UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF KENTUCKY
LEXINGTON DIVISION

In re:	)	Chapter 11
OGGUSA, Inc.,[1]	)	Case No. 20-50133-grs
Debtors.	)	(Jointly Administered)
	)	Honorable Gregory R. Schaaf

NOTICE OF FILING DEBTORS SECOND AMENDED JOINT PLAN LIQUIDATION AND DISCLOSURE STATEMENT FOR DEBTORS SECOND AMENDED JOINT PLAN OF LIQUIDATION

PLEASE TAKE NOTICE that, on August 18, 2020, the above-captioned debtors and debtors in possession (the "Debtors") filed the *Debtors Amended Joint Plan of Liquidation* [Docket No. 1237] (the "Amended Plan") as well as the related *Disclosure Statement for Debtors Amended Joint Plan of Liquidation* [Docket No. 1238] (the "DS for Amended Plan").

PLEASE TAKE FURTHER NOTICE that, as a result of the mediation conducted by and among the Debtors, the Official Committee of Unsecured Creditors, and MGG Investment Group LP, commencing on September 11, 2020 and continuing thereafter, the parties to the mediation agreed to make certain enhancements, clarifications and revisions to the Amended Plan and the DS for Amended Plan.

PLEASE TAKE FURTHER NOTICE that, on October 9, 2020, the Debtors filed the *Debtors Second Amended Joint Plan of Liquidation* [Docket No. 1405] (the "Second Amended Plan") as well as the related *Disclosure Statement for Debtors Second Amended Joint Plan of*

[1] The Debtors in these Chapter 11 cases are (with the last four digits of their federal tax identification numbers in parentheses): OGGUSA, Inc. (0251); OGG, Inc. (N/A); and Kentucky Hemp, LLC (0816).

Liquidation [Docket No. 1406] (the "DS for Second Amended Plan"). The Second Amended Plan and the DS for Second Amended Plan incorporate the enhancements, clarifications and revisions negotiated during the mediation.

PLEASE TAKE FURTHER NOTICE that a comprehensive blackline showing the changes between the Amended Plan and the Second Amended Plan is attached hereto as **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that a comprehensive blackline showing the changes between the DS for Amended Plan and the DS for Second Amended Plan is attached hereto as **Exhibit B**.

PLEASE TAKE FURTHER NOTICE that the Debtors intend to seek confirmation of the Second Amended Plan at the hearing currently scheduled for November 9, 2020 starting at 1:00 p.m. (Eastern) before the United States Bankruptcy Court, Second Floor Courtroom, 100 E. Vine Street, Lexington, Kentucky

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Dated: October 9, 2020

Respectfully submitted,

/s/ James R. Irving
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EXHIBIT A

(Blackline Comparing Plans)

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF KENTUCKY
LEXINGTON DIVISION

In re:	:	Chapter 11
	:	
	:	Case No. 20-50133-grs
OGGUSA, Inc., *et al.*[1]	:	
	:	(Jointly Administered)
Debtors.	:	
	:	Honorable Gregory R. Schaaf

DEBTORS' SECOND AMENDED JOINT PLAN OF LIQUIDATION

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Counsel for the Debtors

[1] The Debtors in these chapter 11 bankruptcy cases are (with the last four digits of their federal tax identification numbers in parentheses): OGGUSA, Inc., f/k/a GenCanna Global USA, Inc. (0251); OGG, Inc., f/k/a GenCanna Global, Inc. (N/A); and Hemp Kentucky, LLC (0816).

Dated: ~~August 18~~October 9, 2020

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DEBTORS' SECOND AMENDED JOINT PLAN OF LIQUIDATION

OGGUSA, Inc. (f/k/a GenCanna Global USA, Inc.), OGG, Inc. (f/k/a GenCanna Global, Inc.), and Hemp Kentucky, LLC, as debtors and debtors in possession herein, hereby respectfully propose the following second amended joint plan of liquidation under chapter 11 of the Bankruptcy Code.

ARTICLE I
DEFINED TERMS AND RULES OF INTERPRETATION

A. Defined Terms

All capitalized terms used herein and not otherwise defined have the meanings given to them in the Definitions attached hereto as Appendix 1 or, if not defined in Appendix 1, then as defined in the United States Bankruptcy Code, 11 U.S.C. §§ 101, *et seq*., unless the context clearly requires otherwise.

B. Rules of Interpretation

For purposes of this Plan: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, or exhibit, as it may thereafter be amended, restated, supplemented, or otherwise modified; (4) any reference to an Entity as a Holder of a Claim or Interest includes that Entity's successors and assigns; (5) unless otherwise specified, all references herein to "Articles" are references to Articles of the Plan; (6) unless otherwise specified, all references herein to exhibits are references to exhibits to this Plan or the Plan Supplement, as applicable; (7) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation"; (8) unless otherwise specified, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (9) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (10) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (11) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (12) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; (13) any effectuating provisions may be interpreted by the Debtors or the Plan Administrator, as applicable, in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity, and such interpretation shall be conclusive; (14) all references herein to consent, acceptance, or approval shall be deemed to include the requirement that such consent, acceptance, or approval be evidenced by a writing, which may be conveyed by counsel for the respective parties that have such consent, acceptance, or approval rights, including by electronic mail; (15) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (16) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable state limited liability company laws; and (17) except as otherwise specifically provided in the Plan to the contrary,

references in the Plan to the Debtors or the Wind-Down Trust shall mean the Debtors and the Wind-Down Trust, as applicable, to the extent the context requires.

C. Computation of Time

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

D. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated herein, the laws of the State of Delaware, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided, however*, that corporate or limited liability company governance matters relating to those Debtors not incorporated in Delaware shall be governed by the laws of the state of incorporation or formation of the applicable Debtor.

E. Reference to Monetary Figures

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

ARTIC LE II
UNCLASSIFIED CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, DIP Claims, Professional Fee Claims, Priority Tax Claims, and Gap Period Claims have not been classified and, thus, are excluded from Classes of Claims and Interests set forth in Article III.

A. Administrative Claims; Administrative Claim Bar Date

1. Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors or the Plan Administrator, as applicable, to the extent an Allowed Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims) will receive in full and final satisfaction of its Allowed Administrative Claim an amount of Cash equal to the amount of the unpaid portion of such Allowed Administrative Claim in accordance with the following: (a) if such Administrative Claim is Allowed on or prior to the Effective Date, no later than 45 days after the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (b) if such Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (c) at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtors or the Plan Administrator~~, as applicable~~; or (d) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

2. Except for Professional Fee Claims (which are addressed in Article II.C and unless previously Filed, requests for payment of Administrative Claims must be Filed and served on the Plan Administrator no later than the Administrative Claim Bar Date pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order. Objections to such requests must be Filed and served on the Plan Administrator (~~if~~excluding the Plan Administrator ~~is not~~if the objecting party) and the requesting party on or before the Administrative Claim Objection Deadline. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior Bankruptcy Court orders, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with, an order of the Bankruptcy Court that becomes a Final Order.

3. Except for Professional Fee Claims, Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims that do not file and serve such a request on or before the Administrative Claim Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors, the Estates, the Wind-Down Trust, the Plan Administrator, or the property of any of the foregoing, and such Administrative Claims shall be deemed released as of the Effective Date without the need for any objection from the Debtors or the Plan Administrator or any notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

B. DIP Claims

In accordance with the MGG Settlement Agreement, all remaining DIP Claims shall be deemed satisfied, compromised, settled, and released as set forth in this Plan and the MGG Settlement Agreement.

C. Professional Fee Claims

1. Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the ~~Confirmation~~Effective Date must be Filed no later than 45 days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules, and prior Bankruptcy Court orders. The Plan Administrator (or the authorized signatories to the Professional Fee Escrow Account, after consultation with the Plan Administrator) shall pay to each Holder of an Allowed Professional Feel Claim the unpaid amount of such Holder's Allowed Professional Fee Claim from funds held in the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claim is Allowed by entry of an order of the Bankruptcy Court, which order has not thereafter been vacated, reversed or stayed as to such Professional Fee Claim.

2. Professional Fee Escrow Account

As soon as is reasonably practicable after the Confirmation Date and no later than the Effective Date, the Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the estimated Professional Fee Escrow Amount. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals and for no other Entities until all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court. No Liens, claims, or interests shall encumber the Professional Fee Escrow Account or Cash held in the Professional Fee Escrow Account in any way. Funds held in the

Professional Fee Escrow Account shall not be considered property of the Estates, the Debtors, the Plan Administrator, or the Wind-Down Trust.

The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals by the Debtors or the Plan Administrator, as applicable, from the funds held in the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed by an order of the Bankruptcy Court; provided that the Debtors' and the Plan Administrator's obligations to pay Allowed Professional Fee Claims shall not be limited nor be deemed limited to funds held in the Professional Fee Escrow Account and such Allowed Professional Fee Claims shall also be payable from the Wind-Down Trust Assets. When all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court, any remaining funds held in the Professional Fee Escrow Account shall promptly be paid to the Wind-Down Trust without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity, and such funds shall thereafter constitute Wind-Down Trust Assets.

3. Professional Fee Escrow Amount

Each Professional shall provide a reasonable and good-faith estimate of such Professional's unpaid fees and expenses incurred and projected to be outstanding as of the ~~Confirmation~~Effective Date, and shall deliver such estimate to the Debtors no later than ~~five~~three (~~5~~3) days before the anticipated Confirmation Hearing; *provided, however,* that such estimate shall not be considered or deemed an admission or limitation with respect to the amount of the fees and expenses that are the subject of the Professional's final request for payment of Professional Fee Claims and such Professionals are not bound to any extent by the estimates. If a Professional does not provide an estimate, the Debtors may estimate the unpaid and unbilled fees and expenses of such Professional. The total aggregate amount so estimated as of the Effective Date shall be utilized by the Debtors to determine the amount to be funded to the Professional Fee Escrow Account, provided that the Plan Administrator shall use Cash from the Wind-Down Trust to increase the amount of the Professional Fee Escrow Account to the extent fee applications are Filed after the Effective Date in excess of the amount held in the Professional Fee Escrow Account based on such estimates.

~~4. Post-Confirmation Fees and Expenses~~

~~Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of the Plan and occurrence of the Effective Date incurred by the Debtors after the Confirmation Date. The Debtors and the Plan Administrator, as applicable, shall pay within ten business days after submission of a detailed invoice to the Debtors or the Plan Administrator, as applicable, such reasonable claims for compensation or reimbursement of expenses incurred by the Professionals of the Debtors or Plan Administrator, as applicable. If the Debtors or Plan Administrator, as applicable, disputes the reasonableness of any such invoice, the Debtors or the Plan Administrator, as applicable, or the affected professional may submit such dispute to the Bankruptcy Court for a determination of the reasonableness of any such invoice, and the disputed portion of such invoice shall not be paid until the dispute is resolved. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code and any related Bankruptcy Rules in seeking retention or compensation for~~

~~services rendered after such date shall terminate, and the Debtors or the Plan Administrator, as applicable, may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.~~

D. Priority Tax Claims

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

E. Gap Period Claims

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

ARTIC LE III
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. Classification of Claims and Interests

Except for the Claims addressed in Article II of the Plan, all Claims and Interests are classified in the Classes set forth in this Article III for all purposes, including voting, Confirmation, and Distributions pursuant to the Plan and in accordance with section 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that such Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other Classes. A Claim also is classified in a particular Class for the purpose of receiving Distributions under the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The classification of Claims and Interests against each Debtor pursuant to the Plan is as set forth in the table immediately below. If Substantive Consolidation is not approved or the Debtors withdraw their request for Substantive Consolation, the Plan shall apply as a separate Plan for each Debtor, and the classification of Claims and Interests set forth herein shall apply separately to each Debtor. Certain of the Debtors may not have Holders of Claims or Interests in a particular Class or Classes, and such Claims shall be treated as set forth in Article III.F hereof. All of the potential Classes for the Debtors are set forth herein.

If Substantive Consolidation is not approved or the Debtors' request for Substantive Consolidation is withdrawn, then for all purposes under the Plan, each Class will contain sub-Classes for each of the Debtors. Voting tabulations for recording acceptances or rejections of the Plan shall be conducted on a Debtor-by-Debtor basis as set forth above.

As set forth in Article IV.B hereof, the Debtors are requesting that their Estates be deemed substantively consolidated for the purposes of voting, Confirmation, Consummation, and implementation of Distributions pursuant to the Plan. If the Bankruptcy Court approves the deemed ~~S~~substantive

~~C~~consolidation as part of the Confirmation Order or otherwise, then the sub-Classes identified in the table below shall be disregarded for such purposes.

Key to sub-Classes: A = OGUSA, Inc. (f/k/a GenCanna Global USA, Inc.); B = OGG, Inc. (f/k/a GenCanna Global, Inc.); and C = Hemp Kentucky, LLC				
Class	**sub-Classes**[2]	**Claim**	**Status**	**Voting Rights**
1	A, B & C	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	A, B & C	Other Secured Claims	Impaired	Entitled to Vote
3	A & B	MGG Subordinated Claims	Impaired	Entitled to Vote
4	A, B & C	General Unsecured Claims	Impaired	Entitled to Vote
5	A, B & C	Intercompany Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
6	A, B & C	Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
7	A, B & C	Interests	Impaired	Not Entitled to Vote (Deemed to Reject)

B. Treatment and Voting of Claims and Interests

Subject to Article IV hereof, each Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, compromise, settlement, and release of, and in exchange for, such Holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by the Debtors and the Holder of such Allowed Claim or Allowed Interest, as applicable. Unless otherwise indicated, the Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the later of the Effective Date and the date such Holder's Claim or Interest becomes an Allowed Claim or Allowed Interest or as soon as reasonably practicable thereafter.

1. Class 1 (Other Priority Claims)

a. *Classification:* Class 1 consists of all Allowed Other Priority Claims.

b. *Treatment:* Except to the extent that a Holder of an Allowed Other Priority Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed Other Priority Claim, each Holder of an Allowed Other Priority Claim shall receive, at the option of the Debtors or the Plan Administrator, as applicable:

i. payment in full in Cash of the unpaid portion of its Allowed Other Priority Claim on the later of the Effective Date and such date such Other Priority Claim becomes an Allowed Other Priority Claim; or

[2] Sub-Classes are subject to elimination in the event that deemed ~~S~~substantive ~~C~~consolidation is approved.

ii. such other treatment rendering such Holder's Allowed Other Priority Claim Unimpaired.

c. *Voting:* Class 1 is Unimpaired under the Plan. Holders of Other Priority Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of an Other Priority Claims are not entitled to vote to accept or reject the Plan.

2. Class 2 (Other Secured Claims)

a. *Classification:* Class 2 consists of all Allowed Other Secured Claims.

b. *Treatment:* Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment or as otherwise ordered by the Bankruptcy Court, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive, at the option of the Debtors or the Plan Administrator, as applicable:

i. on the first applicable Distribution Date as determined pursuant to Article VI.A hereof, payment in full in Cash of such Holder's Allowed Other Secured Claim;

ii. on the first applicable Distribution Date as determined pursuant to Article VI.A hereof, receipt of the collateral securing any such Allowed Other Secured Claim;

iii. in the event that the Debtors or the Plan Administrator, as applicable, sells the property encumbered by the Liens securing such Allowed Other Secured Claim free and clear of such Liens, the Holder of such Allowed Other Secured Claim shall be entitled to receive the net proceeds of the sale of such property until such Allowed Other Secured Claim is paid in full; or

iv. such other treatment rendering such Holder's Allowed Other Secured Claim Unimpaired.

c. *Voting:* Class 2 is Impaired under the Plan. Holders of Allowed Other Secured Claims are entitled to vote to accept or reject the Plan.

3. Class 3 (MGG Subordinated Claims)

a. *Classification:* Class 3 consists of all MGG Subordinated Claims.

b. *Allowance:* Pursuant to the MGG Settlement Agreement, the MGG Subordinated Claims have been Allowed in the aggregate amount of $27,016,182.27, but are subordinated in rights of payment and priority to all Allowed General Unsecured Claims and all other Allowed Claims that, pursuant to the Plan, are senior in priority to such Allowed General Unsecured Claims.

c. *Treatment:* On the Effective Date and in accordance with the terms of the MGG Settlement Agreement, in full and final satisfaction, compromise, settlement, and

release of and in exchange for its Allowed MGG Subordinated Claim, each Holder of an Allowed MGG Subordinated Claim shall be deemed to receive on account of its Allowed MGG Subordinated Claim its ~~Trust~~ Ratable Share of Subordinated Beneficial Interests~~, *provided* that such Beneficial Interests shall, as a result of the subordination of the Allowed MGG Subordinated Claims to the prior payment in full of all Allowed General Unsecured Claims (but not GCG Parent Control Claims) pursuant to the MGG Settlement Agreement, be turned over to the Holders of Allowed General Unsecured Claims based upon their respective GUC Ratable Shares.~~.

d. *Voting:* Class 3 is Impaired under the Plan. ~~The~~ Pursuant to the MGG Settlement Agreement, the Prepetition Agent is deemed the Holder~~s~~ of the MGG Subordinated Claims ~~are~~for purposes of voting on the Plan and is entitled to vote to accept or reject the Plan.

4. Class 4 (General Unsecured Claims)

a. *Classification:* Class 4 consists of all Allowed General Unsecured Claims.

b. *Treatment:* Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to less favorable treatment, on the first applicable Distribution Date as determined pursuant to Article VI.A hereof, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive on account of such Allowed General Unsecured Claim against a Debtor, its ~~Trust~~ Ratable Share of ~~the~~Senior Beneficial Interests in the Wind-Down Trust.

c. *Voting:* Class 4 is Impaired under the Plan. Holders of Allowed General Unsecured Claims are entitled to vote to accept or reject the Plan.

5. Class 5 (Intercompany Claims)

a. *Classification:* Class 5 consists of all Intercompany Claims.

b. *Treatment:* Holders of Intercompany Claims shall not receive any Distribution or other payments, or retain any property, on account of such Intercompany Claims. On or after the Effective Date, the Plan Administrator may reconcile such Intercompany Claims as may be advisable in order to avoid the incurrence of any past, present, or future tax or similar liabilities by the Debtors.

c. *Voting:* Class 5 is Impaired under the Plan. Holders of Intercompany Claims are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Intercompany Claims are not entitled to vote to accept or reject the Plan.

6. Class 6 (Section 510(b) Claims)

a. *Classification:* Class 6 consists of all Section 510(b) Claims.

b. *Treatment:* Section 510(b) Claims, if any, shall be cancelled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and holders of Section 510(b) Claims will not receive any Distribution or other payments, or retain any property, on account of such Section 510(b) Claims.

c. *Voting:* Class 6 is Impaired under the Plan. Holders of Intercompany Claims are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Section 510(b) Claims are not entitled to vote to accept or reject the Plan.

7. Class 7 (Interests)

a. *Classification:* Class 7 consists of all Interests.

b. *Treatment:* Interests shall be cancelled and released without any Distribution, payments or retention of any property on account of such Interests.

c. *Voting:* Class 7 is Impaired under the Plan. Holders of Interests are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Interests are not entitled to vote to accept or reject the Plan.

C. Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' rights in respect of any Claims that are Unimpaired, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Claims that are Unimpaired. Unless otherwise Allowed, Claims that are Unimpaired shall remain Disputed Claims under the Plan.

D. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by at least one Impaired Class of Claims. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right to modify the Plan in accordance with Article X of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

E. Subordinated Claims

Except as expressly provided herein, the allowance, classification, and treatment of all Allowed Claims and Interests and the respective Distributions, payments and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors and the Plan Administrator, as applicable, reserve the right to reclassify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

F. Elimination of Vacant Classes; Presumed Acceptance by Non-Voting Classes

Any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court in an amount greater than zero as of the date of the Confirmation Hearing shall be considered vacant and deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

If a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims or Interests in such Class shall be deemed to have accepted the Plan.

G. Controversy Concerning Impairment

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

ARTIC LE IV
MEANS FOR IMPLEMENTATION OF THE PLAN

A. Settlement of Claims and Interests

1. ~~In General~~Global Settlement

~~As discussed in the Disclosure Statement and as otherwise provided in the Plan, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, Distributions, payments, releases, and other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall constitute and be deemed a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, or otherwise resolved pursuant to the Plan. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, reasonable, and in the best interests of the Debtors and their Estates. Subject to Article VI hereof, all Distributions made to Holders of Allowed Claims and Allowed Interests, as applicable, in any Class are intended to be and shall be final.~~

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, the Plan incorporates a compromise and settlement of numerous inter-Debtor, Debtor-creditor, and intercreditor issues designed to achieve an economic settlement of Claims against the Debtors and an efficient resolution of these Chapter 11 Cases. This global settlement constitutes a settlement of a number of the potential litigation issues, including issues regarding substantive consolidation, the treatment of Intercompany Claims, the allocation (or lack thereof) of Assets among the Estates, and the nature, amount, secured status and priority of the Claims of MGG, the Purchaser, the Prepetition Secured Parties and the DIP Secured Parties. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best

interests of the Debtors, their Estates, their creditors, and other parties-in-interest, and are fair, equitable, and within the range of reasonableness. Each provision of the global settlement shall be deemed non-severable from each other and from the remaining terms of the Plan..

