that such Holder would receive if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code.

To estimate what members of each impaired Class of Claims or Equity Interests would receive if the Debtor were liquidated in a Chapter 7 case, the Court must first determine the aggregate dollar amount that would be available if the Case was converted to a Chapter 7 liquidation case under the Bankruptcy Code and the Debtor's property was liquidated by a Chapter 7 trustee (the "Liquidation Value"). The Liquidation Value would consist of the net proceeds from the disposition of the assets of the Debtor, augmented by the cash held by the Debtor and reduced by certain increased costs, as described below, and by Claims that arise in a Chapter 7 liquidation case but do not arise in a Chapter 11 case.

The Liquidation Value available to unsecured creditors would be reduced by (a) the Claims of secured creditors to the extent of the value of their collateral and (b) the costs and expenses of the liquidation under Chapter 7. Those costs and expenses would include: (i) the compensation of a Chapter 7 trustee and his or her counsel and other professionals retained; (ii) disposition expenses; (iii) litigation costs; and (iv) Claims arising from the operation of the Debtor's estate during the pendency of the bankruptcy case and limited operations during the Chapter 7 liquidation case. The liquidation itself would trigger certain priority Claims, and would accelerate other priority payments which would otherwise be payable in the ordinary course. These priority Claims likely would be paid in full out of the unencumbered liquidation proceeds before the balance would be made available to pay most other Claims or to make any distribution in respect of Equity Interests.

The determination of the amount each Holder of an impaired Claim or Equity Interest would receive under Chapter 7 of the Bankruptcy Code is difficult, if not impossible, to determine with any degree of accuracy. The Debtor cannot predict accurately the proceeds that will be realized from property of the Estate, including the extent of recovery on Estate Causes of Action; the amount of expenses that will be incurred in realizing upon such property; or the number or amount of Claims or Equity Interests that will be disallowed. Most, if not all, of these expenses would be necessarily incurred, however, in collecting and liquidating the assets of the Debtor in a Chapter 7 liquidation. In fact, the Debtor believes that all anticipated expenses would be necessary in a Chapter 7 liquidation. The Debtor's liquidation analysis is attached hereto as Exhibit B.

Considering the effect that a Chapter 7 liquidation would have on the Debtor, including the costs resulting from a Chapter 7 liquidation, and the delay in the distribution of liquidation proceeds, the Debtor believes that a Chapter 7 liquidation of the Debtor would result in substantial diminution in the value to be realized under the Plan by Holders of Claims and Equity Interests, because of, among other factors: (a) the failure to realize the maximum value of the Debtor's property; (b) the substantial time which would elapse before Holders would receive any distribution in respect of their Claims or Equity Interests; (c) additional administrative expenses involved in the appointment of a trustee or trustees, attorneys, accountants, and other professionals to assist the trustee in a Chapter 7 case and for those professionals to familiarize themselves with the Case and to investigate Estate Causes of Action; and (d) the incurrence of additional expenses and Claims, some of which would be entitled to priority in payment, which would arise by reason of a Chapter 7 liquidation.

Of particular importance is maximization of the value of the Debtor's property. In that regard, it is the Debtor's belief that the benefits of the Plan versus a Chapter 7 liquidation include the continuity to be derived from having the Debtor continue its efforts to liquidate its assets, as opposed to the trustee in a Chapter 7 liquidation who will be unfamiliar with the Case and with the Debtor and its assets and will need to be educated on any issues involved in liquidating the Debtor's assets.

Moreover, the Debtor does not believe that the Plan will increase the professional costs associated with an appropriate liquidation of the Debtor's assets. A Chapter 7 liquidation would require compensating a trustee, who would hire attorneys, accountants and others as deemed appropriate, none of whom would be familiar with the Case, the Debtor and its assets.

Consequently, the Debtor believes that the Plan, which provides for the orderly liquidation of the Debtor's assets, will result in a greater ultimate return to Holders of Allowed Claims and Equity Interests than would a Chapter 7 liquidation.

4. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation should not be likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor (unless such liquidation or reorganization is proposed in the plan). For purposes of determining whether the Plan meets this requirement, the Debtor has analyzed the Debtor's ability to meet its obligations under the Plan. The Debtor believes that the Plan meets the feasibility requirements of Section 1129(a)(11) of the Bankruptcy Code, as the Plan is based entirely on existing cash and business operations of property of the Debtor's Estate.