2. MGG Settlement

~~Except in the event that~~Without prejudice to the Debtors' ability to pursue approval of the MGG Settlement ~~has been approved by an order of the Bankruptcy Court that has become a Final Order prior to the Confirmation Date~~by the separate motion requesting such relief filed by the Debtors on July 30, 2020 [Docket No. 1145], as such motion has been and may be amended from time to time (including such changes as are contemplated by the Mediation Settlement Term Sheet), the Plan also shall be deemed a motion to approve the MGG Settlement in accordance with the terms of the MGG Settlement Agreement~~, which~~. The MGG Settlement Agreement includes the good-faith compromise and settlement of all potential claims and Causes of Action of the Debtors and their Estates against the MGG Parties and certain Related Parties, pursuant to Bankruptcy Rule 9019, except as expressly provided in the MGG Settlement Agreement. Additionally, unless the Bankruptcy Court enters a separate order providing for the approval of the MGG Settlement Agreement and related relief, the Debtors may request that the entry of the Confirmation Order ~~shall~~will constitute the Bankruptcy Court's approval of such compromises and settlements under Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such compromise and settlement is fair, equitable, reasonable, and in the best interests of the Debtors and their Estates.

On the Effective Date, the transactions contemplated by the MGG Settlement Agreement and Plan, including the receipt by the Debtors or the Wind-Down Trust, as applicable, of the MGG Settlement Payment~~s as contemplated by the MGG Settlement Agreement~~, shall be in full and final settlement of all Causes of Action released or subject to release pursuant to the terms of the MGG Settlement Agreement and any action or proceeding that has been or may be commenced with respect to any such Cause of Action shall be deemed dismissed with prejudice.

Pursuant to the terms of the MGG Settlement Agreement and this Plan, each MGG Subordinated Claim is an Allowed Class 3 Claim entitled to receive on account thereof its ~~Trust~~ Ratable Share of ~~the~~Subordinated Beneficial Interests~~, *provided* that, pursuant to the terms of the MGG Settlement Agreement and this Plan, the Allowed MGG Subordinated Claims are subordinated to the prior payment in full of all Allowed General Unsecured Claims (but not to GCG Parent Control Claims). In furtherance of implementing such subordination of the MGG Subordinated Claims, each Holder of an Allowed General Unsecured Claim shall receive a turnover of its GUC Ratable Share of the Beneficial Interests otherwise distributable on account of the Allowed MGG Subordinated Claims.~~.

B. Deemed Substantive Consolidation

This Plan shall serve as a motion of the Debtors seeking entry of a Bankruptcy Court order approving the deemed ~~S~~substantive ~~C~~consolidation of the Debtors ~~and their~~' Estates provided for herein~~, as well as any additional consolidation that may be proposed by the Debtors in connection with Confirmation and Consummation of the Plan~~. The Debtors reserve the right to file appropriate alternative pleadings in support of the proposed deemed ~~S~~substantive ~~C~~consolidation in connection with the Confirmation Hearing. ~~Unless an~~If no written objections to the deemed ~~S~~substantive ~~C~~consolidation ~~is made in writing by any creditor affected by the Plan on or before the date and time~~requested herein are timely filed by the deadline fixed by the Bankruptcy Court for the filing of objections to the

Confirmation of the Plan~~, the~~ or if such objections are overruled by the Bankruptcy Court, the deemed ~~S~~substantive ~~C~~consolidation proposed by the Plan may be approved by the Bankruptcy Court at the Confirmation Hearing.

Subject to the Bankruptcy Court's approval of the deemed ~~S~~substantive ~~C~~consolidation requested herein, the Debtors' Estates shall be deemed substantively consolidated ~~for the~~into a single Estate for certain limited purposes ~~of Confirmation and Consummation of~~relating to the Plan, including~~, without limitation, for purposes of~~ voting, Confirmation and Distributions~~ on Allowed Claims. On~~ (but for the avoidance of doubt, without altering the separate Petition Dates for each Debtor). As a result of the deemed substantive consolidation of the Estates, each Class of Claims and Interests will be treated as against a single consolidated Estate without regard to the separate legal existence of the Debtors. The Plan will not result in the merger or otherwise affect the separate legal existence of each Debtor, other than with respect to voting and Distribution rights under the Plan. Specifically, on and after the Effective Date, pursuant to the Plan and Confirmation Order, (i) all assets and liabilities of the Debtors shall be treated as though they were merged solely for purposes of ~~implementation and c~~Consummation of the Plan; (ii) no Distribution or other payments shall be made under the Plan on account of any Intercompany Claims; (iii) for all purposes associated with ~~c~~Confirmation of the Plan, including, without limitation, for purposes of tallying votes on the Plan, the Estates of the Debtors shall be deemed to be one consolidated Estate; (iv) each and every Claim filed or to be filed in the Chapter 11 Cases of the Debtors shall be deemed filed against the substantively consolidated ~~Debtors~~Estate, and shall be Claims against and obligations of the substantively consolidated ~~Debtors~~Estate; (v) to the extent any holder of a Claim filed substantially similar claims against more than one of the Debtors based upon the same transaction, act or omission, such Creditor shall be deemed to have one (1) Claim against ~~the d~~Debtor GCG Opco (Case No. 20-50133) for voting and purposes of implementing Distributions, and duplicative Claims Filed or Scheduled in the Chapter 11 Case of any other Debtor shall be deemed disallowed and expunged from the Claims Register maintained in the Chapter 11 Cases; (vi) to the extent any ~~h~~Holder of a Claim filed more than one (1) Claim against one or more of the Debtors based upon different transactions, acts or omissions, such claims shall be aggregated, and such creditor shall be deemed to have only one (1) Claim in the aggregate amount of the filed claims for voting and purposes of implementing Distributions; and (vii) any guaranty by one or more of the Debtors of the obligations of another Debtor will be eliminated and any ~~c~~Claim filed against one or more of the Debtors based upon any guaranty shall be deemed disallowed and expunged from the Claims Register maintained in the Chapter 11 Cases. Substantive ~~C~~consolidation pursuant to this Article IV.B and the Confirmation Order and/or other Final Order of the Bankruptcy Court, shall not affect: (w) the legal and organizational structure of the Debtors; (x) guarantees, liens, and security interests that are required to be maintained (i) under the Bankruptcy Code, or (ii) pursuant to the Plan; (y) distributions from any Insurance Policies or proceeds of such policies or rights to coverage under any such Insurance Policies; or (z) the dissolution of any of the Debtors after the Effective Date in accordance with the authority and discretion of the Plan Administrator as provided in the Plan and Wind-Down Trust Agreement.

The Debtors reserve the right at any time up to the conclusion of the Confirmation Hearing to withdraw their request for Substantive Consolidation of these Chapter 11 Cases, to seek Confirmation of the Plan as if there were no Substantive Consolidation, and to seek Confirmation of the Plan with respect to one Debtor even if Confirmation with respect to the other Debtors is denied~~.~~; *provided, however*, that in the event that the Debtors do opt to pursue Confirmation of the Plan for the Debtors and their Estates on a non-consolidated or partially-consolidated basis, all rights of the UCC and other parties in interest that may be adversely affected thereby to object to Confirmation on such terms are fully reserved.

C. The Plan Administrator and the Wind-Down Trust

1. Appointment of the Plan Administrator

The Plan Administrator shall be jointly selected by the Debtors and the UCC in accordance with the procedures agreed to by the Mediation Settling Parties in the Mediation Settlement Term Sheet, in which case, the Plan Administrator's identity, affiliation and general compensation terms shall be disclosed in the Plan Supplement; *provided, however,* that absent agreement of the Debtors and the UCC, the Plan Administrator shall be selected by the ~~Debtors, in consultation with the UCC and MGG, and shall be identified~~Bankruptcy Court from among the candidate names submitted by the Debtors ~~in~~and the UCC, with the identity and affiliation of the Plan ~~Supplement~~Administrator to be disclosed at the Confirmation Hearing or as soon thereafter as is practicable. At the Confirmation Hearing, the Bankruptcy Court shall consider and, if appropriate, ratify the selection of the Plan Administrator. All compensation for the Plan Administrator shall be paid from the Wind-Down Trust Account in accordance with the terms of the Plan and the Wind-Down Trust Agreement. The approved Person shall serve as the Plan Administrator upon execution of the Wind-Down Trust Agreement on the Effective Date. The Plan Administrator shall not be required to give any bond or surety or other security for the performance of their duties unless otherwise ordered by the Bankruptcy Court. ~~A form of the Wind-Down Trust Agreement shall be provided in the Plan Supplement. On the Effective Date, all Beneficiaries of the Wind-Down Trust shall be deemed to have ratified and become bound by the terms and conditions of the Wind-Down Trust Agreement.~~ In the event that the Plan Administrator resigns or is removed, terminated, or otherwise unable to serve as Plan Administrator, then successors shall be appointed ~~as set forth~~ by the Advisory Committee, subject to approval of the Bankruptcy Court. To the extent that the Advisory Committee does not appoint a successor Plan Administrator within the time periods specified in the Wind-Down Trust Agreement, then the Bankruptcy Court, upon the motion of any party-in-interest, including counsel to the Wind-Down Trust, shall approve a successor to serve as the Plan Administrator. Any successor Plan Administrator ~~appointed~~ shall be bound by and comply with the terms of this Plan, the Confirmation Order, and the Wind-Down Trust Agreement.

Following the Effective Date, the Plan Administrator shall also be, and shall enjoy the powers of, the Debtors' authorized representative pursuant to Section 1123 of the Bankruptcy Code and other applicable law for all purposes, including, without limitation, all Retained Causes of Action. No further proof of such power shall be necessary or required.

2. The Wind-Down Trust Agreement

The Wind-Down Trust Agreement shall be in form and substance reasonably acceptable to the UCC and the Debtors and, unless otherwise agreed in writing by each of the Mediation Settling Parties, shall be consistent in all material respects with the terms of the Mediation Settlement Term Sheet. The Wind-Down Trust Agreement may specify certain matters as to which Plan Administrator is required to obtain prior approval of the Advisory Committee or the Bankruptcy Court. A form of the Wind-Down Trust Agreement shall be provided in the Plan Supplement. On the Effective Date, all Beneficiaries of the Wind-Down Trust shall be deemed to have ratified and become bound by the terms and conditions of the Wind-Down Trust Agreement.

3. ~~2.~~ Creation of Wind-Down Trust

On the Effective Date~~,~~: (a) the Plan Administrator shall sign the Wind-Down Trust Agreement and, in ~~its~~such capacity ~~as the Plan Administrator~~, accept all Wind-Down Trust Assets on behalf of the Beneficiaries thereof~~, and~~; (b) the Plan Administrator, subject to the advice of the Advisory Committee,

shall be authorized to obtain, collect, seek the turnover of, liquidate, and ~~collect all of~~/or abandon the Wind-Down Trust Assets ~~not in its possession or control and to prosecute~~, including the Retained Causes of Action, in accordance with the terms of this Plan, the Wind-Down Trust Agreement and the Confirmation Order. The Wind-Down Trust will then be created and effective without any further action by the Bankruptcy Court or any Person as of the Effective Date. The Wind-Down Trust shall be established for the primary purpose of prosecuting the Retained Causes of Action, collecting and liquidating the Wind-Down Trust Assets, collecting and monetizing the Estate Recoveries and making Distributions in accordance with this Plan and the Wind-Down Trust Agreement, with no objective to continue or engage in the conduct of a trade or business, except only in the event and to the extent necessary to, and consistent with, the liquidating purpose of the Wind-Down Trust.

The Plan Administrator shall also receive and administer the Professional Fee Escrow Account, but the Professional Fee Escrow Account and any funds contained in such account shall not be considered Wind-Down Trust Assets, except as otherwise expressly provided in this Plan. Similarly, and for the avoidance of doubt, ~~except as otherwise expressly provided in this Plan and~~no portion of the MGG Settlement Escrowed Funds shall constitute Wind-Down Trust Assets unless and until such MGG Settlement Escrowed Funds until the reconciliation provided for in Section 7 of the MGG Settlement Agreement~~, the Wind-Down Trust Assets shall not include~~ has been completed, either by agreement of the Purchaser and the Plan Administrator or by order of the Bankruptcy Court. Any portion of the MGG Settlement Escrowed Funds that is determined, whether by agreement or by order of the Bankruptcy Court, to be payable to the Debtors or the Wind-Down Trust, as applicable, shall thereafter be a Wind-Down Trust Asset.

4. ~~3.~~ Beneficiaries of the Wind-Down Trust

The Holders of Allowed General Unsecured Claims ~~against the Debtors~~ entitled to Distributions hereunder shall be the primary Beneficiaries and the Holders of Allowed MGG Subordinated Claims shall be the residual Beneficiaries of the Wind-Down Trust. Such Beneficiaries shall be bound by the Wind-Down Trust Agreement. The interests of the Beneficiaries in the Wind-Down Trust shall be uncertificated and non-transferrable without the prior written consent of the Plan Administrator.

5. ~~4.~~ Vesting and Transfer of Assets to the Wind-Down Trust

Under Section 1141(b) of the Bankruptcy Code, the Wind-Down Trust Assets shall be assigned, transferred, and vested in the Wind-Down Trust upon the Effective Date free and clear of all Claims and Liens; *provided, however*, that, subject to the terms of this Plan, the Wind-Down Trust Agreement and the Confirmation Order, as applicable, and the advice of the Advisory Committee, the Plan Administrator may abandon or otherwise not accept any assets of the Debtors or their Estates that if accepted into the Wind-Down Trust would be Wind-Down Trust Assets that the Plan Administrator believes, in good faith, to have no value to, or will be unduly burdensome to, the Wind-Down Trust ~~in accordance with the terms of the Wind-Down Trust Agreement~~. Any assets that the Plan Administrator so abandons or otherwise does not accept shall not be property of the Wind-Down Trust. As of the Effective Date, all Wind-Down Trust Assets shall vest in the Wind-Down Trust and all assets dealt with in this Plan shall be free and clear of all Liens, Claims, and Interests except as otherwise specifically provided in this Plan or in the Confirmation Order.

6. ~~5.~~ Funding of the Wind-Down Trust

On the Effective Date and thereafter as additional funds become available, the Wind-Down Trust shall be funded with: (a) the remaining portion of the Cash Purchase Price, if any; (b) the MGG Settlement Payments and other Estate Recoveries (as defined in the MGG Settlement Agreement); (c) Cash proceeds from the sale of any of the Debtors' assets that were not Purchased Assets; (d) net Cash proceeds from prosecution or settlement of Causes of Action; (and, following the Effective Date, Retained Causes of Action); (e) Cash on hand; (f) the benefits, rights, interests and proceeds of any Insurance Policies with respect to the Debtors only to the extent (i) payable to the Debtors in accordance with the terms of the Insurance Policies and (ii) not Purchased Assets; and (g) all rights of the Debtors under the terms of the MGG Settlement Agreement; (h) all rights of the Debtors under the Sale Documents; and (i) any and all other assets belonging to the Debtors' Estates (subject to the Distribution of such assets in accordance with the terms of the Plan).

To the extent not paid in full in Cash on the Effective Date, reserves for payment of Disputed Claims and Professional Fee Escrow Amount shall be set aside and held by the Plan Administrator until such Claims are approved, Allowed and authorized to be paid, by the Bankruptcy Court.

On the Effective Date, the Debtors and the Debtors' Estates shall transfer and be deemed to have transferred the Wind-Down Trust Assets to the Wind-Down Trust and such Wind-Down Trust Assets shall vest in the Wind-Down Trust to be utilized, administered, and distributed by the Plan Administrator in accordance with the terms and conditions of this Plan, the Confirmation Order, and Wind-Down Trust Agreement.

Further, on the Effective Date, the Wind-Down Trust Account, the Professional Fee Escrow Account and the Disputed Claims Reserve each shall be established and funded in accordance with the terms of this Plan and the Wind-Down Trust Agreement.

7. 6. Distributions from the Wind-Down Trust

Distributions from the Wind-Down Trust shall be made in accordance with the Plan and the Wind-Down Trust Agreement. For the avoidance of doubt, the net proceeds of the Retained Causes of Action and Estate Recoveries shall be used to pay any Wind-Down Trust Operating Expenses prior to making any Distributions to Beneficiaries of the Wind-Down Trust.

8. Wind-Down Trust Committees

a. 7. *The Advisory Committee*

For the purpose of assisting the Plan Administrator in administering the Wind-Down Trust and otherwise implementing the Plan, the Advisory Committee shall be created on the Effective Date. The Advisory Committee shall exercise such rights and duties as are set forth herein and in the Wind-Down Trust Agreement.

The Advisory Committee initially shall be comprised of three (3) members, each of whom shall be a Holder of a General Unsecured Claim. The Members shall be selected as follows: (a) one (1) member shall be selected by the Debtors; (b) one (1) member shall be selected by the UCC; and (c) one (1) member shall be selected by agreement of the Debtors and the UCC; *provided, however*, that if the Debtors and the UCC are unable to agree upon the selection of the final initial member of the Advisory Committee, the Debtors and the UCC each may submit up to three (3) candidates for consideration to the Bankruptcy Court and the Bankruptcy Court will select the final member of the Advisory Committee

from the names supplied. None of the following Persons shall be eligible to serve on the Advisory Committee without the prior written consent of both the Debtors and the UCC: (a) any Person that has been retained as an attorney or other professional for the Debtors, the UCC or any member thereof at any time during the Chapter 11 Cases; or (b) any Person that currently serves or has served as an officer or director of any Debtor or any Affiliate of such Person.

~~The Advisory Committee shall be initially comprised of three to five members selected by the Debtors after consultation with the UCC and MGG. Additionally, at any given time, (a) no more than two members of the Advisory Committee may be former members of the UCC or affiliates thereof, and (b) no more than two members of the Advisory Committee may be former directors, officers or managers of any Debtor, or Affiliates thereof.~~ Each member of the Advisory Committee shall serve until the earlier of: (i) his or her death or resignation; (ii) his or her removal pursuant to the Wind-Down Trust Agreement; and (iii) the termination of the Wind-Down Trust. Advisory Committee members shall not be entitled to compensation for serving on the Advisory Committee, but shall be entitled to reimbursement of their reasonable and documented expenses incurred therewith (excluding fees and expenses to a member's attorneys or other professionals) in accordance with the terms of this Plan and the Wind-Down Trust Agreement.

The Advisory Committee may authorize its own dissolution by filing with the Bankruptcy Court an appropriate notice that its responsibilities hereunder have concluded. Unless earlier dissolved, the Advisory Committee shall be dissolved on the date the last of the Chapter 11 Cases is closed.

b. *The Oversight Committee*

As contemplated by the MGG Settlement Agreement, the Oversight Committee will be appointed as of the Effective Date to provide direction to the Plan Administrator and the LM Professionals in connection with the Litigation Matters (other than any Excluded LM Cause of Action). The Oversight Committee shall have three (3) initial members, two (2) of which will be appointed by the Purchaser and one (1) of which will be the Plan Administrator or the Plan Administrator's designee. Upon the Effective Date, subject to the pre-approval of the Oversight Committee, the Plan Administrator shall engage the LM Professionals on behalf of the Wind-Down Trust (without prejudice to the ability of the Purchaser to also engage the LM Professionals with respect to the Litigation Matters) to provide the services relating to the Litigation Matters contemplated by the MGG Settlement Agreement. In connection with the Litigation Matters (other than any Excluded LM Cause of Action), the Plan Administrator and the LM Professionals shall report to and take direction from the Oversight Committee, including with respect to the prosecution (including decisions on strategy, settlement or any determination not to prosecute) of the Litigation Matters. For the avoidance of doubt, notwithstanding that the Plan Administrator on behalf of the Wind-Down Trust will be engaging the LM Professionals, payment of the fees and expenses of the LM Professionals (other than those relating to any LM Professional's provision of services to the Wind-Down Trust in connection with any Excluded LM Cause of Action) shall be the responsibility of the Purchaser in accordance with the terms of, and to the extent provided in, the MGG Settlement Agreement.

9. ~~8.~~ Certain Powers and Duties of the Wind-Down Trust and Plan Administrator

a. General Powers of the Plan Administrator

The Plan Administrator shall have, and enjoy the powers of, the Debtors' exclusive authorized representative for all purposes ~~and~~ in connection with the Wind-Down Trust and the Wind-Down Trust Assets. The Plan Administrator, subject to advice by the Advisory Committee, in accordance with the terms of the Plan, the Wind-Down Trust Agreement and the Confirmation Order, shall have the power

and authority to perform the acts described in the Wind-Down Trust Agreement (subject to approval by the Bankruptcy Court where applicable) and the MGG Settlement Agreement, in addition to any powers granted by law or conferred to it by any other provision of this Plan, including without limitation any set forth herein; *provided, however*, that enumeration of the following powers shall not be considered in any way to limit or control the power and authority of the Plan Administrator to act as specifically authorized by any other provision of this Plan, the Wind-Down Trust Agreement, and/or any applicable law, and to act in such manner as the Plan Administrator may deem necessary or appropriate, including, without limitation, to fulfill all obligations assumed by the Plan Administrator or provided herein, to conserve and protect the Wind-Down Trust, the Wind-Down Trust Assets or the Professional Fee Escrow Account, or to confer on the Beneficiaries the benefits intended to be conferred upon them by this Plan or the Confirmation Order. The powers, rights, and responsibilities of the Plan Administrator shall be specified in the Wind-Down Trust Agreement and shall include, subject to advice by the Advisory Committee in accordance with the terms of the Plan and the Wind-Down Trust Agreement, the authority, power, and responsibility to: (a) receive, manage, invest (after consultation with the Advisory Committee), supervise, and protect the Wind-Down Trust Assets and the funds in the Professional Fee Escrow Account; (b) with respect to non-Cash Wind-Down Trust Assets, with or without further order of the Bankruptcy Court, to sell or otherwise dispose of such non-Cash Wind-Down Trust Assets in such a manner and on such terms as the Plan Administrator determines in the exercise of its business judgment are likely maximize the value realizable by the Wind-Down Trust and its Beneficiaries; (c) pay taxes or other obligations incurred by the Wind-Down Trust and issue to employees or other Persons, and/or file with the appropriate Governmental Units, applicable tax and wage returns and forms; (d) retain and compensate, without further order of the Bankruptcy Court, the services of employees, (i) with respect to the Litigation Matters, the LM Professionals in accordance with the terms of the MGG Settlement Agreement and this Plan, and (ii) with respect to all other matters, subject to the limitations set forth in Article IV.C.9.b hereof, the services of attorneys and other professionals, employees and consultants to advise and assist in the recovery, administration, prosecution, monetization of, and Distribution of Wind-Down Trust Assets and Estate Recoveries (as applicable); (e) calculate and implement Distributions of the Wind-Down Trust Assets and the MGG Settlement Escrowed Funds paid to the Debtors or the Wind-Down Trust, as applicable, following the reconciliation provided for in Section 7 of the MGG Settlement Agreement; (f) calculate and make payments from the Professional Fee Escrow Account; (g) investigate, prosecute, compromise, and settle (after consultation with the Advisory Committee), in accordance with the specific terms of this Plan and the Wind-Down Trust Agreement and without further order of the Bankruptcy Court, the Retained Causes of Action, as set forth herein and in the Wind-Down Trust Agreement; (h) resolve issues involving Claims and Interests in accordance with this Plan, including the power (after consultation with the Advisory Committee) to object to Claims against the Debtors, and to subordinate and recharacterize Claims by objection, motion, or adversary proceeding against the Debtors without any further notice to or action, order or approval by the Court; (i) undertake all administrative functions of the Chapter 11 Cases, including the payment of fees payable to the U.S. Trustee under Section 1930 of Title 28 of the United States Code that are incurred post-Effective Date with respect to disbursements from the Wind-Down Trust and the ultimate closing of the Chapter 11 Cases and dissolution of the Debtor entities; (j) dissolve the Debtors' employee benefit plans, if any; and (k) take such other action as may be vested in or assumed by the Plan Administrator consistent with this Plan, the Wind-Down Trust Agreement, the Confirmation Order, and any other applicable Orders of the Bankruptcy Court, or as may be necessary and proper to carry out the provisions of this Plan.

Except as expressly set forth in this Plan and in, the Wind-Down Trust Agreement and the Confirmation Order, and subject to advice from the Advisory Committee, the Plan Administrator, on

behalf of the Wind-Down Trust, shall have absolute discretion ~~(after consultation with the Advisory Committee)~~ to pursue or not to pursue any Retained Causes of Action as the~~/she/it~~ Plan Administrator, subject to advice from the Advisory Committee in accordance with the Plan and the Wind-Down Trust Agreement, determines is in the best interests of the Beneficiaries and consistent with the purposes of the Wind-Down Trust, and shall be indemnified to the fullest extent permitted under applicable law by the Wind-Down Trust for the outcome of ~~his, her, or its~~the Plan Administrator's decisions, other than those decisions constituting fraud, gross negligence, willful misconduct, bad faith or self-dealing.

~~The~~Subject to direction from the Advisory Committee in accordance with the Plan and the Wind-Down Trust Agreement, the Plan Administrator may incur any reasonable and necessary expenses in liquidating and converting the Wind-Down Trust Assets to Cash. The Plan Administrator shall have standing, authority, power, and right to assert, prosecute, and/or settle the Retained Causes of Action, including, with respect to the Wind-Down Trust, making a claim under Insurance Policies based upon its powers as a bankruptcy-appointed representative of the Debtors' Estates with the same or similar abilities possessed by insolvency trustees, receivers, examiners, conservators, liquidators, rehabilitators, or similar officials. The Retained Causes of Action will vest in the Wind-Down Trust as set forth in this Plan and the Wind-Down Trust Agreement. With respect to the provisions of the Asset Purchase Agreement, and the Sale Documents which survive the Effective Date and Consummation of this Plan, the Plan Administrator on behalf of the Wind-Down Trust shall be deemed a permitted assignee of the Debtors under the Asset Purchase Agreement and shall receive the benefit thereunder.

b. Limitations on Plan Administrator's Retention of Attorneys and Other Professionals

The Plan Administrator shall not retain, employ or compensate (in respect of services to be provided on or after the Effective Date) any attorney or other professional that, in connection with the Chapter 11 Cases or the Debtors, (a) currently serves or previously has served as an attorney or other professional for any of (i) the Debtors, (ii) the UCC, (iii) any current or former member of the UCC, (iv) MGG, (v) the Purchaser, or (b) otherwise holds or represents an adverse interest with respect to the matter for which such attorney or other professional is to be retained.

Without limiting the foregoing, any attorneys or law firms engaged by the Plan Administrator to commence and/or prosecute a Lookback D&O Action or Lookback D&O Actions shall not be the same attorney or law firm as the Plan Administrator has retained for any other purpose in connection with the Chapter 11 Cases.

On the Effective Date, that certain Transition Agreement, dated July 8, 2020 (the "GB Service Agreement"), between Gary Broadbent and the Debtors shall be deemed assumed and assigned to the Wind-Down Trust. For the avoidance of doubt, the assumption and assignment of the GB Service Agreement to the Wind-Down Trust shall be without prejudice to the ability of either the Plan Administrator or Mr. Broadbent to terminate the GB Service Agreement in accordance with its terms.

c. ~~*b.*~~ *Books and Records*

On the Effective Date, the Wind-Down Trust shall: (i) take possession of all Books and Records of the Debtors and the Estates that were not sold and transferred in connection with the Sale Transaction; and (ii) provide for the retention and storage of such Books and Records until such time as the Plan Administrator determines in accordance with the Wind-Down Trust Agreement, that retention of same is no longer necessary or beneficial.

d. ~~c.~~ *Investments of Cash*

The Wind-Down Trust may invest Cash (including any earnings thereon or proceeds therefrom) as permitted by Section 345 of the Bankruptcy Code or in other prudent investments; *provided, however,* that such investments are permitted to be made by a liquidating trust within the meaning of Treasury Regulation Section 301.7701-4(d), as reflected therein, or under applicable IRS guidelines, rulings, or other controlling authorities.

e. ~~d.~~ *Costs and Expenses of Administration of the Wind-Down Trust*

~~All~~Except as otherwise provided herein or in the MGG Settlement Agreement for expenses (including fees payable to attorneys and other professionals retained in connection with the Litigation Matters other than any Excluded LM Causes of Action), all Wind-Down Trust Operating Expenses shall be the responsibility of and paid by the Wind-Down Trust in accordance with the Wind-Down Trust Agreement from the Wind-Down Trust Assets. In connection with the establishment and funding of the Wind-Down Trust, the Debtors and UCC will confer and agree upon an initial budget to be funded to the Wind Down Trust Account for anticipated Wind-Down Trust Operating Expenses during the initial six months of the Wind-Down Trust. For the avoidance of doubt, notwithstanding that the Plan Administrator on behalf of the Wind-Down Trust will be engaging the LM Professionals, payment of the fees and expenses of the LM Professionals (other than those relating to any LM Professional's provision of services to the Wind-Down Trust in connection with any Excluded LM Cause of Action) shall be the responsibility of the Purchaser in accordance with the terms of, and to the extent provided in, the MGG Settlement Agreement.

The amounts funded to the Wind-Down Trust Account for Wind-Down Operating Expenses may be adjusted from time to time as determined by the Plan Administrator in its reasonable discretion, subject to advice from the Advisory Committee.

f. ~~e.~~ *Reporting*

In no event later than thirty (30) Business Days after the end of the first full quarter following the Effective Date and on a quarterly basis thereafter until all Cash in the Wind-Down Trust has been released or paid out in accordance with this Plan and the Wind-Down Trust Agreement, the Plan Administrator shall File reports setting forth the amounts, recipients, and dates of all Distributions through each applicable reporting period.

10. ~~9.~~ United States Federal Income Tax Treatment of the Wind-Down Trust for the Wind-Down Trust Assets

For federal income tax purposes, it is intended that the Wind-Down Trust be classified as a grantor trust and a liquidating trust under Section 301.7701-4(d) of the Treasury regulations and that the trust be owned by its Beneficiaries. Accordingly, for federal income tax purposes, it is intended that the Beneficiaries be treated as if there were a deemed transfer of the Wind-Down Trust Assets to the Beneficiaries, followed by a deemed transfer of such Wind-Down Trust Assets by the Beneficiaries to the Wind-Down Trust. Accordingly, the Wind-Down Trust's Beneficiaries will be treated, for federal income tax purposes, as the grantors and owners of their respective share of the Wind-Down Trust Assets. The valuation ascribed to the Wind Down Trust Asses shall be used consistently by the Plan Administrator and the Beneficiaries for all federal income tax purposes.

The Plan Administrator shall be responsible for filing all federal, state, and local tax returns for the Wind-Down Trust and for the Debtors. The Wind-Down Trust shall comply with all withholding and

reporting requirements imposed by any federal, state, or local taxing authority, and all Distributions made by the Wind-Down Trust shall be subject to any such withholding and reporting requirements. The Plan Administrator shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements including, without limitation, requiring that, as a condition to the receipt of a Distribution, the Holder of an Allowed Claim complete the appropriate IRS Form W-8 or IRS Form W-9, as applicable, to each Holder. Notwithstanding any other provision of this Plan, (a) each Holder of an Allowed Claim that is to receive a Distribution from the Wind-Down Trust shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on such Holder by any Governmental Unit, including income and other tax obligations, on account of such Distribution, and (b) no Distribution shall be made to or on behalf of such Holder under this Plan unless and until such Holder has made arrangements satisfactory to the Plan Administrator to allow it to comply with its tax withholding and reporting requirements.

Any property to be distributed by the Wind-Down Trust, shall, pending the implementation of such arrangements, be treated as an undeliverable Distribution, to be held by the Plan Administrator, as the case may be, until such time as the Plan Administrator is satisfied with the Holder's arrangements for any withholding tax obligations.

11. ~~10.~~ Term of Wind-Down Trust

The Plan Administrator shall be discharged and the Wind-Down Trust shall be terminated at such time as (a) all Disputed Claims against the Debtors have been resolved, (b) all of the Retained Causes of Action have been prosecuted to completion and the Wind-Down Trust Assets have been collected and liquidated, (c) all duties and obligations of the Plan Administrator under the Wind-Down Trust Agreement have been fulfilled, (d) all Distributions required to be made by the Wind-Down Trust under this Plan and the Wind-Down Trust Agreement have been made, and (e) the Chapter 11 Cases of the Debtors have been closed; *provided, however,* that in no event shall the Wind-Down Trust be dissolved later than five (5) years from the Effective Date unless the Bankruptcy Court, upon motion within the six-month period prior to the fifth anniversary (or the end of any extension period approved by the Bankruptcy Court), determines that a fixed period extension (not to exceed one (1) year, together with any prior extensions, unless the Wind-Down Trust has procured a favorable letter ruling from the Internal Revenue Service that any further extension would not adversely affect the status of the Wind-Down Trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Wind-Down Trust Assets.

12. ~~11.~~ Limitation of Liability of the Plan Administrator

The Wind-Down Trust shall indemnify ~~its~~the Plan Administrator and its professionals against any losses, liabilities, expenses (including attorneys' fees and disbursements), damages, taxes, suits, or claims that the Plan Administrator or its professionals may incur or sustain by reason of being or having been ~~a~~the Plan Administrator or professionals of the Wind-Down Trust for performing any functions incidental to such service; *provided, however*, the foregoing shall not relieve ~~the~~any Plan Administrator or its professionals from liability for bad faith, willful misconduct, reckless disregard of duty, criminal conduct, gross negligence, fraud, or self-dealing.

D. Dissolution of the Debtors; Deemed Resignations

Immediately after the Effective Date, the Plan Administrator shall be authorized to take, in his, her or its sole and absolute discretion, all actions reasonably necessary to dissolve one or more of the Debtors under applicable laws, including under the laws of the jurisdictions in which they may be organized or registered, and to pay all reasonable costs and expenses in connection with such

dissolutions, including the costs of preparing or filing any necessary paperwork or documentation. Upon the completion of final Distributions, any Debtors that have not been previously dissolved shall be deemed dissolved for all purposes without the necessity for other or further actions to be taken by or on behalf of the Debtors, and the Plan Administrator shall be authorized to file any certificate of cancellation or other documents as may be necessary or desirable to terminate the legal existence of the Debtors.

Additionally, immediately following the Distribution of all of the Debtors' and the Estates' property under the terms of this Plan, on the Effective Date, the Debtors' members, directors, managers, and officers and any remaining employees shall be deemed to have resigned their respective positions.

E. Cancellation of Existing Securities and Agreements

Except as otherwise specifically provided for in the Plan, on the Effective Date, the DIP Loan Documents, the Prepetition Loan Documents, and any other certificate, Security, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors or giving rise to any Claim against or Interest in the Debtors, shall be canceled, and the Debtors shall not have any obligations thereunder and shall be released therefrom.

F. Corporate Action

Upon the Effective Date, all actions contemplated under the Plan, regardless of whether taken before, on, or after the Effective Date, shall be deemed authorized and approved in all respects, including selection of the Plan Administrator, and all other actions contemplated under the Plan (whether to occur before, on, or after the Effective Date). All matters provided for in the Plan or deemed necessary or desirable by the Debtors, before, on, or after the Effective Date involving the corporate structure of the Debtors or the Wind-Down Trust, and any corporate action required by the Debtors or the Wind-Down Trust in connection with the Plan or corporate structure of the Debtors or the Wind-Down Trust shall be deemed to have occurred and shall be in effect on the Effective Date, without any requirement of further action by the security holders, directors, managers, or officers of the Debtors or the Plan Administrator. Before, on, or after the Effective Date, the appropriate officers of the Debtors ~~or~~, the Plan Administrator~~, as applicable,~~ shall be authorized to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Debtors or the Wind-Down Trust, to the extent not previously authorized by the Bankruptcy Court. The authorizations and approvals contemplated by this Article IV.F shall be effective notwithstanding any requirements under non-bankruptcy law.

G. Effectuating Documents; Further Transactions

~~On~~ Subject to the terms of this Plan, the Wind-Down Trust Agreement and the Confirmation Order, on and after the Effective Date, the Plan Administrator may issue, execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and the instruments issued pursuant to the Plan in the name of and on behalf of the Wind-Down Trust, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

H. Exemptions from Certain Taxes and Fees

Pursuant to, and to the fullest extent permitted by, section 1146(a) of the Bankruptcy Code, any transfers from the Debtors to the Wind-Down Trust or to any other Person, pursuant to, in contemplation of, or in connection with the Plan (including any transfer pursuant to: (a) the distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors; or (b) the making, delivery or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan) shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, sales and use tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local government officials or agents shall, and shall be directed to, forego the collection of any such tax, recordation fee or government assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee or government assessment. The Bankruptcy Court shall retain specific jurisdiction with respect to these matters.

I. Privileges as to Certain Causes of Action

Effective as of the Effective Date, all Privileges of the Debtors relating to the Wind-Down Assets shall be deemed transferred, assigned, and delivered to the Wind-Down Trust, without waiver or release, and shall vest with the Wind-Down Trust. The Plan Administrator shall hold and be the beneficiary of all such Privileges and is entitled to assert such Privileges. No such Privilege shall be waived by disclosures to the Plan Administrator of the Debtors' documents, information, or communications subject to attorney-client privileges, work product protections or other immunities (including those related to common interest or joint defense with third parties), or protections from disclosure held by the Debtors. The Debtors' Privileges relating to the Wind-Down Trust Assets will remain subject to the rights of third parties under applicable law, including any rights arising from the common interest doctrine, the joint defense doctrine, joint attorney-client representation, or any agreement. Nothing contained herein or in the Confirmation Order, nor any Professional's compliance herewith and therewith, shall constitute a breach of any Privileges of the Debtors. Notwithstanding the foregoing and for the avoidance of doubt, the Privileges transferred to the Wind-Down Trust do not include any privileges of the current and former individual directors or officers of the Debtors, and all of the rights of such directors and officers with respect to such privileged materials, including any materials that may be subject to joint privilege with the Debtors, are hereby preserved.

J. Preservation of Retained Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to Article VIII hereof, the Plan Administrator shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Retained Causes of Action, in each case whether arising before or after the Petition Date, including, but not limited to, any actions specifically enumerated in the Schedule of Retained Causes of Action and notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan.

~~The~~Subject only to the limitations to the authority as between the Plan Administrator set forth herein (including, specifically, those contained in Article IV.C.9 of the Plan) and in the Wind-Down Trust Agreement, the Plan Administrator (i) may pursue ~~such~~ Retained Causes of Action, as appropriate, in accordance with the best interests of the Wind-Down Trust~~. The Plan Administrator~~, (ii) shall retain and may exclusively enforce any and all ~~such~~ Retained Causes of Action~~. The Plan Administrator~~, and (iii) shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any ~~such~~ Retained

Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Retained Cause of Action against it as any indication that the Plan Administrator will not pursue any and all available Retained Causes of Action against it, except as otherwise expressly provided in the Plan, including this Article IV and Article VIII of the Plan. Unless any such Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Final Order, the Plan Administrator expressly reserves all such Retained Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Retained Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

ARTICLE V
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided herein, all Executory Contracts and Unexpired Leases will be rejected by the Plan on the Effective Date pursuant to sections 365 and 1123 of the Bankruptcy Code, other than (a) Executory Contracts or Unexpired Leases previously assumed or rejected pursuant to an order of the Bankruptcy Court, (b) Executory Contracts or Unexpired Leases that are the subject of a motion to assume, or for which a notice of assumption has been filed pursuant to the assumption and assignment procedures approved by the Bankruptcy Court in connection with the Sale Transaction and (c) an Executory Contract that is a D&O Policy, in the case of (a) and (b), that is pending on the Effective Date. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of the rejection of such Executory Contracts and Unexpired Leases pursuant to sections 365 and 1123 of the Bankruptcy Code.

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases pursuant to the Plan or the Confirmation Order, if any, must be Filed with the Bankruptcy Court within 30 days after the later of (1) the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection, (2) the effective date of such rejection, or (3) the Effective Date. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed with the Bankruptcy Court within such time will be automatically disallowed, and forever barred from assertion, and shall not be enforceable against the Debtors, the Estates, the Wind-Down Trust, or the Plan Administrator, or the property of any of the foregoing Entities, without the need for any objection by the Plan Administrator or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied and released, notwithstanding anything in the Schedules or a Proof of Claim to the contrary.** Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article IV.B and may be objected to in accordance with the provisions of Article VII of the Plan and the applicable provisions of the Bankruptcy Code and Bankruptcy Rules.

C. Modifications, Amendments, Supplements, Restatements and Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is rejected shall include all modifications, amendments, supplements, restatements or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all Executory Contracts and Unexpired Leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal and any other interests, unless any of the foregoing agreements have been previously rejected or repudiated or are rejected or repudiated under the Plan. Modifications, amendments, supplements and restatements to Prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the Prepetition nature of such Executory Contract or Unexpired Leases or the validity, priority or amount of any Claims that may arise in connection therewith.

D. Reservation of Rights; Preservation of Preexisting Obligations to Debtors

Nothing contained in the Plan shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease, or that any Debtor has any liability thereunder.

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed to the Debtors under such Executory Contracts or Unexpired Leases. In particular, notwithstanding any non-bankruptcy law to the contrary, the Debtors (for themselves and for their successors) expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the Debtors contracting from non-Debtor counterparties to rejected Executory Contracts or Unexpired Leases.

E. Insurance Policies

Notwithstanding anything to the contrary in this Plan or the Confirmation Order, unless any Insurance Policies have been expressly rejected pursuant to a separate order of the Bankruptcy Court (or through the Confirmation Order), any Insurance Policies of any Debtors in which a Debtor is or was an insured party (including all D&O Policies), or any related insurance agreement issued prior to the Petition Date, shall continue in effect after the Effective Date pursuant to the respective terms and conditions. All rights of the Debtor under any Insurance Policies shall automatically become vested in the Wind-Down Trust without necessity for further approvals or orders. To the extent that any Insurance Policies or related insurance agreements are deemed Executory Contracts, then, unless such policies have been rejected pursuant to a separate order of the Bankruptcy Court (or through the Confirmation Order), notwithstanding anything to the contrary in this Plan, this Plan shall constitute a motion to assume, assume and assign, permit "ride through," or ratify such Insurance Policies or insurance agreements. Subject to the occurrence of the Effective Date, the entry of the Confirmation Order shall constitute both approval of such assumption pursuant to section 365 of the Bankruptcy Code and a finding by the Bankruptcy Court that such assumption is in the best interests of the Estate. Unless otherwise determined by the Bankruptcy Court pursuant to a Final Order or agreed upon by the parties prior to the Effective Date, no payments shall be required to cure any defaults of the Debtors existing as of the Confirmation Date with respect to any Insurance Policy or insurance agreement assumed, or assumed and assigned, pursuant to this Article V.E.