Chapter XII. RISK FACTORS

A. Certain Bankruptcy Law Considerations

The occurrence or non-occurrence of any of the following contingencies, and others, could significantly affect the existence, amount and timing of Distributions available to Holders of Allowed Claims (and, after all Allowed Claims are Paid in Full, Holders of Equity Interests), but will not necessarily affect the validity of the vote of any impaired Class to accept or reject the

Plan or necessarily require a re-solicitation of the votes of Holders of Claims in such impaired Class.

HOLDERS OF CLAIMS SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH IN THIS CHAPTER, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND RELATED DOCUMENTS, REFERRED TO OR INCORPORATED BY REFERENCE IN THIS DISCLOSURE STATEMENT, PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN. THIS CHAPTER PROVIDES INFORMATION REGARDING POTENTIAL RISKS IN CONNECTION WITH THE PLAN. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

1. Objections to Plan's Classification of Claims and Equity Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a Claim or an equity interest in a particular class only if such Claim or equity interest is substantially similar to the other Claims or equity interests in such class. The Debtor believes that the classification of Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtor created Classes of Claims and Equity Interests, each encompassing Claims or Equity Interests, as applicable, that are substantially similar to the other Claims and Equity Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

2. Failure to Satisfy Voting Requirements

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtor intends to seek, as promptly as practicable thereafter, confirmation of the Plan. If sufficient votes are not received, the Debtor may seek to confirm an alternative Chapter 11 plan. However, there can be no assurance that the terms of any such alternative Chapter 11 plan would be similar or as favorable to the Holders of Allowed Claims and Equity Interests as those proposed in the Plan.

3. Inability to Secure Confirmation of Plan

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a Chapter 11 plan. It requires, among other things, a finding by the bankruptcy court that: (a) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes, (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial restructuring unless such liquidation or reorganization is contemplated by the plan, and (c) the value of distributions to non-accepting holders of Claims and equity interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the

Bankruptcy Court will confirm the Plan. A Holder of a Claim or Equity Interest might challenge either the adequacy of this Disclosure Statement or challenge the balloting procedures and voting results as inadequate to satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the balloting procedures, and the voting results are appropriate, the Bankruptcy Court may nevertheless decline to confirm the Plan if it finds that any of the statutory requirements for confirmation have not been met.

Confirmation of the Plan is also subject to certain conditions as described in Article 11 of the Plan. If the conditions are not satisfied or waived as provided in the Plan and the Plan is not confirmed, it is unclear what Distributions, if any, Holders of Allowed Claims and Equity Interests would receive with respect to such Claims and Equity Interests.

Subject to the terms and conditions of the Plan, the Debtor reserves the right to modify the terms of the Plan as necessary for confirmation. Any such modifications could result in a less favorable treatment of any non-accepting Class, as well as of any Classes junior to such non-accepting Class, than the treatment currently provided in the Plan. Such a less favorable treatment could include a Distribution to the Class affected by the modification of a lesser value than currently provided in the Plan, or no Distribution whatsoever under the Plan.

4. Nonconsensual Confirmation

If any impaired class of Claims or equity interests does not accept a Chapter 11 plan, a bankruptcy court may nevertheless confirm such a plan at the proponent's request if at least one impaired class has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired classes. The Debtor believes that the Plan satisfies these requirements, and the Debtor may request such nonconsensual confirmation in accordance with Section 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will agree with the Debtor's legal analysis. The pursuit of nonconsensual confirmation of the Plan may result in, among other things, delays and significantly increased expenses, including legal fees.

5. Objections to Amount or Classification of a Claim

Except as otherwise provided in the Plan, the Debtor reserves the right to object to the amount or classification of any Claim or Equity Interest under the Plan. The estimates set forth in this Disclosure Statement cannot be relied on by any Holder of a Claim or Equity Interest where such Claim or Equity Interest is subject to an objection. Any Holder of a Claim or Equity Interest that is subject to an objection may not receive its expected share of the estimated Distributions described in this Disclosure Statement. As previously discussed in this Disclosure Statement, the Debtor will establish a Disputed Claims Reserve prior to the Initial Distribution to Holders of Priority Non-Tax Claims and General Unsecured Claims and will deposit in that account an amount equal to the share that the Holder of any Priority Non-Tax Claim or General Unsecured Claim that is a Disputed Claim would have received if the Disputed Claim had been

an Allowed Claim on the date of the Distribution or the lesser amount of any estimation of such Disputed Claim as ordered by the Bankruptcy Court.