After the Effective Date, nothing herein shall terminate or otherwise reduce the coverage under any D&O Policy (including, if applicable, any "tail policy") with respect to conduct occurring on or prior to the Effective Date, and nothing herein shall prejudice any officers, directors, managers, and employees

of the Debtors who served in such capacity at any time before the Effective Date from being entitled to the full benefits of any such policy for the full term of such policy (including with respect to the purchase of a "tail policy," the full six year term or other applicable term of such policy) in accordance with the terms thereof, following the purchase of such policy, regardless of whether such officers, directors, managers, or employees remain in such positions after the Effective Date.

Each insurance company is prohibited from, and the Confirmation Order shall include an injunction against, denying, refusing, altering or delaying coverage on any basis regarding or related to these Chapter 11 Cases, this Plan, or any provision within this Plan, including the treatment or means of liquidation set out within this Plan for any insured Claims or Causes of Action. Without limiting the generality of the foregoing, D&O Policies in effect as of the Confirmation Date shall be deemed assumed and shall not be rejected.

ARTICLE VI
PROVISIONS GOVERNING AND DISTRIBUTIONS

A. Timing and Calculation of Amounts to Be Distributed

Unless otherwise provided in the Plan, on the Initial Distribution Date (or if a Claim is not an Allowed Claim or Allowed Interest on the Initial Distribution Date, on the next Quarterly Distribution Date after such Claim or Interest becomes an Allowed Claim or Allowed Interest, or as soon as reasonably practicable thereafter), or as soon as is reasonably practicable thereafter, each Holder of an Allowed Claim entitled to a Distribution under the Plan shall receive the full amount of the Distribution that the Plan provides for an Allowed Claim in the applicable Class. For the avoidance of doubt, the Initial Distribution Date for an Administrative Claim, a Priority Tax Claim, a Gap Period Claim, an Other Priority Claim or an Other Secured Claim that is an Allowed Claim as of the Effective Date and for which the Holder thereof is otherwise entitled to receive a Distribution on account of such Allowed Claim shall occur on the Effective Date or as soon as practicable thereafter as determined in the reasonable discretion of the Plan Administrator. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, Distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII hereof. Except as otherwise provided in the Plan, Holders of Claims or Interests shall not be entitled to interest, dividends, or accruals on the Distributions provided for in the Plan, regardless of whether such Distributions are delivered on or at any time after the Effective Date.

B. Distributions on Account of Obligations to Multiple Debtors

For all purposes associated with Distributions under the Plan, all guarantees by any Debtor of the obligations of any other Debtor, as well as any joint and several liability of any Debtor with respect to any other Debtor, shall be deemed eliminated so that any obligation that could otherwise be asserted against more than one Debtor shall result in a single Distribution under the Plan, *provided* that Claims held by a single entity at different Debtors that are not based on guarantees or joint and several liability shall be entitled to the applicable Distribution for such Claim at each applicable Debtor. Any such Claims shall be released pursuant to ~~Article VIII of~~ the Plan and shall be subject to all potential objections, defenses, and counterclaims, and to estimation pursuant to section 502(c) of the Bankruptcy Code. For the avoidance of doubt, this shall not affect the obligation of each and every Debtor to pay fees payable pursuant to section 1930(a) of the Judicial Code until such time as a particular Chapter 11 Case is closed, dismissed, or converted, whichever occurs first.

C. Distributions Generally

Except as otherwise provided herein, Distributions under the Plan shall be made by the Disbursing Agent. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. Additionally, in the event that the Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Wind-Down Trust.

D. Rights and Powers of Disbursing Agent

1. Powers of Disbursing Agent

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all Distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred On or After the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and out-of-pocket expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation and out-of-pocket expense reimbursement claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash from the Wind-Down Trust.

E. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Record Date for Distribution

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making Distributions shall instead be authorized and entitled to recognize only those record Holders listed on the Claims Register as of the close of business on the Distribution Record Date.

2. Delivery of Distributions

a. Initial Distribution Date

Except as otherwise provided herein, on the Initial Distribution Date, the Disbursing Agent shall make Distributions to Holders of Allowed Claims and Interests as of the Distribution Record Date at the address for each such Holder as indicated on the Debtors' books and records as of the date of any such Distribution; *provided* that the manner of such Distributions shall be determined at the reasonable discretion of the Disbursing Agent; *provided, further,* that the address for each Holder of an Allowed Claim or Interest shall be deemed to be the address set forth in, as applicable, any Proof of Claim or Proof of Interest Filed by such Holder, or, if no Proof of Claim or Proof of Interest has been Filed, the address set forth in the Schedules. If a Holder holds more than one Claim in any one Class, all Claims of the Holder may be aggregated into one Claim and one Distribution may be made with respect to the aggregated Claim.

b. Quarterly Distribution Date

Except as otherwise determined by the Plan Administrator in its reasonable discretion, on each Quarterly Distribution Date or as soon thereafter as is reasonably practicable, the Disbursing Agent shall make the Distributions required to be made on account of Allowed Claims and Interests under the Plan on such date. Any Distribution that is not made on the Initial Distribution Date or on any other date specified herein because the Claim that would have been entitled to receive that Distribution is not an Allowed Claim or Interest on such date, shall be distributed on the first Quarterly Distribution Date after such Claim or Interest is Allowed. No interest shall accrue or be paid on the unpaid amount of any Distribution paid on a Quarterly Distribution Date in accordance with Article VI.J of the Plan.

3. Minimum Distributions

Notwithstanding any other provision of the Plan, the Disbursing Agent will not be required to make Distributions of Cash less than $100 in value (whether cash or otherwise), and each such Claim to which this limitation applies shall be released pursuant to Article VIII and its Holder is forever barred pursuant to Article VIII from asserting such Claim against the Debtors, the Wind-Down Trust, the Plan Administrator, or their property.

4. Undeliverable Distributions and Unclaimed Property

In the event that any Distribution to any Holder is returned as undeliverable, no Distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder, at which time such Distribution shall be made to such Holder without interest; *provided, however*, that such Distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six months from the Effective Date. After such date, all unclaimed property or interests in property shall revert to the Wind-Down Trust automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial, or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or Interest in property shall be released and forever barred.

A Distribution shall be deemed unclaimed if a Holder has not: (a) accepted a particular Distribution or, in the case of Distributions made by check, negotiated such check; (b) given notice to the Plan Administrator of an intent to accept a particular Distribution; (c) responded to the Debtors' or Plan Administrator's requests for information necessary to facilitate a particular Distribution; or (d) taken any other action necessary to facilitate such Distribution.

F. Reserves for Disputed Claims

In connection with any Distributions to Holders of Allowed General Unsecured Claims, the Plan Administrator shall set aside in one or more Disputed Claims Reserves the amount of Cash that the Plan Administrator~~, in consultation with the Advisory Committee,~~ determines would likely have been distributed to the Holders of Disputed Claims that are General Unsecured Claims. In each instance, the Plan Administrator should establish the amount to be reserved on account of a Disputed General Unsecured Claim by determining the amount of Cash equal to the Distributions that would have been made to the holder of such Disputed Claim if it were an Allowed General Unsecured Claim in an amount equal to the lesser of (a) the amount of the Disputed Claim, (b) the amount in which the Disputed Claim shall be estimated by the Bankruptcy Court pursuant to section 502 of the Bankruptcy Code for purposes of allowance or distribution, which amount, unless otherwise ordered by the Bankruptcy Court, shall constitute and represent the maximum amount in which such Claim ultimately may become an Allowed Claim, or (c) such other amount as may be agreed upon by the Holder of such Disputed Claim and the Plan Administrator.

G. Distributions on Account of Claims or Interests Allowed After the Effective Date

1. Payments and Distributions on Disputed Claims

Distributions made after the Effective Date to Holders of Disputed Claims or Interests that are not Allowed Claims or Interests as of the Effective Date, but which later become Allowed Claims or Interests, as applicable, shall be deemed to have been made on the first Quarterly Distribution Date after they have actually been made, unless the Plan Administrator and the applicable Holder of such Claim or Interest agree otherwise. No interest shall accrue or be paid on a Disputed Claim before it becomes an Allowed Claim in accordance with Article VI.J of the Plan.

2. Special Rules for Distributions to Holders of Disputed Claims

Notwithstanding any provision otherwise in the Plan and except as may be agreed to by the Plan Administrator, on the one hand, and the Holder of a Disputed Claim or Interest, on the other hand, no partial payments and no partial Distributions shall be made with respect to any Disputed Claim or Interest until the Disputed Claim or Interest has become an Allowed Claim or Interest, as applicable, or has otherwise been resolved by settlement or Final Order.

H. Compliance with Tax Requirements

In connection with the Plan, to the extent applicable, the Debtors or the Plan Administrator, as applicable, shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all Distributions made pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of a Distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding Distributions pending receipt of information necessary to facilitate such Distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Debtors and Plan Administrator, as applicable, reserve the right to allocate all Distributions made under the Plan in compliance with applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

I. Allocations Between Principal and Accrued Interest

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest.

J. No Postpetition Interest on Claims

Unless otherwise specifically provided for in the Plan, a DIP Order, or the Confirmation Order, or required by applicable bankruptcy and non-bankruptcy law, postpetition interest shall not accrue or be paid on any prepetition Claims against the Debtors, and no Holder of a Prepetition Claim against the Debtors shall be entitled to interest accruing on or after the Petition Date on any such Prepetition Claim.

K. Foreign Currency Exchange Rate

Except as otherwise provided in a Bankruptcy Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent

U.S. dollar value using the exchange rate for the applicable currency as published in *The Wall Street Journal*, National Edition, on the Effective Date.

L. Setoffs and Recoupment

Except as expressly provided in this Plan, the Plan Administrator may, pursuant to section 553 of the Bankruptcy Code, set off and/or recoup against any Distributions to be made on account of any Allowed Claim, any and all claims, rights, and ~~Retained~~ Causes of Action that such Debtor, an Estate or the Wind-Down Trust may hold against the Holder of such Allowed Claim to the extent such setoff or recoupment is either (1) agreed in amount among the relevant Debtor(s) ~~and~~, Estate, Plan Administrator, and/or Wind-Down Trust, as applicable, and the Holder of an Allowed Claim or (2) otherwise adjudicated by the Bankruptcy Court or another court of competent jurisdiction~~; *provided, however,* that~~. ~~n~~Neither the failure to effectuate a setoff or recoupment nor the allowance of any Claim hereunder shall constitute a waiver or release by a Debtor ~~or its successor~~, any Estate, the Plan Administrator or the Wind-Down Trust, as applicable, of any and all claims, rights, and ~~Retained~~ Causes of Action that ~~such~~any Debtor ~~or its successor~~, any Estate, the Plan Administrator and/or the Wind-Down Trust, as applicable, may possess against the applicable Holder. In no event shall any Holder of Claims against, or Interests in, the Debtors be entitled to recoup any such Claim or Interest against any claim, right, or ~~Retained~~ Cause of Action of the Debtors or the Plan Administrator, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Debtors in accordance with Article XII.G of the Plan on or before the Effective Date, notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment. Notwithstanding the Debtor Release terms or anything else to the contrary in this Plan and without limiting the foregoing, as to any Claim or Claims held by any Lookback D&O, the rights of setoff and recoupment described in this Article VI.L shall be fully reserved and preserved for the benefit of the Plan Administrator and the Wind-Down Trust with respect to all Causes of Action in which the Debtors or their Estates held or had an interest in immediately prior to the Effective Date, regardless of whether such Causes of Action are released pursuant to Debtor Release on or after the Effective Date.

~~Notwithstanding anything to the contrary in this Plan or the Confirmation Order, all rights of counterparties to unexpired leases of nonresidential real property that have been rejected for setoff, recoupment, and subrogation are preserved and shall continue unaffected by Confirmation or the occurrence of the Effective Date.~~

M. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

The Debtors or the Plan Administrator~~,~~ as applicable, ~~shall~~may reduce in full a Claim, and such Claim shall be disallowed without a Claim objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment on account of such Claim from a party that is not a Debtor or the Plan Administrator. Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a Distribution on account of such Claim and receives payment from a party that is not a Debtor or the Plan Administrator on account of such Claim, such Holder shall, within two weeks of receipt thereof, repay or return the Distribution to the applicable Debtor or the Plan Administrator, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the applicable Distribution Date. If the Debtors or the Plan Administrator, as applicable, become aware of any payment of a Claim by a third party, the Debtors or Plan Administrator, as applicable, will send a notice of wrongful payment to the Holder of such Claim requesting the return of any excess payments

and advising the recipient of the provisions of the Plan requesting turnover of excess estate funds. The failure of such Holder to timely repay or return such Distribution shall result in the Holder owing the applicable Debtor or the Plan Administrator annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the two-week grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties

No Distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' Insurance Policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such Insurance Policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction or otherwise settled), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, Distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable Insurance Policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any rights or defenses, including coverage defenses, held by such insurers.

N. No Payment Over Full Amount

In no event shall a Holder of a Claim receive more than the full payment of such Claim. To the extent any Holder has received payment in full with respect to a Claim, such Claim shall be disallowed and expunged without an objection to such Claim having been filed and without any further notice to or action, order or approval of the Bankruptcy Court.

ARTICLE VII
PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED AND DISPUTED CLAIMS

A. Allowance of Claims

After the Effective Date, the Plan Administrator shall have and retain any and all rights and defenses ~~such~~the applicable Debtor had with respect to any Claim or Interest immediately before the Effective Date.

B. Claims Administration Responsibilities

~~Except as otherwise specifically provided in the Plan, the~~The Plan Administrator shall have the sole authority: (1) to File, withdraw, or litigate to judgment objections to Claims or Interests; (2) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

C. Estimation of Claims

Before or after the Effective Date, the Debtors or the Plan Administrator, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of Distributions), and the relevant Debtor or the Plan Administrator, as applicable, may elect to pursue any supplemental proceedings to object to any ultimate Distribution on account of such Claim. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any Holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such Holder has Filed a motion requesting the right to seek such reconsideration on or before fourteen days after the date on which such Claim is estimated. All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

D. Adjustment to Claims Without Objection

Any duplicate Claim or Interest or any Claim or Interest that has been paid or satisfied, or any Claim or Interest that has been amended or superseded, cancelled or otherwise expunged (including pursuant to the Plan), may be adjusted or expunged (including on the Claims Register, to the extent applicable) by the Plan Administrator without a Claims objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court. Additionally, any Claim or Interest that is duplicative or redundant with another Claim against or Interest in the same Debtor or another Debtor may be adjusted or expunged on the Claims Register by the Plan Administrator without ~~the~~such Plan Administrator having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Bankruptcy Court.

E. Time to File Objections to Claims

Any objections to Claims shall be Filed no later than the Claims Objection Bar Date.

F. Disallowance of Claims

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

Except as provided herein or otherwise agreed, any and all Proofs of Claim Filed after the Claims Bar Date or the Administrative Claim Bar Date, as appropriate, shall be deemed disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not receive any Distributions on account of such Claims, unless such late Proof of Claim has been deemed timely Filed by a Final Order.

G. Amendments to Claims

On or after the Claims Bar Date or the Administrative Claim Bar Date, as appropriate, a Claim may not be Filed or amended as to the amount, priority or secured status thereof without the prior authorization of the Bankruptcy Court or the Plan Administrator. Absent such authorization, any new or amended Claim Filed shall be deemed disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court to the maximum extent provided by applicable law.

H. No Distribution or Payments Pending Allowance

If an objection to the amount, validity, priority or classification of a Claim or a portion thereof is Filed or is intended to be filed as contemplated by Article VII or a Claim otherwise remains a Disputed Claim, except as otherwise provided in a Final Order of the Bankruptcy Court, no Distribution provided under the Plan shall be made on account of such Claim or portion thereof, as applicable, unless and until such Disputed Claim becomes an Allowed Claim

I. Distributions and Payments After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, Distributions (if any) shall be made to the Holder of such Allowed Claim, as applicable, in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the Holder of such Claim the Distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date, without any interest, dividends, or accruals to be paid on account of such Claim unless required under applicable bankruptcy law.

ARTIC LE VIII
SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. Settlement, Compromise and Release of Claims and Interests

Pursuant to, and to the maximum extent provided by, section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the Distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, compromise, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims ~~resolved or compromised after the Effective Date by the Plan Administrator~~or Claims against multiple Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by current or former employees of the Debtors prior to the Effective Date and that arise from a termination of

employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim or Proof of Interest based upon such debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. The Confirmation Order shall be a judicial determination of the settlement, compromise, and release of all Claims and Interests subject to the occurrence of the Effective Date.

B. Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall be fully released, and all of the rights, title and interest of any Holder of such mortgages, deeds of trust, Liens, pledges or other security interests shall revert to the Wind-Down Trust and its successors and assigns.

C. Debtor Release

Effective as of the Effective Date, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, including the service of the Released Parties to facilitate the administration of the Chapter 11 Cases, to maximize the value of the Estates and to implement the restructuring and orderly liquidation contemplated by the Plan, the adequacy of which is hereby confirmed, on and after the Effective Date each Released Party is deemed released by each and all of the Debtors, their Estates, and the Wind-Down Trust, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of any of the Debtors, their Estates, or the Wind-Down Trust, as applicable, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, their Estates, or the Wind-Down Trust, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Prepetition Loan Documents, the Prepetition Facility, the Convertible Debenture Financings, the DIP Loan Documents, the Sale Transaction, entry into the Asset Purchase Agreement, entry into the DIP Loan Documents, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Disclosure Statement, DIP Loan Facility, the Sale Transaction, the Asset Purchase Agreement, the Plan, the Plan Supplement, or any contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the DIP Loan Facility, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the pursuit of the Sale Transaction, the administration and implementation of the Plan, including the issuance or Distribution of securities pursuant to the Plan, or the Distribution or payment of property under the Plan or any other related agreement (including, for the avoidance of doubt, providing any legal opinion requested by any Entity

regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion), or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any liabilities or obligations of the Purchaser or any other Entity arising under the Asset Purchase Agreement, the Sale Order, or any other Sale Document, in each case that have survived the Sale Closing, (2) any claim or Cause of Action transferred or assigned to Purchaser under the Asset Purchase Agreement or any other Sale Document, (3) any Retained Cause of Action identified on the Schedule of Retained Causes of Action as against a Person identified therein as the target of such Retained Cause of Action, (4) any liabilities or obligations of the MGG ~~or the Purchaser~~Parties under the MGG Settlement Agreement, ~~or~~ (5) any post-Effective Date obligations of any Entity arising under or relating to the Plan, or any document, instrument, or agreement (including any documents set forth in the Plan Supplement, as applicable) executed to implement the Plan, or (6) any Lookback D&O with respect to any Lookback D&O Action that is commenced by the Plan Administrator on or before the Lookback D&O Action Deadline.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each Debtor Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties, (2) a good-faith settlement and compromise of such Claims; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors, their respective Estates, or the Wind-Down Trust asserting any claim, Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

D. Third-Party Release

Effective as of the Effective Date, in exchange for good and valuable consideration, including the service of the Released Parties to facilitate the administration of the Chapter 11 Cases, to maximize the value of the Estates and to implement the restructuring and orderly liquidating contemplated by the Plan, the adequacy of which is hereby confirmed, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released each Released Party from any and all claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the DIP Loan Documents, the Prepetition Loan Documents, Prepetition Facility, the Convertible Debenture Financings, the Sale Transaction, entry into the

Asset Purchase Agreement or any other Sale Document, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Disclosure Statement, the DIP Loan Facility, the Sale Transaction, the Asset Purchase Agreement, any other Sale Document, the Plan, the Plan Supplement, or any contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the DIP Loan Facility, the Sale Transaction or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the pursuit of the Sale Transaction, the administration and implementation of the Plan, including the issuance or Distribution of securities pursuant to the Plan, or the Distribution or payment of property under the Plan or any other related agreement (including, for the avoidance of doubt, providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion), or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any liabilities or obligations of the Purchaser or any other Entity arising under the Asset Purchase Agreement, the Sale Order, or any other Sale Document, in each case that have survived the Sale Closing, (2) any claim or Cause of Action transferred or assigned to Purchaser under the Asset Purchase Agreement or any other Sale Document, (3) any Retained Cause of Action identified on the Schedule of Retained Causes of Action as against a Person identified therein as the target of such Retained Cause of Action, (4) any liabilities or obligations of any MGG ~~or the Purchaser~~Party under the MGG Settlement Agreement, ~~or~~ (5) any post-Effective Date obligations of any Entity arising under or relating to the Plan, or any document, instrument, or agreement (including any documents set forth in the Plan Supplement, as applicable) executed to implement the Plan, or (6) any Lookback D&O with respect to any Lookback D&O Action that is commenced by the Plan Administrator on or before the Lookback D&O Action Deadline.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each Third-Party Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties, (2) a good-faith settlement and compromise of such Claims; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors, their respective Estates, or the Wind-Down Trust asserting any claim, Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

E. Exculpation

Effective as of the Effective Date, to the fullest extent permissible under applicable law and without affecting or limiting either the Debtor Release or the Third-Party Release, and except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby exculpated from, any Cause of Action for ~~any claim~~arising from or relat~~ed~~ing to any act or omission occurring on or after January 24, 2020, based on the negotiation, execution, and implementation of any transactions approved by the Bankruptcy Court in the Chapter 11 Cases, including the Asset Purchase Agreement, the DIP Loan Documents, the Disclosure Statement, the Plan, the Plan Supplement, the Confirmation Order, or any contract,

instrument, release, or other agreement or document contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order, or created or entered into in connection with the Asset Purchase Agreement, the DIP Loan Documents, the Disclosure Statement, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the pursuit of the Sale Transaction, the administration and implementation of the Plan, including the issuance of any securities pursuant to the Plan or the Distribution or payment of property under the Plan or any other related agreement, and the implementation of any transaction contemplated by the Plan (including, for the avoidance of doubt, providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion), or any other postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors, except for claims related to any act or omission that is determined by Final Order to have constituted actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes on, and Distribution or payment of consideration pursuant to, the Plan and, therefore, are not, and on account of such Distributions and payments shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such Distributions and other payments made pursuant to the Plan. Notwithstanding anything to the contrary in the foregoing, this Article VIII.E does not release (1) any liabilities or obligations of the Purchaser or any other Entity arising under the Asset Purchase Agreement, the Sale Order, or any other Sale Document, in each case that have survived the Sale Closing, (2) any claim or Cause of Action transferred or assigned to Purchaser under the Asset Purchase Agreement or any other Sale Document, (3) any Retained Cause of Action identified on the Schedule of Retained Causes of Action as against a Person identified therein as the target of such Retained Cause of Action, (4) any liabilities or obligations of any MGG ~~or the Purchaser~~Party under the MGG Settlement Agreement, or (5) any post-Effective Date obligations of any Entity arising under or relating to the Plan, or any document, instrument, or agreement (including any documents set forth in the Plan Supplement, as applicable) executed to implement the Plan.

F. Injunction

Effective as of the Effective Date, to the fullest extent permissible under sections 524 and 1141 of the Bankruptcy Code and other applicable law, and except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims or Interests that have been released pursuant to Article VIII.A of the Plan, released pursuant to the Debtor Release, the Third-Party Release, or another provision of the Plan (including the release of liens pursuant to Article VIII.B of the Plan), or are subject to exculpation pursuant to Article VIII.E of the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Wind-Down Trust, the Exculpated Parties, or the Released Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with

respect to any such Claims or Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind, against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan.

Upon entry of the Confirmation Order, all Holders of Claims and Interests and their respective current and former employees, agents, officers, directors, principals, and direct and indirect affiliates shall be enjoined from taking any actions to interfere with the implementation or Consummation of the Plan. Each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, Distributions under or pursuant to the Plan, shall be deemed to have consented to the injunction provisions set forth in this Article VIII.F of the Plan.

G. Protection Against Discriminatory Treatment

To the maximum extent provided by section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Debtors, the Wind-Down Trust or Plan Administrator, as applicable, or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Debtors, the Wind-Down Trust or the Plan Administrator, as applicable, or another Entity with whom the Debtors, the Wind-Down Trust or the Plan Administrator, as applicable, has been associated, solely because a Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is subject to compromise or administration in the Chapter 11 Cases.

H. Document Retention

On and after the Effective Date, the Plan Administrator may maintain documents in accordance with the Debtors' standard document retention policy, as may be altered, amended, modified, or supplemented by the Plan Administrator.

I. Term of Injunction or Stays

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect on and following the Effective Date in accordance with their terms.

J. Subordination Rights

The classification and manner of satisfying all Claims and Interests under the Plan take into consideration all subordination rights, whether arising under general principles of equitable subordination, contract, section 510(c) of the Bankruptcy Code, or otherwise, that a Holder of a Claim or Interest may have against other Claim or Interest Holders with respect to any Distribution made pursuant

to the Plan. Except as provided in the Plan, all subordination rights that a Holder of a Claim may have with respect to any Distribution to be made pursuant to the Plan shall be terminated, and all actions related to the enforcement of such subordination rights shall be permanently enjoined.

Pursuant to Bankruptcy Rule 9019 and in consideration for the Distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all claims or controversies relating to the subordination rights that a Holder of a Claim may have with respect to any Allowed Claim or any Distribution to be made pursuant to the Plan on account of any Allowed Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtors, the Estates, their respective property, and Holders of Claims and Interests and is fair, equitable, and reasonable.

ARTIC LE IX
CONDITIONS PRECEDENT TO CONSUMMATION OF THE PLAN

A. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.B hereof:

1. The Bankruptcy Court shall have entered the Confirmation Order, and such order shall ~~not have been stayed, modified, or vacated on appeal~~be a Final Order;

2. The Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan;

3. The Professional Fee Escrow Account shall have been established and funded with the Professional Fee Escrow Amount;

4. Except for the occurrence of the Effective Date itself, all actions necessary to the appointment of the Plan Administrator and the establishment of the Wind-Down Trust shall have occurred; and

5. The MGG Settlement shall have been approved by Final Order.

B. Waiver of Conditions

The conditions to Consummation set forth in Article IX.A above may be waived as follows: (i) the condition to Consummation set forth in Article IX.A.1 may be waived by the Debtors, after consultation with the UCC, but only if the condition to Consummation set forth in Article IX.A.5 hereof also has been satisfied or waived as provided herein; (ii) the conditions to Consummation set forth in Articles IX.A.~~1~~2 through IX.A.4 above, may be waived by the Debtors, after consultation with the UCC; and (iii) the condition to Consummation set forth in Article IX.A.5 above, may be waived by the Debtors after consultation with the UCC, but only with the consent of MGG. Such waivers of the conditions to Consummation shall be effective without notice, leave, or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate the Plan.

C. Substantial Consummation

The "substantial consummation" of the Plan, as defined in section 1101(2) of the Bankruptcy Code, with respect to any of the Debtors, shall be deemed to occur on the Effective Date.

D. Effect of Failure of Conditions

If the Effective Date of the Plan does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by the Debtors, any Holders, or any other Entity; (2) prejudice in any manner the rights of the Debtors, any Holders, or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any Holders, or any other Entity in any respect.

ARTICLE X
MODIFICATION, REVOCATION OR WITHDRAWAL OF THE PLAN

A. Modifications and Amendments

Except as otherwise specifically provided in the Plan, the Debtors reserve the right to modify the Plan, whether such modification is material or immaterial, seek Confirmation consistent with the Bankruptcy Code, and, as appropriate, not re-solicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 (as well as those restrictions on modifications set forth in the Plan), the Debtors expressly reserve their respective rights to revoke or withdraw, to alter, amend, or modify the Plan with respect to each Debtor, one or more times, before or after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan.

B. Effect of Confirmation on Modifications

Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of Plan

The Debtors reserve the right to revoke or withdraw the Plan before the Confirmation Date and to file subsequent plans. If the Debtors revoke or withdraw the Plan, or if Confirmation or Consummation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of the Claims or Interests or Class of Claims or Interests), assumption, assumption and assignment, or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims, Causes of Action, or Interests; (b) prejudice in any manner the rights of such Debtor, any Holder, or any other Entity; or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by such Debtor, any Holder, or any other Entity.

ARTICLE XI
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, to the extent legally permissible, the Bankruptcy Court shall retain

exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims or Interests;

2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals (including Professional Fee Claims) authorized pursuant to the Bankruptcy Code or the Plan;

3. resolve any matters related to: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including cure Claims pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed (or assumed and assigned); (c) the Plan Administrator amending, modifying or supplementing, after the Effective Date, pursuant to Article V, the Executory Contracts and Unexpired Leases to be assumed (or assumed and assigned) or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory, expired, or terminated;

4. ensure that Distributions to Holders of Allowed Claims and Interests are accomplished pursuant to the provisions of the Plan;

5. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

7. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan, the Plan Supplement, the Disclosure Statement, or the Confirmation Order;

8. enter and enforce any order for the sale or transfer of property pursuant to sections 363, 1123, 1141, or 1146(a) of the Bankruptcy Code;

9. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with Consummation, including interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

10. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

11. hear and determine all cases, controversies, suits, disputes or Causes of Action with respect to the releases, injunctions and other provisions contained in Article VIII, and enter such orders as may be necessary or appropriate to implement such releases, injunctions and other provisions;

12. resolve any cases, controversies, suits, disputes or Causes of Action with respect to the repayment or return of Distributions and the recovery of additional amounts owed by the Holder of a Claim for amounts not timely repaid in accordance with the Plan;

13. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

14. hear and determine all cases, controversies, suits, disputes or Causes of Action arising out of, relating to, or contemplated by the MGG Settlement, including, without limitation, cases, controversies, suits, disputes or Causes of Action that ~~the Debtors or the Plan Administrator, as applicable, may prosecute or~~may be prosecuted or settled pursuant to Section 5 of the MGG Settlement Agreement;

15. determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or, subject to any applicable forum selection clauses, any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;

16. enter an order or Final Decree concluding or closing any of the Chapter 11 Cases;

17. adjudicate any and all disputes arising from or relating to Distributions under the Plan;

18. consider any modifications of the Plan, to cure any defect or omission or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

19. determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;

20. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan or the Confirmation Order or any Entity's obligations incurred in connection with the Plan, including, subject to any applicable forum selection clauses, disputes arising under agreements, documents, or instruments executed in connection with the Plan;

21. adjudicate, decide, and resolve any cases, controversies, suits, or disputes related to (and/or arising under, as applicable) the Sale Transaction, the Asset Purchase Agreement or any other Sale Document; *provided*, *however*, that the Bankruptcy Court's jurisdiction shall not be exclusive;

22. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

23. enforce all orders previously entered by the Bankruptcy Court; and

24. hear any other matter not inconsistent with the Bankruptcy Code.

ARTIC LE XII
MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Subject to Article IX.A and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall

be immediately effective and enforceable and deemed binding upon the Debtors, the Wind-Down Trust, the Plan Administrator, and any and all Holders of Claims or Interests (irrespective of whether their Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in the Plan, each Entity acquiring property under the Plan and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

B. Additional Documents

On or before the Effective Date, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors or the Plan Administrator, as applicable, and all Holders receiving Distributions pursuant to the Plan and all other parties in interest may, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Payment of Statutory Fees

All fees due and payable pursuant to section 1930(a) of the Judicial Code prior to the Effective Date, including fees and expenses payable to the U.S. Trustee, shall be paid by the Debtors on the Effective Date. After the Effective Date, the Disbursing Agent or the Plan Administrator, as applicable, shall pay any and all such fees for each quarter (including any fraction thereof), and shall file with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. Each and every one of the Debtors shall remain obligated to pay quarterly fees to the Office of the U.S. Trustee and file quarterly reports until the earliest of that particular Debtor's case being closed, dismissed, or converted to a case under Chapter 7 of the Bankruptcy Code.

D. UCC and Cessation of Fee and Expense Payment

On the Effective Date, except to the extent that the UCC remains in existence for the limited purpose of prosecuting requests for payment of Professional Fee Claims for services and reimbursement of expenses incurred prior to the Effective Date by the UCC and its Professionals, the UCC shall dissolve automatically and the members thereof shall be relieved of all rights, duties, responsibilities, and liabilities arising on or prior to the Effective Date, from, or related to, the Chapter 11 Cases and under the Bankruptcy Code; *provided, however*, nothing in this Article XII.D relieves any current or former UCC member or any current or former UCC Professional of any confidentiality obligation that such Person may owe to the Debtors or their Estates. Neither the Debtors nor the Wind-Down Trust shall be responsible for paying any fees or expenses incurred by the members of or advisors to the UCC after the Effective Date.

E. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court enters the Confirmation Order, and the Confirmation Order shall have no force or effect if the Effective Date does not occur. None of the Filing of the Plan, any statement or provision contained in the Plan or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders unless and until the Effective Date has occurred.

F. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity

G. Notices

To be effective, all notices, requests, and demands to or upon the Debtors shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered by courier or registered or certified mail (return receipt requested) or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed to the following:

1. If to the Debtors, to:

OGGUSA, Inc., *et al.*
4274 Colby Rd
Winchester, KY 40391
Attn: Gary ~~M.~~ Broadbent~~,~~
Chief Wind-Down Officer
General Counsel and Secretary
e-mail:
~~gary.broadbent@gencanna.com~~gary.broadbent@gencanna.com

with copies (which shall not constitute notice) to:

Benesch, Friedlander, Coplan, & Aronoff LLP
1313 North Market Street, Suite 1201
Wilmington, DE 19801
Attn: Michael J. Barrie
Gregory W. Werkheiser
e-mail: ~~mbarrie@beneschlaw.com~~mbarrie@beneschlaw.com
~~gwerkheiser@beneschlaw.com~~gwerkheiser@beneschlaw.com

-and-

Benesch, Friedlander, Coplan, & Aronoff LLP
200 Public Square, Suite 2300
Cleveland, OH 44114
Attn: Elliot M. Smith
e-mail: ~~esmith@beneschlaw.com~~esmith@beneschlaw.com

-and-

DENTONS BINGHAM GREENEBAUM LLP
3500 PNC Tower
101 South Fifth Street
Louisville, Kentucky 40202
Attn: James R. Irving
e-mail: ~~james.irving@dentons.com~~james.irving@dentons.com

2. If to the DIP Agent or Prepetition Agent, to:

MGG Investment Group LP
One Penn Plaza, 53rd Floor
New York, New York 10119
Attn: Mustafa Tayeb and Mier Wang
e-mail:
~~creditagreementnotices@mgginv.com~~creditagreementnotices@mggin
v.com

with copies (which shall not constitute notice) to:

Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
Attn: Adam Harris
Email: ~~adam.harris@srz.com~~adam.harris@srz.com

3. If to the Purchaser, to:

GenCanna Acquisition Corp.
c/o MGG Investment Group LP
One Penn Plaza, 53rd Floor
New York, NY 10119
Attn: Patrick Flynn and Mier Wang
Email: ~~pflynn@mgginv.com~~pflynn@mgginv.com
~~mwang@mgginv.com~~mwang@mgginv.com

with copies (which shall not constitute notice) to:

Schulte Roth & Zabel LLP (per contact information listed above)

4. If to the UCC, to:

Foley & Lardner LLP
321 N. Clark Street, Suite 2800
Chicago, IL 60654
Attn: Geoffrey S. Goodman
e-mail: ~~ggoodman@foley.com~~ggoodman@foley.com

-and-

DelCotto Law Group PLLC
200 North Upper Street
Lexington, KY 40507
Attn: Laura Day DelCotto
e-mail: ~~ldelcotto@dlgfirm.com~~ldelcotto@dlgfirm.com

After the Effective Date, the Plan Administrator may notify Entities that, to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entity must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Plan Administrator is authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

H. Entire Agreement

Except as otherwise indicated, the Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan. ~~If the Effective Date does not occur, nothing herein shall be construed as a waiver by any party in interest of any or all of such party's rights, remedies, claims, and defenses, and such parties expressly reserve any and all of their respective rights, remedies, claims and, defenses. This Plan and the documents comprising the Plan Supplement, including any drafts thereof (and any discussions, correspondence, or negotiations regarding any of the foregoing) shall in no event be construed as, or be deemed to be, evidence of an admission or concession on the part of any party in interest of any claim or fault or liability or damages whatsoever. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, all negotiations, discussions, agreements, settlements, and compromises reflected in or related to Plan and the documents comprising the Plan Supplement is part of a proposed settlement of matters that could otherwise be the subject of litigation among various parties in interest, and such negotiations, discussions, agreements, settlements, and compromises shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of the Plan and the documents comprising the Plan Supplement.~~For the avoidance of doubt, this Article XII.H is without prejudice to the right of any Mediation Settling Party to rely upon or enforce the professional fee budgets set forth in the Mediation Settlement Term Sheet with respect to Professional Fee Claims incurred during the periods specified therein.

I. Exhibits

All exhibits, schedules and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits, schedules and documents shall be available upon written request to the Debtors' counsel at the address set forth in Article XII.G of the Plan or by downloading such exhibits and documents from the website of the Notice and Claims Agent at ~~http://dm.epiq11.com/gencanna~~http://dm.epiq11.com/gencanna or (for a fee) the Bankruptcy Court's website at ~~https://ecf.kyeb.uscourts.gov~~https://ecf.kyeb.uscourts.gov. To the extent any exhibit, schedule or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control. The documents contained in the Plan Supplement are an integral part of the Plan and shall be deemed approved by the Bankruptcy Court pursuant to the Confirmation Order.

J. Non-Severability of Plan Provisions

The provisions of the Plan, including its release, injunction, exculpation, and compromise provisions, are mutually dependent and non-severable. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2)

integral to the Plan and may not be deleted or modified without the consent of the Debtors, consistent with the terms set forth herein; and (3) non-severable and mutually dependent.

K. Closing of Chapter 11 Cases

The Plan Administrator shall, promptly after the full administration of the Chapter 11 Cases, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order necessary to close the Chapter 11 Cases.

L. Conflicts

Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control. In the event of an inconsistency between the Confirmation Order and the Plan, the Confirmation Order shall control.

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Respectfully submitted, as of the date first set forth above,

OGGUSA, INC.
f/k/a GENCANNA GLOBAL USA, INC.

By: /s/ ~~James Alt~~
Name: James Alt
Title: Chief Transformation Officer

By: /s/
Name: Gary Broadbent
Title: Chief Wind-Down Officer, General Counsel and Secretary

OGG, INC.
f/k/a GENCANNA GLOBAL, INC.

By: /s/ ~~James Alt~~
Name: James Alt
Title: Chief Transformation Officer

By: /s/
Name: Gary Broadbent
Title: Chief Wind-Down Officer, General Counsel and Secretary

HEMP KENTUCKY, LLC

By: /s/ ~~James Alt~~
Name: James Alt
Title: Chief Transformation Officer

By: /s/
Name: Gary Broadbent
Title: Chief Wind-Down Officer, General Counsel and Secretary

DENTONS BINGHAM GREENEBAUM LLP

/s/ ~~James R. Irving~~

James R. Irving
April A. Wimberg
Christopher B. Madden
3500 PNC Tower
101 South Fifth Street
Louisville, Kentucky 40202
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E-mail:
~~esmith@beneschlaw.com~~esmith@beneschlaw.com

Counsel for the Debtors

APPENDIX 1

PLAN DEFINITIONS

1. "*Administrative Claim*" means a Claim for the costs and expenses of administration of the Estates under sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred on or after the Petition Date through and including the Effective Date of preserving the Estates and operating the businesses of the Debtors; (b) Allowed Professional Fee Claims in the Chapter 11 Cases; and (c) amounts owing pursuant to a DIP Order.

2. *"Administrative Claim Objection Deadline"* means the deadline for filing objections to requests for payment of Administrative Claims (other than requests for payment of Professional Fee Claims), which shall be the later of (a) 60 days after the Effective Date and (b) 60 days after the Filing of the applicable request for payment of the Administrative Claims; *provided* that the Administrative Claim Objection Bar Date may be extended by the Bankruptcy Court after notice and a hearing.

3. "*Administrative Claim Bar Dates*" means the deadline for filing requests for payment of Administrative Claims (other than (x) Professional Fee Claims, or (z) Claims arising pursuant to section 503(b)(9) of the Bankruptcy Code, which were required to be filed in accordance with the Bar Date Order), which shall be 30 days after the Effective Date.

~~4. *"Advisory Committee"* means the committee created pursuant to the Wind-Down Trust Agreement, which shall provide advice and consultation to the Plan Administrator and have such other duties as set forth herein and in the Wind-Down Trust Agreement.~~

4. ~~5.~~ *"Affiliate"* has the meaning set forth in section 101(2) of the Bankruptcy Code. With respect to any Person that is not a Debtor, the term "Affiliate" shall apply to such Person as if the Person were a Debtor.

5. ~~6.~~ "*Allowed*" means, with respect to any Claim, except as otherwise provided in the Plan: (a) a Claim that is evidenced by a Proof of Claim Filed by the Claims Bar Date (or for which Claim under the Plan, the Bankruptcy Code, or pursuant to a Final Order a Proof of Claim is not or shall not be required to be Filed); (b) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim, as applicable, has been timely Filed; or (c) a Claim Allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; *provided* that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that, with respect to such Claim, no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim, as applicable, shall have been Allowed by a Final Order. Except as otherwise specified in the Plan or any Final Order, and except for any Claim that is Secured by property of a value in excess of the principal amount of such Claims, the amount of an Allowed Claim shall not include interest on such Claim from and after the Petition Date. For purposes of determining the amount of an Allowed Claim, there shall be deducted therefrom an amount equal to the amount of any Claim that the Debtors may hold against the Holder thereof, to the extent such Claim may be offset, recouped, or otherwise reduced under applicable law. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim is or has been timely Filed (where such Proof of Claim is required to be filed), is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court. For the avoidance of doubt: (x) a Proof of Claim Filed after the Claims Bar Date shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-filed Claim; and (y) the Debtors may affirmatively

determine to deem Unimpaired Claims Allowed to the same extent such Claims would be allowed under applicable non-bankruptcy law. "Allow" and "Allowing" shall have correlative meanings.