In addition, any Holder of a Claim that is subject to an objection may not be entitled to vote on the Plan in an amount equal to the asserted amount of its Claim, and the amount of such Holder's Claim will be deemed to be, for voting purposes only, equal to $1. However, if such Holder files a motion seeking relief pursuant to Bankruptcy Rule 3018(a) for the temporary allowance of such Claim in a higher amount for voting purposes, the Disputed Claim could be voted as specified in any order granting such motion.

6. Risk of Non-Occurrence of Effective Date

Although the Debtor believes that the Effective Date will occur within 365 days after the Confirmation Date, there can be no assurance as to such timing or as to whether the Effective Date will, in fact, occur.

7. Effect of Certain Contingencies

The Distributions available to Holders of Allowed Claims or Equity Interests under the Plan can be affected by a variety of contingencies. While the occurrence of any such contingencies could affect Distributions available to Holders of Allowed Claims and Equity Interests under the Plan, such occurrence is not expected to affect the validity of the vote taken by an impaired Class to accept or reject the Plan or require a revote by an impaired Class.

B. Risk Factor that May Affect Recovery

At least one unknown factor makes forecasting creditor recoveries under the Plan with any degree of certainty both impractical and impossible. The Debtor cannot predict with any degree of certainty, at this time, the number or amount of Claims that will ultimately be allowed or the priority that will be accorded such Claims.

C. Disclosure Statement Disclaimers

1. Information Contained Herein is for Soliciting Votes

The information contained in this Disclosure Statement is for the purpose of soliciting acceptances of the Plan and may not be relied upon for any other purposes.

2. Disclosure Statement Not Approved by Regulatory Authorities

No federal or state regulatory authority has passed upon the accuracy or adequacy of this Disclosure Statement, or the exhibits or the statements contained herein, and any representation to the contrary is unlawful. This Disclosure Statement has been prepared pursuant to Section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016(b) and is not necessarily in accordance with federal or state securities laws or other similar laws.

3. No Legal or Tax Advice Provided by Disclosure Statement

This Disclosure Statement does not contain and is not intended to convey legal advice to you. The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each Holder of a Claim or Equity Interest should consult his or her own legal counsel and accountant with regard to any legal, tax, and other matters concerning his or her Claim or Equity Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan, or object to confirmation of the Plan.

4. No Admissions

The information and statements contained in this Disclosure Statement will neither (a) constitute an admission of any fact or liability by any entity (including, without limitation, the Debtor) nor (b) be deemed evidence of the tax or other legal effects of the Plan on the Debtor, Holders of Allowed Claims or Equity Interests, or any other parties in interest. The failure of the Debtor in this Disclosure Statement to set forth a detailed response to any summary of contentions made by any Person is not an acknowledgement or admission of the validity or accuracy of such contentions.

5. Failure to Identify Litigation Claims or Projected Objections

No reliance should be placed on the fact that a particular litigation Claim or projected objection to a particular Claim or Equity Interest is, or is not, identified in this Disclosure Statement. The Debtor may seek to investigate, file, and prosecute objections to Claims and Equity Interests and may object to Claims and Equity Interests after the Confirmation Date or Effective Date, irrespective of whether this Disclosure Statement identifies such Claims or Equity Interests or objections to such Claims or Equity Interests. The Debtor expressly reserves all defenses, objections, Claims, setoffs, rights and remedies with respect to each Claim and Equity Interest.

6. No Waiver of Debtor's Rights

The vote by a Holder of a Claim for or against the Plan does not constitute a waiver or release of, and shall not operate to preclude the assertion of, any Claim or other Cause of Action against such Holder; any right of the Debtor (or any other party in interest, as the case may be) to object to that Holder's Claim or Equity Interest; or right to recover from such Holder any preferential, fraudulent, or other voidable transfer of assets, in each case regardless of whether any Claims or Causes of Action against such Holder are specifically or generally identified in this Disclosure Statement or in the Plan.

7. Debtor Professionals' Reliance

The Debtor Professionals have relied upon information provided by the Debtor and third parties in connection with the preparation of this Disclosure Statement. Although the Debtor Professionals have performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not verified independently the information contained herein.