6. ~~7.~~ "*Asset Purchase Agreement*" means that certain *Asset Purchase Agreement*, dated as of May ~~29~~, 2020, as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof or the Sale Order, by and among the Purchaser, as Purchaser, and the Debtors, as Sellers.

7. ~~8.~~ "*Ballot*" means the form distributed to each holder of an Impaired Claim that is entitled ~~to~~ vote to accept or reject the Plan on which is to be indicated an acceptance or rejection of the Plan.

8. ~~9.~~ "*Balloting Agent*" means Epiq Corporate Restructuring, LLC, or any successor thereto, ~~in~~ its capacity as the "Balloting Agent" (as defined in the Disclosure Statement ~~Order~~Motion) appointed by the Bankruptcy Court.

9. ~~10.~~ "*Bankruptcy Code*" means section 101, et seq. of title 11 of the United States Code, and applicable portions of titles 18 and 28 of the United States Code, as in effect as of the Petition Date.

10. ~~11.~~ "*Bankruptcy Court*" means the United States Bankruptcy Court for the Eastern District of ~~K~~Kentucky, having jurisdiction over the Chapter 11 Cases and, to the extent of the withdrawal of reference under section 157 of the Judicial Code or otherwise pursuant to section 151 of the Judicial Code, the United States District Court for the Eastern District of Kentucky.

11. ~~12.~~ "*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure, promulgated under section 2075 of title 23 of the United States Code, the Local Rules of the United States Bankruptcy Court for the Eastern District of Kentucky, and general orders and chambers procedures of the Bankruptcy Court, each as applicable to the Chapter 11 Case and as amended from time to time.

12. ~~13.~~ "*Bar Date Order*" means the Order Granting Motion of the Debtors and Debtors in Possession for Entry of an Order (A) Establishing Bar Dates for Filing Proofs of Claim and Section 503(b)(9) Claim Requests, and (B) Approving the Form and Manner of Notice Thereof [Docket No. 740], entered by the Bankruptcy Court in the Chapter 11 Cases.

13. ~~14.~~ "*Beneficial Interests*" means the beneficial interests in the Wind-Down Trust ~~to be received by the Holders of Allowed Unsecured Claims in Class 4 pursuant to the terms of the Plan and the Wind-Down Trust Agreement, which~~consisting of the Senior Beneficial Interests and the Subordinated ~~b~~Beneficial ~~i~~Interests ~~shall have the attributes set forth in this Plan and the Wind-Down Trust Agreement~~.

14. ~~15.~~ "*Beneficiary*" means a Holder of Beneficial Interests in the Wind-Down Trust under the terms of the Plan and the Wind-Down Trust Agreement.

15. ~~16.~~ "*Books and Records*" means all books and records of the Debtors, including, without limitation, all documents and communications of any kind, whether physical or electronic.

16. ~~17.~~ "*Business Day*" means any day, other than a Saturday, Sunday or "legal holiday" (as that term is defined in Bankruptcy Rule 9006(a)).

17. ~~18.~~ "*Cash*" means cash and cash equivalents, including bank deposits, checks, and other similar items in legal tender of the United States of America.

18. ~~19.~~ "*Cash Purchase Price*" has the meaning ascribed to such term in the Asset Purchase Agreement.

19. ~~20.~~ "*Causes of Action*" means any actions, claims, cross claims, third-party claims, interests, damages, controversies, remedies, causes of action, debts, judgments, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable directly or derivatively, matured or unmatured, suspected or unsuspected, disputed or undisputed, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law or otherwise. For the avoidance of doubt, "Causes of Action" include: (a) any rights of setoff, counterclaim, or recoupment and any claims under contracts or for breaches of duties imposed by law or in equity; (b) the right to object to or otherwise contest Claims or Interests; (c) claims pursuant to section 362 or chapter 5 of the Bankruptcy Code; (d) any claims or defenses, including fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any state law fraudulent transfer claim.

20. ~~21.~~ "*Chapter 11 Cases*" means (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code and (b) when used with reference to all Debtors, the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court.

21. ~~22.~~ "*Claim*" means any claim, as such term is defined in section 101(5) of the Bankruptcy Code against a Debtor or an Estate.

22. ~~23.~~ "*Claims Bar Date*" means the dates established by the Bankruptcy Court by which Proofs of Claim must have been Filed with respect to such Claims (other than Claims required to be Filed by the Administrative Claims Bar Date), pursuant to (a) the Bar Date Order, (b) a Final Order of the Bankruptcy Court, or (c) the Plan.

23. ~~24.~~ "*Claims Objection Bar Date*" means the later of: (a) the first Business Day following 180 days after the Effective Date; and (b) such later date as may be fixed by the Bankruptcy Court, after notice and an opportunity for a hearing.

24. ~~25.~~ "*Claims Register*" means the official register of Claims maintained by the Notice and Claims Agent.

25. ~~26.~~ "*Class*" means a category of Claims or Interests as set forth herein pursuant to section ~~1122~~(a) of the Bankruptcy Code.

26. ~~27.~~ "*Confirmation*" means the Bankruptcy Court's entry of the Confirmation Order on the docket of the Chapter 11 Cases.

27. ~~28.~~ "*Confirmation Date*" means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

28. ~~29.~~ "*Confirmation Hearing*" means the hearing held by the Bankruptcy Court to consider Confirmation of the Plan pursuant to sections 1128 and 1129 of the Bankruptcy Code, including any adjournments thereof.

29. ~~30.~~ "*Confirmation Order*" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, which Order must be acceptable to the Debtors.

30. ~~31.~~ *"Consummation"* means the occurrence of the Effective Date.

31. *"Convertible Debenture Financings"* means, collectively, (a) the Subscription Agreement for Convertible Debentures issued to MariMed, Inc., dated as of November 7, 2018, the Security and Pledge Agreement made and given by GenCanna Global, Inc. to MariMed, Inc., dated as of November 7, 2018, each of the Subordinated Secured Convertible Debentures issued to MariMed, Inc. (including those issued on September 10, 2018, September 18, 2018, September 21, 2018, October 22, 2018, October 26, 2018, November 8, 2018, in the aggregate principal amount of $30,000,000), together with any and all related or ancillary agreements and documents, each as amended, restated, modified, or supplemented from time to time in accordance with their terms; (b) the Convertible Debentures Conversion Agreement, dated as of February 1, 2019, by and between GCG Parent and MariMed, Inc., together with any and all related or ancillary agreements and documents, each as amended, restated, modified, or supplemented from time to time in accordance with their terms; and (c) the transactions, acts, omissions, and representations in connection with any of the foregoing agreements and documents.

32. "*Creditor*" means a "creditor" as that term is defined in section 101(10) of the Bankruptcy Code.

33. *"D&O Policies"* means all applicable Insurance Policies (including any excess liability or "tail policy") of any of the Debtors that cover current or former directors', managers', officers', or employees' liability.

34. "*Debtor*" means one or more of the Debtors, as debtors and debtors in possession, each in its respective individual capacity as a debtor and debtor in possession in the Chapter 11 Cases.

35. *"Debtor Related Potentially Released Party"* or *"Debtor Related Potentially Released Parties"* means, individually and collectively: (a) the Debtors; ~~and~~ (b) Gary Broadbent, in his capacity as the Chief Wind-Down Officer, General Counsel and Secretary for the Debtors; (c) James Alt, in his capacity as the Debtors' Chief Transformation Officer; (d) Marc Passalacqua, in his capacity as the Debtors Deputy Chief Transformation Officer; and (e) with respect to each Debtor, such Debtor's current and former officers, directors, managers, employees, and Professionals, in each instance only if such Person served in such capacity on or after January 24, 2020.

36. *"Debtor Release"* means the release given on behalf of the Debtors and their Estates to the Released Parties as set forth in Article VIII.C of the Plan.

37. *"Debtors"* means, collectively: (a) GCG Opco; (b) GCG Parent; and (c) Hemp Kentucky, LLC.

38. *"DIP Agent"* means MGG or any permitted successor thereto as administrative agent under the DIP Loan Agreement, solely in its capacity as such.

39. *"DIP Claims"* means all Claims of the DIP Agent and DIP Lenders arising under, derived from, secured by, or based on the DIP Loan Agreement, any DIP Order, or any other DIP Loan

Documents, including Claims for all principal amounts outstanding, interest, fees, expenses, costs, and other charges arising under or related to the DIP Loan Facility.

40. *"DIP Lenders"* means the banks, financial institutions and other various lenders party to the DIP Loan Agreement from time to time, each solely in its capacity as such.

41. *"DIP Loan Agreement"* means that certain Debtor In Possession Secured Multi-Draw Term Promissory Note, as amended, restated, modified, or supplemented from time to time in accordance with its terms, by and among, GCG Opco, as Borrower, GCG Parent and Kentucky Hemp, LLC, as Guarantors, MGG, as Agent, and the Lenders from time to time party thereto.

42. *"DIP Loan Documents"* means the DIP Loan Agreement and all other DIP Documents (as defined in the DIP Loan Agreement).

43. *"DIP Loan Facility"* means the debtor-in-possession financing facility provided for under the DIP Loan Agreement.

44. *"DIP Orders"* means, collectively, the interim and final orders entered by the Bankruptcy Court authorizing the Debtors to enter into the DIP Loan Agreement and incur postpetition obligations thereunder, as such orders may be amended, supplemented, or modified from time to time [Docket Nos. 82, 207, 306, 360 & 474]

45. *"DIP Secured Party"* or *"DIP Secured Parties"* has the meaning ascribed to such term in the Final DIP Order.

46. "*Disbursing Agent*" means the Plan Administrator or ~~his~~its designee.

47. "*Disclosure Statement*" means the *Disclosure Statement for Debtors' Amended Joint Plan of Liquidation*, dated as of July 31, 2020, as may be amended, supplemented, or modified from time to time, including all exhibits and schedules thereto and references therein that relate to the Plan, that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law and approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

48. "*Disclosure Statement Order*s" means the ~~o~~*Order* ~~of the Bankruptcy Court a~~*Approving*~~, among other things, the adequacy of the~~ *Disclosure Statement* ~~and establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan and with respect to "opt outs" for the Plan's Third Party Releases [Docket No. ___], entered~~, entered August 31, 2020 [Docket No. 1315], as modified by the *Order Continuing Confirmation Hearing*, entered October 2, 2020 [Docket No. 1391], as further modified by the *Agreed Order Modifying Deadline to File and Serve Amended Plan, Disclosure Statement and Related Documents*, entered October 8, 2020 [Docket No. 1399], and the *Agreed Supplemental Order Approving Revisions to Disclosure Statement and Granting Related Relief*, entered October [__], 2020 [Docket No. [____], which shall control in the event of any conflict between such order and the earlier orders entered by the Bankrupt~~p~~tcy Court ~~in the Chapter 11 Cases~~.

49. "*Disputed*" means, with respect to any Claim or Interest, any Claim or Interest that is not yet Allowed.

50. "*Disputed Claims Reserve*" means amounts in a bank account or accounts reserved for Disputed Claims in accordance with the terms of Article VI.F of this Plan and the Wind-Down Trust Agreement.

51. "*Distribution*" means Cash, property, interests in property (including Beneficial Interests) or other value distributed to Holders of Allowed Claims, or their designated agents, or Beneficiaries, as applicable, under this Plan and/or the Wind-Down Trust Agreement.

52. "*Distribution Date*" means the Initial Distribution Date or a Quarterly Distribution Date, as appropriate to context.

53. "*Distribution Record Date*" means the record date for determining which Holders of Allowed Claims or Allowed Interests are eligible to receive Distributions under the Plan, which date shall be the Effective Date or such other date prior to the Effective Date as is designated by the Debtors.

54. "*Effective Date*" means the date that is the first Business Day after the Confirmation Date on which (a) the conditions to the occurrence of the Effective Date have been satisfied or waived pursuant to Article IX.A and Article IX.B of the Plan and (b) no stay of the Confirmation Order is in effect, which shall be the day Consummation occurs.

55. "*Entity*" means an "entity" as that term is defined in section 101(15) of the Bankruptcy Code.

56. "*Estate*" means, as to each Debtor, the estate created on the Petition Date for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code and all property (as defined in section 541 of the Bankruptcy Code) acquired by the Debtors after the Petition Date through the Effective Date.

57. *"Estate Recoveries"* has the meaning ascribed to such term in the MGG Settlement Agreement.

58. *"Excluded LM Causes of Action"* means any and all Causes of Action against Mr. Michael Falcone, Southern Tier Hemp, LLC, or any Related Party that, as permitted by the MGG Settlement Agreement (including Section 5.a and fn.2 thereof), the Debtors or the Plan Administrator, as applicable, elects to pursue independently of Causes of Action included in the Falcone Litigation (as defined in the MGG Settlement) that were acquired by the Purchaser in the Sale Transaction).

59. ~~57.~~ "*Exculpated Party*" means, collectively, and in each case in its capacity as such: (a) the Debtors; (b) the UCC and each of the members thereof (solely in their respective capacities as members of the UCC); (c) Gary Broadbent, in his capacity as the Debtors' Chief Wind-Down Officer, General Counsel and Secretary; (d) James Alt, in his capacity as the Debtors' Chief Transformation Officer; (d) Marc Passalacqua, in his capacity as the Debtors Deputy Chief Transformation Officer; (e) ~~Huron Consulting Group LLC; (f)~~ the Debtors' respective directors, officers and managers who served in such capacity on or after January 24, 2020; (~~g~~f) the Professionals; (~~h~~g) MGG; (~~i~~h) the Purchaser; (~~j~~i) the Prepetition Secured Parties, in their respective capacities as such; (~~k~~j) the DIP Secured Parties, in their respective capacities as such; and (~~l~~k) with respect to the Persons identified in clauses (a) through (~~k~~j), each of their respective Related Persons. Notwithstanding anything to the contrary herein, no Person that qualifies Non-Released Party pursuant to clause (a) or (b) of the definition of "Non-Released Party" shall be an Exculpated Party.

60. ~~58.~~ "*Executory Contract*" means a contract to which one or more of the Debtors is a party and that is subject to assumption or rejection under section 365 or 1123 of the Bankruptcy Code.

61. ~~59.~~ "*Federal Judgment Rate*" means the federal judgment interest rate in effect as of a given Debtor's Petition Date, calculated as set forth in section 1961 of the Judicial Code.

62. ~~60.~~ "*File,*" "*Filed,*" or "*Filing*" means file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases, or, with respect to the filing of a Proof of Claim or Proof of Interest, the Notice and Claims Agent.

63. ~~61.~~ "*Final Decree*" means the decree contemplated under Bankruptcy Rule 3022.

64. ~~62.~~ "*Final DIP Order*" means the *Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, And 507 (I) Authorizing the Debtors to Obtain Senior Secured Superpriority Postpetition Financing; (II) Granting (A) Liens and Superpriority Administrative Expense Claims And (B) Adequate Protection to Prepetition Lenders; (III) Authorizing Use of Cash Collateral; (IV) Modifying the Automatic Stay; and (V) Granting Related Relief* [Docket No. 474], as amended, modified or supplemented from time to time.

65. ~~63.~~ "*Final Order*" means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter, which has not been reversed, stayed, modified, or amended, and as to which the time to appeal, petition for certiorari, or move for reargument, reconsideration, or rehearing has expired and no appeal, petition for certiorari, or motion for reargument, reconsideration, or rehearing has been timely taken or filed, or as to which any appeal, petition for certiorari, or motion for reargument, reconsideration, or rehearing that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; *provided, however*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure or any comparable rule of the Bankruptcy Rules may be Filed relating to such order shall not cause such order to not be a Final Order.

66. ~~64.~~ "*Gap Period Claim*" means any Claim, to the extent such Claim has not already been paid during the Chapter 11 Cases, entitled to priority in right of payment under section 507(a)(3) of the Bankruptcy Code.

67. ~~65.~~ "*GCG Opco*" means OGGUSA, Inc., f/k/a GenCanna Global USA, Inc., one of the Debtors.

68. ~~66.~~ "*GCG Parent*" means OGG, Inc., f/k/a GenCanna Global, Inc., one of the Debtors and the parent of GCG Opco.

~~67. *"GCG Parent Control Claim"* means a Claim against any Debtor held by a GCG Parent Control Party.~~

~~68. *"GCG Parent Control Party"* means a Peron that, at any time prior to the Confirmation Date, was (a) a member of the board of directors of GCG Parent or any Affiliate of such board member, or (b) a Holder, directly or indirectly, of twenty percent (20%) or more of the Interests in GCG Parent or an Affiliate of such Holder.~~

69. "*General Unsecured Claim*" means any ~~Unsecured~~ Claim that is not ~~a GCG Parent Control~~ Secured and is not (a) an Administrative Claims (including, for the avoidance of doubt, a Professional Fee Claim), (b) a Priority Tax Claim, (c) a Gap Period Claim, (d) a DIP Claim, (e) an Other Priority Claim, (f) a MGG Subordinated Claim, (g) an Intercompany Claim or (h) a Section 510(b) Claim.

70. "*Governmental Unit*" means a "governmental unit" as that term is defined in section 101(27) of the Bankruptcy Code.

~~71. "*GUC Ratable Share*" means, as of a Distribution Date, the ratio (expressed as a percentage) of the amount of (a) an Allowed General Unsecured Claim to (b) the aggregate amount of (i) all Allowed General Unsecured Claims *plus* (ii) all Disputed General Unsecured Claims, determined in accordance with Article VI.F hereof.~~

71. ~~72.~~ "*Holder*" means an Entity holding a Claim against, or an Interest in, any Debtor.

72. ~~73.~~ "*Impaired*" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

73. ~~74.~~ "*Initial Distribution Date*" means the date on which the Disbursing Agent shall make initial Distributions to Holders of Allowed Claims pursuant to the Plan, which shall be as soon as reasonably practicable after the Effective Date. For the avoidance of doubt, the Initial Distribution Date for an Administrative Claim, a Priority Tax Claim, a Gap Period Claim, an Other Priority Claim or an Other Secured Claim that is an Allowed Claim as of the Effective Date and for which the Holder thereof is otherwise entitled to receive a Distribution on account of such Allowed Claim shall occur on the Effective Date or as soon as practicable thereafter as determined in the reasonable discretion of the Disbursing Agent.

74. ~~75.~~ "*Insurance Policies*" means all insurance policies that have been issued at any time or provide coverage, benefits or proceeds to any of the Debtors (or their predecessors) and all agreements, documents or instruments relating thereto.

75. ~~76.~~ "*Intercompany Claim*" means any Claim held by a Debtor against another Debtor arising before the Petition Date.

76. ~~77.~~ "*Interest*" means any equity security in a Debtor as defined in section 101(16) of the Bankruptcy Code, including all issued, unissued, authorized, or outstanding shares of capital stock of the Debtors and any other rights, options, warrants, stock appreciation rights, phantom stock rights, restricted stock units, redemption rights, repurchase rights, convertible, exercisable, or exchangeable securities, or other agreements, arrangements, or commitments of any character relating to, or whose value is related to, any such interest or other ownership interest in any Debtor whether or not arising under or in connection with any employment agreement and whether or not certificated, transferable, preferred, common, voting, or denominated "stock" or a similar security, including any Claims against any Debtor subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising from or related to any of the foregoing.

77. ~~78.~~ "*Judicial Code*" means title 28 of the United States Code, 28 U.S.C. §§ 1–4001, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

78. ~~79.~~ "*Lien*" shall mean a "lien" as that term is defined in section 101(37) of the Bankruptcy Code, including, without limitation, a deed of trust, mortgage, charge, security interest, pledge or other encumbrance against or interest in property to secure payment or performance of a claim, debt or litigation.

79. *"Litigation Matters"* has the meaning ascribed to term is defined in the MGG Settlement Agreement.

80. *"LM Professionals"* means the law firms required to be retained in connection with the Litigation Matters as set forth in Section 6 of the MGG Settlement Agreement and such additional attorneys and other professionals as may be retained in connection with the Litigation Matters.

81. *"Lookback D&O"* means with respect to each Debtor, such Debtor's current and former officers, directors and/or managers, as applicable, in each instance only if such Person served in such capacity on or after January 24, 2020, but excluding those individuals identified by the MGG Parties in the Mediation Settlement Term Sheet.

82. *"Lookback D&O Action"* means a Retained Cause of Action brought or capable of being brought by the Debtors or the Plan Administrator on behalf of the Estates or Wind-Down Trust, as applicable, against any Lookback D&O arising out of or relating to such Lookback D&O's transactions, transfers, acts or omissions occurring prior to January 24, 2020.

83. *"Lookback D&O Action Deadline"* means the date that is 120 days after the Effective Date or the next Business Day if such date is not a Business Day; *provided, however*, that the Lookback D&O Action Deadline may be extended on one or more occasions as to a specific Lookback D&O by written agreement of the Plan Administrator and such Lookback D&O. In the event that (x) an Entity is a Non-Released Party by reason of appearing on the Non-Released Party Schedule *and* (y) such Entity also is a Lookback D&O, the Lookback D&O Action Deadline shall not apply to such Entity.

84. *"Mediation"* means the mediation by and among the Mediation Settling Parties conducted before the Mediator on and after September 11, 2020, pursuant to the Bankruptcy Court's order, entered August 20, 2020 [Docket No. 1285] and the Mediator's order, entered August 21, 2020 [Docket No. 1287].

85. *"Mediation Settlement Term Sheet"* means that certain *Mediation Term Sheet*, executed by and among the Mediation Settling Parties, originally prepared in connection with the Mediation on September 11, 2020, and thereafter updated and finalized on September 25, 2020.

86. *"Mediation Settling Parties"* means the Debtors, the MGG Parties and the UCC.

87. *"Mediator"* means the Honorable Tracey N. Wise, United States Bankruptcy Judge for the Eastern District of Kentucky, Lexington Division, in her capacity as the mediator for the Mediation.

88. ~~80.~~ "*MGG*" means MGG Investment Group LP.

89. *"MGG Parties"* means MGG, the Purchaser, the Prepetition Secured Parties and the DIP Secured Parties.

90. ~~81.~~ *"MGG Settlement"* means the compromise and settlement among the Debtors, MGG, for itself and as agent for all other Prepetition Secured Parties, and the Purchaser, as memorialized in the MGG Settlement Agreement.

91. ~~82.~~ *"MGG Settlement Agreement"* means that certain *First Amended Settlement Agreement and Release*, dated ~~July 30~~ _____, 2020, by and among the Debtors, MGG, for itself and as agent for all other Prepetition Secured Parties, and the Purchaser, as such agreement may be amended, modified or supplemented from time to time prior to the Confirmation Date in accordance with the terms thereof.

92. ~~83.~~ *"MGG Settlement Escrowed Funds"* means the "Cash Proceeds," as such term is defined in Section 7 of the MGG Settlement Agreement, which are to be initially received and held in escrow by Debtors' bankruptcy counsel, Benesch Friedlander Coplan & Aronoff LLP, in accordance with the terms of the MGG Settlement Agreement. For the avoidance of doubt, the MGG Settlement Escrowed Funds, shall not be treated as the Debtors' assets or Wind-Down Trust Assets unless and until such MGG Settlement Escrowed Funds have been allocated to the Debtors or the Wind-Down Trust, as applicable, upon completion of the consensual or Bankruptcy Court ordered reconciliation contemplated by Section 7 of the MGG Settlement Agreement.

93. ~~84.~~ *"MGG Settlement Payment~~s~~"* means the Cash payment~~s~~ from MGG to the Debtors or the Wind-Down Trust, as applicable, in the aggregate amount of $1,~~0~~100,000, to be paid in accordance with the terms of the MGG Settlement Agreement.

94. ~~85.~~ *"MGG Subordinated Claims"* means the Claims in the aggregate amount of $27,016,~~182~~.27 Allowed to MGG and the other Prepetition Secured Parties pursuant to the MGG Settlement Agreement, which Allowed Claims, pursuant to the terms of the MGG Settlement Agreement and this Plan, are subordinated in right of payment to all Allowed General Unsecured Claims ~~(but, for the avoidance of doubt, not GCG Parent Control Claims)~~.

95. ~~86.~~ *"Non-Debtor Potentially Released Party"* or *"Non-Debtor Potentially Released Parties"* means, individually and collectively: (a) MGG; (b) the Prepetition Secured Parties; (c) the DIP Secured Parties; (d) the Purchaser; (e) with respect to each of the foregoing clauses (a) through (d), such Person's current and former Affiliates, excluding any Affiliate that is a Debtor Related Potentially Released Party; and (f) with respect to each of the foregoing clauses (a) through (e), each such Person's respective Related Persons, excluding in each instance any Person who is a Debtor Related Potentially Released Party.

96. ~~87.~~ *"Non-Released Party"* means (a) each Entity set forth on the Non-Released Party Schedule~~.~~, (b) with respect to a Cause of Action listed on the Schedule of Retained Causes of Action, each Entity identified therein as the target of such Retained Cause of Action (but solely with respect to the Cause of Action listed on the Schedule of Retained Causes of Action for which such Entity is identified as a target, unless such Entity also is listed on the Non-Released Party Schedule), and (c) each Lookback D&O as to which a Lookback D&O Action is commenced on or before the Lookback D&O Action Deadline (but solely with respect to the Retained Causes of Action timely asserted through such Lookback D&O Action, unless such Lookback D&O also is listed on the Non-Released Party Schedule). For the avoidance of doubt, in the event that (x) an Entity is a Non-Released Party by reason of appearing on the Non-Released Party Schedule *and* (y) such Entity also is a Lookback D&O, the Lookback D&O Action Deadline shall not apply to such Entity.

97. ~~88.~~ "*Non-Released Party Schedule*" means a schedule that sets forth the identities of ~~each~~those Entities that the Debtors have designated as Non-Released Parties. The Non-Released Party ~~and is~~Schedule will be Filed with the Bankruptcy Court as part of the Plan Supplement. For the avoidance of doubt, if an Entity is listed on the Non-Released Party but also is a Lookback D&O, the listing of such Entity on the Non-Released Party Schedule shall control.

98. ~~89.~~ "*Notice and Claims Agent*" means Epiq Corporate Restructuring, LLC, in its capacity as notice and claims agent for the Chapter 11 Cases.

99. ~~90.~~ "*Other Priority Claim*" means any Claim, to the extent such Claim has not already been paid during the Chapter 11 Cases, other than an Administrative Claim, a Gap Period Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

100. ~~91.~~ "*Other Secured Claim*" means any Secured Claim that is not a DIP Claim.

101. *"Oversight Committee"* has the meaning ascribed to such term in the MGG Settlement Agreement.

102. ~~92.~~ "*Person*" means a "person" as that term is defined in section 101(41) of the Bankruptcy Code, including, without limitation, any individual or Entity.

103. ~~93.~~ "*Petition Date*" means: (a) for GCG Opco, January 24, 2020; and (b) for GCG Parent and Hemp Kentucky, LLC, February 5, 2020.

104. ~~94.~~ "*Plan*" means this *Debtors' Second Amended Joint Plan of Liquidation*, as may be altered, amended, modified, or supplemented from time to time in accordance with Article X hereof, including the Plan Supplement (as modified, amended or supplemented from time to time), which is incorporated herein by reference and made part of the Plan as if set forth herein.

105. ~~95.~~ "*Plan Administrator*" means a Person ~~designated~~to be jointly selected by the Debtors~~, after consultation with the UCC and MGG~~ and the UCC in accordance with the procedures agreed to by the Mediation Settling Parties through the Mediation or, absent agreement of the Debtors and the UCC, the Plan Administrator shall be selected by the Bankruptcy Court from among the candidate names submitted by the Debtors and the UCC, or any successor thereto designated ~~by the Advisory Committee~~ in accordance with the terms of the Wind-Down Trust Agreement, subject to the approval of the Bankruptcy Court. The Plan Administrator, whose identity will be disclosed in the Plan Supplement (or at the Confirmation Hearing or as soon as practicable thereafter if selected by the Bankruptcy Court), will serve as the trustee, estate representative and administrator for the Wind-Down Trust, with all power and authorities as set forth in Article IV.C and elsewhere in the Plan and the Wind-Down Trust Agreement.

106. ~~96.~~ "*Plan Supplement*" means the compilation of documents and forms of documents, agreements, schedules, and exhibits to the Plan, the initial draft of certain of such documents shall be Filed by the Debtors seven calendar days before the Voting Deadline, and additional documents Filed with the Bankruptcy Court prior to the Effective Date, as may be amended, supplemented, altered, or modified from time to time in accordance with the terms hereof, the Bankruptcy Code, and the Bankruptcy Rules, including: (a) the Schedule of Retained Causes of Action; (b) the Non-Released Party Schedule; (c) the identity and terms of compensation of the Plan Administrator; and (d) the Wind-Down Trust Agreement.

107. ~~97.~~ "*Prepetition*" means, with respect to each Debtor, prior to the Petition Date for such Debtor.

108. ~~98.~~ "*Prepetition Credit Agreement*" means that certain Financing Agreement, dated as of June ~~24,~~ 2019, as amended, restated, modified, or supplemented from time to time in accordance with its terms, by and among GCG Opco, as Borrower, GCG Parent, as Guarantor, MGG, as Collateral Agent and as Administrative Agent, and the Lenders from time to time party thereto.

109. ~~99.~~ "*Prepetition Obligations*" has the meaning ascribed to such term in the Final DIP Order.

110. ~~100.~~ "*Prepetition Agent*" or "*Prepetition Agents*" has the meaning ascribed to such term in the Final DIP Order.

111. "*Prepetition Facility*" has the meaning ascribed to such term in the Final DIP Order.

112. ~~101.~~ "*Prepetition Lenders*" has the meaning ascribed to such term in the Final DIP Order.

113. ~~102.~~ "*Prepetition Loan Documents*" has the meaning ascribed to such term in the Final DIP Order.

114. ~~103.~~ "*Prepetition Secured Party*" or "*Prepetition Secured Parties*" has the meaning ascribed to such term in the Final DIP Order.

115. ~~104.~~ "*Priority Tax Claim*" means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

116. ~~105.~~ "*Privilege*" means the attorney client privilege, work product protections or other immunities (including without limitation those related to common interests or joint defenses with other parties), or protections from disclosure of any kind held by the Debtors or their Estates.

117. ~~106.~~ "*Professional*" means an Entity: (a) employed pursuant to a Bankruptcy Court order in accordance with section 327, 328, 363 and/or 1103 of the Bankruptcy Code and to be compensated for services rendered prior to or on the Confirmation Date pursuant to section 327, 328, 329, 330, 331 or 363 of the Bankruptcy Code or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

118. ~~107.~~ "*Professional Fee Claims*" mean all Claims for fees and expenses (including transaction and success fees) incurred by a Professional on or after the Petition Date through and including the ~~Confirmation~~Effective Date to the extent such fees and expenses have not been paid pursuant to an order of the Bankruptcy Court and regardless of whether a monthly fee statement or interim fee application has been Filed for such fees and expenses. To the extent a Bankruptcy Court or higher court of competent jurisdiction denies or reduces by a Final Order any amount of a Professional's fees or expenses, then the amount by which such fees or expenses are reduced or denied shall reduce the applicable Professional Fee Claim.

119. ~~108.~~ "*Professional Fee Escrow Account*" means an interest-bearing escrow account to be funded by the Debtors with Cash on or before the Effective Date in an amount equal to the Professional Fee Escrow Amount, *provided* that the Professional Fee Escrow Account shall be increased

with Cash held or by the Wind-Down Trust to the extent applications are filed after the Effective Date in excess of the amount of Cash funded into the escrow as of the Effective Date.

120. ~~109.~~ "*Professional Fee Escrow Amount*" means the total amount of Professional Fee Claims estimated in consultation with MGG and the UCC pursuant to Article II.B.3 of the Plan.

121. ~~110.~~ "*Proof of Claim*" means a written proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

122. ~~111.~~ "*Purchased Assets*" has the meaning ascribed to such term in the Asset Purchase Agreement.

123. ~~112.~~ "*Purchaser*" means GenCanna Acquisition Corp. and any permitted assignee of such Entity's rights and obligations under the Asset Purchase Agreement.

124. ~~113.~~ "*Quarterly Distribution Date*" means first Business Day after the end of each quarterly calendar period (i.e., March 31, June 30, September 30, and December 31 of each calendar year) occurring after the Effective Date, or as soon thereafter as is reasonably practicable.

125. "*Ratable Share*" means the proportion that an Allowed Claim or an Allowed Interest in a particular Class bears to the aggregate amount of Allowed Claims or Allowed Interests in that Class.

126. ~~114.~~ "*Related Person*" or "*Related Persons*" means, individually or collectively, with respect to any Person, such Person's predecessors, successors, assigns and present and former shareholders, affiliates (whether by operation of law or otherwise), subsidiaries, principals, employees, agents, officers, directors, managers, trustees, partners, members, professionals, representatives, advisors, attorneys, financial advisors, accountants, investment bankers, and consultants, and any Person claiming by or through them, each in their capacities as such.

127. ~~115.~~ "*Released Party*" or "*Released Parties*" means, individually and collectively: (a) the Debtor~~s~~ Related Potentially Released Parties; and (b) the Non-Debtor Potentially Released Parties; *provided* that any of the foregoing Persons that opts out of the Third Party Releases pursuant to the procedures approved in the Disclosure Statement Orders shall not be a "Released Party"; *provided further* that notwithstanding anything to the contrary herein, no Non-Released Party shall be a Released Party.

128. ~~116.~~ "*Releasing Parties*" means, collectively, each of the following: (a) the ~~Debtors~~Prepetition Lenders; (b) the ~~Prepetition~~DIP Lenders; (c) the ~~DIP Lenders~~Prepetition Agent; (d) the ~~Prepetition~~DIP Agent; (e) ~~the DIP Agent~~MGG; (f) ~~MGG; (g)~~ the Purchaser; (~~h~~g) all Holders of Claims that vote to accept the Plan; (~~i~~h) all Holders of Claims that are deemed to accept the Plan but do not affirmatively elect to "opt out" of the Third-Party Release pursuant to the procedures approved in the Disclosure Statement Orders; (~~j~~i) all Holders of Claims that vote to accept the Plan, vote to reject the Plan or do not vote to accept or reject the Plan but, in ~~either~~any case, do not affirmatively elect to "opt out" of the Third-Party Release pursuant to the "opt out" procedures approved in the Disclosure Statement Orders; (~~k~~j) all Holders of Claims or Interests that are deemed to reject the Plan that do not affirmatively elect to "opt out" of the Third-Party Release pursuant to the "opt out procedures approved in the Disclosure Statement Orders; and (~~l~~k) with respect to each of the Debtors and each of the foregoing Entities in clauses (a) through (~~k~~j), each such Entity and its respective Related Persons, each in their capacity as such, individually and collectively.

129. ~~117.~~ "*Retained Causes of Action*" means any and all Causes of Action of, or relating to, any Debtor, any Estate, or a creditor of any Debtor, which shall be assigned, transferred and vest in the Wind-Down Trust upon the Effective Date in accordance with the terms of the Plan, including, but not limited to, those Causes of Action identified on the Schedule of Retained Causes of Action; *provided, however*, that Retained Causes of Action exclude Causes of Action that are (a) Purchased Assets, (b) released by the Debtors pursuant to the releases and exculpations contained in Article VIII of the Plan or the Confirmation Order, which shall be deemed released and waived by the Debtors, the Estates, and the Wind-Down Trust as of the Effective Date (or in the case of any Lookback D&O Action, the Lookback D&O Action Deadline if a Lookback D&O is not commenced by the Plan Administrator on or before such date), or (c) otherwise released pursuant to a Final Order of the Bankruptcy Court.

130. ~~118.~~ "*Sale Documents*" means the Asset Purchase Agreement, the Transition Services Agreement (as defined in the Asset Purchase Agreement), the Interim Permit Operating Agreement (as defined in the Asset Purchase Agreement), and each other document, agreement or instrument executed and delivered in connection with any of the foregoing.

131. ~~119.~~ "*Sale Transaction*" means the sale of certain of the Debtors' assets to the Purchaser pursuant to the Asset Purchase Agreement, the other Sale Documents and the Sale Order.

132. ~~120.~~ "*Sale Closing*" means the "Closing", as defined in the Asset Purchase Agreement.

133. ~~121.~~ "*Sale Order*" means the *Order (I) Approving The Sale Of Certain The Debtors' Assets Free And Clear Of All Liens, Claims, Encumbrances And Interests Other Than Permitted Liens, (II) Authorizing The Assumption And Assignment Of Certain Executory Contracts And Unexpired Leases In Connection Therewith And (III) Granting Related Relief* [Docket No. 850] entered by the Bankruptcy Court in the Chapter 11 Cases.

134. ~~122.~~ "*Schedule of Retained Causes of Action*" means that certain schedule filed with the Plan Supplement containing a non-exclusive listing of certain Causes of Action of the Debtors and/or the Estates that are not released, waived, or transferred pursuant to the Plan, as such schedule may be amended, modified, or supplemented from time to time by the Debtors, which shall be acceptable to the Debtors, ~~MGG~~the UCC and the Purchaser. The Debtors shall consult with the UCC and the Purchaser in the preparation of the Schedule of Retained Causes of Action.

135. ~~123.~~ "*Schedules*" mean, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code, as such schedules may be amended, modified, or supplemented from time to time.

136. ~~124.~~ "*Section 510(b) Claim*" means any Claim subject to subordination under section 510(b) of the Bankruptcy Code; *provided* that a Section 510(b) Claim shall not include any Claim subject to subordination under section 510(b) of the Bankruptcy Code arising from or related to an Interest.

137. ~~125.~~ "*Secured*" means when referring to a Claim: (a) secured by a Lien on property in which the applicable Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in such Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, which value shall be

determined pursuant to section 506(a) of the Bankruptcy Code or (b) Allowed pursuant to the Plan as a Secured Claim.

138. ~~126.~~ "*Security*" means a security as defined in section 2(a)(1) of the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

139. *"Senior Beneficial Interests"* means the beneficial interests in the Wind-Down Trust to be received by the Holders of Allowed General Unsecured Claims in Class 4 pursuant to the terms of the Plan and the Wind-Down Trust Agreement, which beneficial interests (a) shall be senior in right of payment and priority to the Subordinated Beneficial Interests and (b) shall have the additional attributes set forth in this Plan and the Wind-Down Trust Agreement.

140. *"Subordinated Beneficial Interests"* means the beneficial interests in the Wind-Down Trust to be received by the Holders of Allowed MGG Subordinated Claims in Class 3 pursuant to the terms of the Plan and the Wind-Down Trust Agreement, which beneficial interests (a) shall be junior in right of payment and priority to the Senior Beneficial Interests and (b) shall have the additional attributes set forth in this Plan and the Wind-Down Trust Agreement. For the avoidance of doubt, the Holders of Subordinated Beneficial Interests will not be entitled to receive or retain any Distributions from the Wind-Down Trust unless and until all Holders of Senior Beneficial Interests entitled to Distributions from the Wind-Down Trust have received Distributions from the Wind-Down Trust in amounts sufficient to repay in full the Allowed amounts of their respected Allowed General Unsecured Claims.

141. ~~127.~~ "*Third-Party Release*" means the release given by each of the Releasing Parties to the Released Parties as set forth in Article VIII.D of the Plan.

~~128. "*Trust Ratable Share*" means the proportion that (a) an Allowed MGG Subordinated Claim or an Allowed Unsecured Claim, as applicable, bears to (b) the aggregate amount of all Allowed MGG Subordinated Claims and all Unsecured Claims, whether such Unsecured Claims are Allowed or Disputed.~~

142. ~~129.~~ "*U.S. Trustee*" means the United States Trustee appointed under Article 591 of title 28 of the United States Code to serve in Region 8, including the Eastern District of Kentucky.

143. ~~130.~~ "*UCC*" means the statutory committee of unsecured creditors of the Debtors, appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code by the U.S. Trustee on February 18, 2020, pursuant to the *Notice of Appointment of Committee of Unsecured Creditors* [Docket No. 135], as such committee may be reconstituted by the U.S. Trustee from time to time prior to the Confirmation Date.

144. ~~131.~~ "*Unexpired Lease*" means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 or section 1123 of the Bankruptcy Code.

145. ~~132.~~ "*Unimpaired*" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

~~133. "*Unsecured Claim*" means any Claim that is not Secured and is not (a) an Administrative Claims (including, for the avoidance of doubt, a Professional Fee Claim), (b) a~~

~~Priority Tax Claim, (c) a Gap Period Claim, (d) a DIP Claim, (e) an Other Priority Claim, (f) a MGG Subordinated Claim, (g) an Intercompany Claim or (h) a Section 510(b) Claim.~~

146. ~~134.~~ "*Voting Deadline*" means the deadline of ~~[__:~~October 30~~0 _.m.] (Eastern Standard Time) on [_____]~~, 2020, which date may be extended by the Debtors.

147. ~~135.~~ "*Wind-Down Budget*" means a budget for the reasonable activities and expenses to be incurred in winding down the Estates and completing the administration of the Chapter 11 Cases. The Wind-Down Budget shall include line item estimates for, among other things, post-Effective Date professional fees.

148. ~~136.~~ "*Wind-Down Distributable Proceeds*" means, as of a Distribution Date, the excess, if any, of ~~(a)~~ any Cash proceeds of the Wind-Down Trust Assets, over (b) amounts necessary (i) to satisfy or reserve for all Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims, and Allowed Other Secured Claims in full in Cash (unless such Claims receive such other treatment that leaves such Claims Unimpaired or otherwise complies with the terms of the Plan), (ii) to fund the Disputed Claims Reserves for Disputed Administrative Claims, Disputed Priority Tax Claims, Disputed Other Priority Claims, and Disputed Other Secured Claims in accordance with the terms of the Plan and the Wind-Down Trust Agreement, and (iii) to pay or reserve for in full all Wind-Down Trust Operating Expenses.

149. ~~137.~~ "*Wind-Down Trust*" means that certain trust to be created on the Effective Date, as described in Article IV.C.2 of the Plan.

150. ~~138.~~ "*Wind-Down Trust Account*" means the bank account or accounts used to fund all ~~expenses and payments required to be made~~ Wind-Down Trust Operating Expenses, which shall be established and funded by the Debtors from Wind-Down Trust Assets on the Effective Date in an amount determined by the Debtors, in consultation with the UCC, and which may be replenished by the Plan Administrator, ~~which shall be established by the Plan Administrator on or~~ subject to the advice of the Advisory Committee, from the Wind-Down Trust Assets from time to time after the Effective Date.

151. ~~139.~~ "*Wind-Down Trust Agreement*" means that certain agreement establishing the Wind-Down Trust, which shall be acceptable to the Debtors, and the form of which shall be included in the Plan Supplement.

152. ~~140.~~ "*Wind-Down Trust Assets*" means all of the assets of the Debtors' Estates existing immediately before the occurrence of the Effective Date, which assets shall be treated as transferred to and beneficially owned by the Wind-Down Trust as of the Effective Date. For the avoidance of doubt, except as otherwise expressly provided in this Plan or the MGG Settlement Agreement in the case of the MGG Settlement Escrowed Funds, the Wind-Down Trust Assets do not include the funds in the Professional Fee Escrow Account or the MGG Settlement Escrowed Funds.

153. ~~141.~~ "*Wind-Down Trust Operating Expenses*" means the overhead and other operational expenses of the Wind-Down Trust including, but not limited to, (a) reasonable compensation for the Plan Administrator ~~and members of the Advisory Committee (which expenses shall not include professional fees of such members)~~ in accordance with the Wind-Down Trust Agreement, (b) costs and expenses incurred by the Plan Administrator in administering the Wind-Down Trust, (c) fees payable to the U.S. Trustee under Section 1930 of Title 28 of the United States Code incurred after the Effective Date, and (d) any fees and expenses payable to the firm(s) or individual(s) retained by the Plan Administrator in accordance with the terms of the Wind-Down Trust Agreement to serve as legal counsel

for ~~the Wind-Down Trust or to~~, or provide other professional services ~~for~~to, the Wind-Down Trust in connection with the performance of the Plan Administrator's duties and responsibilities under this Plan and the Wind-Down Trust Agreement.

Summary report: **Litera® Change-Pro for Word 10.11.1.0 Document comparison done on 10/9/2020 10:51:22 AM**	
Style name: Ignore Formatting	
Intelligent Table Comparison: Active	
Original filename: C:\Users\gwerkheiser\Documents\GCG - Amended Liquidating Plan - For Objecting Party Comment.docx	
Modified DMS: iw://DMS/Benesch/13817768/9	
Changes:	
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~~Delete~~	480
~~Move From~~	67
Move To	67
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	1230

EXHIBIT B

(Blackline Comparing Disclosure Statements)

~~*BFCA Draft 8/28/2020*~~
~~*For Discussion Purposes Only*~~

THIS IS NOT A SOLICITATION FOR ACCEPTANCES OR REJECTIONS OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THE DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL TO THE BANKRUPTCY COURT, BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT AT THIS TIME.

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF KENTUCKY
LEXINGTON DIVISION

In re:	:	Chapter 11
	:	
	:	Case No. 20-50133-grs
OGGUSA, Inc., *et al.*[1]	:	
	:	(Jointly Administered)
Debtors.	:	
	:	Honorable Gregory R. Schaaf

DISCLOSURE STATEMENT FOR
DEBTORS' SECOND AMENDED JOINT PLAN OF LIQUIDATION

DENTONS BINGHAM GREENEBAUM LLP

/s/ ~~DRAFT~~
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Counsel for the Debtors

Dated: ~~_____~~ October 9, 2020

[1] The Debtors in these chapter 11 bankruptcy cases are (with the last four digits of their federal tax identification numbers in parentheses): OGGUSA, Inc., f/k/a GenCanna Global USA, Inc. (0251); OGG, Inc., f/k/a GenCanna Global, Inc. (N/A); and Hemp Kentucky, LLC (0816).

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT—INCLUDING, BUT NOT LIMITED TO, THE INFORMATION REGARDING THE DEBTORS' HISTORY, BUSINESSES, AND OPERATIONS, THE DEBTORS' FINANCIAL INFORMATION, AND THE DEBTORS' LIQUIDATION ANALYSES—IS INCLUDED SOLELY FOR THE LIMITED PURPOSE OF SOLICITING ACCEPTANCES OF THE PLAN. YOU SHOULD NOT RELY UPON OR USE THE INFORMATION IN THIS DISCLOSURE STATEMENT FOR ANY OTHER PURPOSE.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(~~B~~b) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND IS NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THIS DISCLOSURE STATEMENT WAS NOT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE AUTHORITY AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT MAY CONTAIN "FORWARD LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. SUCH STATEMENTS CONSIST OF ANY STATEMENT OTHER THAN A RECITATION OF HISTORICAL FACT AND CAN BE IDENTIFIED BY THE USE OF FORWARD LOOKING TERMINOLOGY SUCH AS "MAY," "EXPECT," "ANTICIPATE," "ESTIMATE," OR "CONTINUE" OR THE NEGATIVE THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. THE READER IS CAUTIONED THAT ALL FORWARD LOOKING STATEMENTS ARE NECESSARILY SPECULATIVE AND THERE ARE CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE REFERRED TO IN SUCH FORWARD LOOKING STATEMENTS. THE DISTRIBUTION PROJECTIONS AND OTHER INFORMATION CONTAINED HEREIN AND ATTACHED HERETO ARE ESTIMATES ONLY, AND THE TIMING AND AMOUNT OF ACTUAL DISTRIBUTIONS TO HOLDERS OF ALLOWED CLAIMS MAY BE AFFECTED BY MANY FACTORS THAT CANNOT BE PREDICTED, THEREFORE, ANY ANALYSES, ESTIMATES OR RECOVERY PROJECTIONS MAY OR MAY NOT TURN OUT TO BE ACCURATE.

NO LEGAL OR TAX ADVICE IS PROVIDED TO YOU BY THIS DISCLOSURE STATEMENT. THE DEBTORS URGE EACH HOLDER OF A CLAIM OR AN INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN AND EACH OF THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF DISCLOSURE CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE MERITS OF THE PLAN.

IT IS THE DEBTORS' POSITION THAT THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION OR WAIVER. RATHER, HOLDERS OF CLAIMS AND INTERESTS AND OTHER ENTITIES SHOULD CONSTRUE THIS DISCLOSURE STATEMENT AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS RELATED TO CONTESTED MATTERS AND OTHER PENDING OR THREATENED LITIGATION OR ACTIONS.

NO RELIANCE SHOULD BE PLACED ON THE FACT THAT A PARTICULAR LITIGATION CLAIM OR PROJECTED OBJECTION TO A PARTICULAR CLAIM IS, OR IS NOT,

IDENTIFIED IN THE DISCLOSURE STATEMENT. THE DEBTORS MAY SEEK TO INVESTIGATE, FILE AND PROSECUTE CLAIMS AND MAY OBJECT TO CLAIMS AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THE DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS. THE PLAN RESERVES THE RIGHT FOR THE DEBTORS TO BRING CAUSES OF ACTION (DEFINED IN THE PLAN) AGAINST ANY ENTITY OR PARTY IN INTEREST EXCEPT THOSE SPECIFICALLY RELEASED.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN EVENTS IN THE DEBTORS' CHAPTER 11 CASE AND CERTAIN DOCUMENTS RELATED TO THE PLAN THAT ARE ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THE SUMMARIES DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES.

ALL REPRESENTATIONS CONTAINED HEREIN ARE THOSE OF THE DEBTORS EXCEPT WHERE OTHERWISE STATED. NO OTHER PERSON IS AUTHORIZED BY THE DEBTORS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT, THE PLAN, AND THE EXHIBITS ATTACHED THERETO, INCORPORATED BY REFERENCE, OR REFERRED TO HEREIN. IF ANY SUCH INFORMATION IS GIVEN OR REPRESENTATIONS ARE MADE, SUCH INFORMATION OR REPRESENTATIONS MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DEBTORS OR DEBTOR. FURTHER, ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF THE PLAN WHICH ARE OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY ANY PERSON. HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN MUST RELY ON THEIR OWN EVALUATION OF THE DEBTORS AND THEIR OWN ANALYSIS OF THE TERMS OF THE PLAN, INCLUDING, WITHOUT LIMITATION, ANY RISK FACTORS CITED HEREIN, IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN.

PRIOR TO DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER OF A CLAIM OR INTEREST IN A VOTING CLASS SHOULD CONSIDER CAREFULLY~~: (I)~~ ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING (A) THE RISK FACTORS DESCRIBED IN GREATER DETAIL HEREIN AND (B) THE DEBTORS' RECOMMENDATIONS AS SET FORTH HEREIN~~; AND (II) ALL OF~~ .

THE ~~INFORMATION SET FORTH IN THE AUTHORIZED COMMUNICATION FROM THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS (THE "UCC") ENCLOSED WITH THE SOLICITATION PACKAGE, INCLUDING (A) THE UCC'S COUNTER-STATEMENTS REGARDING MATTERS ADDRESSED BY THIS DISCLOSURE STATEMENT AND (B) THE UCC'S RECOMMENDATIONS CONCERNING THE PLAN (COLLECTIVELY, THE "UCC POSITION STATEMENT").~~DEBTORS, THE UCC, AND THE

MGG PARTIES SUPPORT THE PLAN. ALL SUCH PARTIES URGE HOLDERS OF CLAIMS WHOSE VOTES ARE BEING SOLICITED TO ACCEPT THE PLAN.

~~**AS SET FORTH IN THE UCC POSITION STATEMENT, THE UCC DISPUTES MANY OF THE DEBTORS' LEGAL AND FACTUAL STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT. THE FAILURE OF THE UCC TO EXPRESSLY OR SPECIFICALLY DISPUTE EACH AND EVERY ONE OF THE DEBTORS' LEGAL AND FACTUAL STATEMENTS IN THE TEXT OF THIS DISCLOSURE STATEMENT IS NOT INTENDED TO BE, NOR SHALL IT BE DEEMED TO BE, AN ADMISSION BY THE UCC AS TO THE TRUTH OF SUCH STATEMENTS.**~~

RECOMMENDATION BY THE DEBTORS IN POSSESSION

The Debtors recommend that all Creditors ~~and Interest Holders~~ whose votes are being solicited submit Ballots to accept the Plan. Only the votes of Holders of Claims in Class 2 (Other Secured Claims), Class 3 (MGG Subordinated Claims) and Class 4 (General Unsecured Claims) are being solicited to vote on the Plan.

RECOMMENDATION BY THE COMMITTEE

The UCC recommends that all Holders of General Unsecured Claims (Class 4) submit Ballots to accept the Plan. The UCC's statement in further support of the Plan may be found at Section 1.05.5 of this Disclosure Statement.

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EXHIBITS

Exhibit A	The Plan
~~Exhibit B~~	~~Disclosure Statement Order~~
Exhibit ~~C~~B	Organizational Chart
Exhibit ~~D~~C	MGG Settlement ~~Motion~~ Agreement
	~~(with MGG Settlement Agreement annexed)~~
~~Exhibit E~~	~~Committee 9019 Motion Objection~~
Exhibit ~~F~~ D	Liquidation Analysis

SECTION 1: INTRODUCTION

OGGUSA, Inc., f/k/a GenCanna Global USA, Inc. ("GCG Parent"), OGG, Inc., f/k/a GenCanna Global, Inc. ("GCG Opco") and Hemp Kentucky, LLC ("Hemp KY"), as debtors and debtors in possession (each, a "Debtor," and collectively, the "Debtors"), submit this disclosure statement (this "Disclosure Statement"), pursuant to section 1125 of the Bankruptcy Code, to holders of Claims against the Debtors in connection with the solicitation of votes for acceptance of the *Debtors' Second Amended Joint Plan of Liquidation* [Docket No. ____] (as amended, supplemented, or modified from time to time, the "Plan").[2] A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference. The rules of interpretation set forth in Article I.B of the Plan shall govern the interpretation of this Disclosure Statement. Except as otherwise stated herein, capitalized terms not defined in this Disclosure Statement have the meanings ascribed to such terms in Appendix 1 to the Plan.

Section 1.01 Purpose of this Disclosure Statement

Chapter 11 is the chapter of the Bankruptcy Code primarily used for business reorganization and orderly liquidations. Chapter 11 helps a company to maximize recovery to all stakeholders. The consummation of a plan is the principal objective of a chapter 11 case. A plan sets forth the means for satisfying claims against, and interests in, the debtors. Confirmation of a plan by a bankruptcy court binds the debtors and any creditor or interest holder of the debtors. Subject to certain limited exceptions, the order approving confirmation of a plan enjoins parties from enforcing any debt that arose prior to the date of confirmation of the plan or from bringing any causes of action against the debtors in connection with such debt.

In general, a plan (a) divides claims and interests into separate classes, (b) specifies the property that each class is to receive under the plan and (c) contains provisions necessary to implement the plan. Under the Bankruptcy Code, "claims" and "interests," rather than "creditors" and "equity holders," are classified because creditors and equity holders may hold claims and interests in more than one class.

The purpose of this Disclosure Statement is to provide the Holders of Claims who are entitled, and will be solicited, to vote on the Plan with adequate information to make an informed judgment about the Plan. According to section 1125 of the Bankruptcy Code, acceptances of a chapter 11 plan may be solicited only after a Bankruptcy Court approved written disclosure statement has been provided to each creditor or interest holder who is entitled to vote on the plan.

Section 1.02 Classification of Claims and Interest

The Plan organizes the Debtors' creditor and equity constituencies into groups called Classes. For each Class, the Plan describes (a) the underlying Claim or Interest, (b) the recovery available to the Holders of Claims or Interests in that Class under the Plan, (c) whether the Class is Impaired under the Plan, meaning that each Holder will receive less than full value on account of its Claim or Interest or that the rights of Holders under law will be altered in some way and (d) the form of any consideration (*e.g.*, Cash, Beneficial Interests in the Wind-Down Trust) that Holders will receive on account of their respective Claims.

[2] ~~Capitalized terms used but not otherwise defined in this Disclosure Statement shall have the meaning ascribed to them in the Plan.~~

In accordance with section 1123(a)(1) of the Bankruptcy Code, the Plan does not classify Administrative Claims, DIP Claims, Professional Fee Claims, Priority Tax Claims or Gap Period Claims.

The classification of Claims and Interests pursuant to the Plan is as follows:

Key to sub-Classes: A = OGUSA, Inc. (f/k/a GenCanna Global USA, Inc.); B = OGG, Inc. (f/k/a GenCanna Global, Inc.); and C = Hemp Kentucky, LLC				
Class	**sub-Classes[32]**	**Claim**	**Status**	**Voting Rights**
1	A, B & C	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	A, B & C	Other Secured Claims	Impaired	Entitled to Vote
3	A & B	MGG Subordinated Claims	Impaired	Entitled to Vote
4	A, B & C	General Unsecured Claims	Impaired	Entitled to Vote
5	A, B & C	Intercompany Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
6	A, B & C	Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
7	A, B & C	Interests	Impaired	Not Entitled to Vote (Deemed to Reject)

Section 1.03 Treatment of Claims and Interests; Estimated Recoveries

As set forth in Article III of the Plan and in accordance with sections 1122 and 1123(a)(1) of the Bankruptcy Code, all Claims and Interests (other than Administrative Claims, DIP Claims, Professional Fee Claims, Priority Tax Claims and Gap Period Claims) are classified into Classes for all purposes, including voting, Confirmation, and Distributions. A Claim or an Interest is classified in a particular Class only to the extent that such Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other Classes. A Claim or an Interest also is classified in a particular Class for the purpose of receiving Distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

Section 1.03.1 Unclassified Claims

The table below summarizes the treatment of all unclassified Claims under the Plan. The treatment and the projected recoveries of unclassified Claims are described in summary form below for illustrative purposes only. Risk factors addressing the effects of the actual amount of Allowed unclassified Claims exceeding the Debtors' estimates, and the effect of such variation on creditor recoveries, and other risks related to Confirmation and the Effective Date of the Plan are addressed in Section 7 hereof. To the extent that any inconsistency exists between the summary contained in this Disclosure Statement and the Plan, the terms of the Plan shall govern.

[32] Sub-Classes are subject to elimination in the event that substantive consolidation as requested in Article IV.B of the Plan is approved.

The estimated recovery percentages set forth below apply only in the event that that substantive consolidation is approved. In the event that substantive consolidation is not approved or the Debtors withdraw the request for substantive consolidation, the estimated recoveries may differ materially from those set forth below.

Unclassified Claim Category	Plan Treatment	Estimated Allowed Claims	Estimated Plan Recovery Range	Estimated Ch. 7 Recovery Range[43]
Administrative Claims	Unimpaired	$~~488~~102,986 - 2~~803,~~5,136~~4~~[54]	100%	0 - 100%
DIP Claims	Unimpaired	$0	N/A	N/A
Priority Tax Claims	Unimpaired	$4,086	100%	0 - 100%
Gap Period Claims	Unimpaired	$100,000 - $200,000	100%	0 - 100%

Section 1.03.2 Classified Claims and Interests

The table below summarizes the classification and treatment of all classified Claims and Interests against each Debtor (as applicable) under the Plan. The classification, treatment, and the projected recoveries of classified Claims are described in summary form below for illustrative purposes only and are subject to material change. In particular, recoveries available to the holders of General Unsecured Claims against the Debtors are estimates and actual recoveries could differ materially based on, among other things, the total amount of Claims in each Class that are Allowed against the Debtors (or a specific Debtor, if substantive consolidation does not occur). In such an instance, the recoveries available to the holders of General Unsecured Claims could be materially lower when compared to the estimates provided below. To the extent that any inconsistency exists between the summaries contained in this Disclosure Statement and the Plan, the terms of the Plan shall govern.

In the event that substantive consolidation is not approved or the Debtors withdraw the request for substantive consolidation contained in the Plan, the Plan shall apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth herein shall apply separately to each of the Debtors. All of the potential Classes for the Debtors are set forth herein. Certain of the Debtors may not have Holders of Claims or Interests in a particular Class or Classes, and such Claims shall be treated as set forth in Article III.F of the Plan. In the event that substantive consolidation is not approved or the Debtors withdraw the request for substantive consolidation contained in the Plan, each Class will contain sub-Classes for each of the Debtors (other than Class 3 (MGG Subordinated Claims, which will be vacant at Debtor Hemp KY).

~~As set forth in the UCC Position Statement, the UCC disputes the Debtors' projected recoveries for Classified Claims in a hypothetical chapter 7 liquidation.~~

[43] Assumes MGG Settlement not consummated.

[54] Amounts exclude projected Allowed Professional Fee Claims. In the event that Allowed Professional Fee Claims exceed current estimates, recoveries realized by Holders of Unsecured Claims may be materially reduced.

Class / Claim Type	Plan Treatment	Estimated Allowed Claims[5]	Estimated Plan Recovery Range	Estimated Ch. 7 Recovery Range[6]
Class 1 Other Priority Claims	Unimpaired	$~~220,000~~0 - $~~29~~76,198	100%	0 - 100%
Class 2 Other Secured Claims	Impaired	$3,~~239,057~~62,996	100%	100%
Class 3 MGG Subordinated Claims[7]	Impaired	$27,016,182	N/A	0 - 1.1~~1~~4%
Class 4 General Unsecured Claims	Impaired	$11~~8~~2,8~~64~~13,~~684~~81 - $15~~4~~,2~~,~~45,7~~,627~~44	0.~~7~~35% - ~~4.05~~3.29%[8]	0 - ~~1~~0.41~~1~~%
Class 5 Intercompany Claims	Impaired	N/A	0%	0%
Class 6 Section 510(b) Claims	Impaired	TBD	0%	0%
Class 7 Interests	Impaired	N/A	0%	0%

The estimated recovery percentages set forth above apply only in the event that that deemed substantive consolidation as requested in the Plan is approved. In the event that substantive consolidation is not approved or the Debtors withdraw the request for substantive consolidation, the estimated recoveries may differ materially from those set forth above.

[5] Estimated Allowed Claim amounts assume Confirmation and Consummation of the Plan. Estimated Allowed Claim amounts may differ material in a hypothetical chapter 7 liquidation.

[6] Assumes that MGG Settlement is not consummated and that no proceeds are generated from the chapter 7 trustee's pursuit on behalf of the Estates of (a) potential Causes of Action against MMG or related Persons or (b) potential Causes of Action against other Persons, except for certain Causes of Action arising under chapter 5 of the Bankruptcy Code~~. As set forth in the UCC Position Statement, the UCC disputes the Debtors' projected recoveries for Classified Claims in a hypothetical chapter 7 liquidation~~.

[7] In this hypothetical chapter 7 scenario in which the MGG Settlement is not consummated, with respect to the Prepetition Obligations, MGG and the other Prepetition Secured Parties would not be bound by their commitments in the MGG Settlement Agreement to, among other things, (a) waive any rights to assert the Prepetition Liens, the Adequate Protection Liens or Adequate Protection Superpriority Claims, or (b) subordinate in rights of priority and payment to the Holders of Allowed General Unsecured Claims ~~(but not GCG Parent Control Claims)~~. Accordingly, the Prepetition Secured Parties would be Holders of Claims on account of the Prepetition Obligations potentially totaling $27,016,182 or more that may, at least in part, be Secured and/or have administrative or superpriority status relative to Administrative Claims, Other Priority Claims, Priority Tax Claims, Gap Claims and General Unsecured Claims.

[8] Subject to potential enhancement based on, among other things, net litigation proceeds recovered through the Plan Administrator's pursuit of commercial tort claims and certain other Retained Causes of Action not already accounted for in the estimated recoveries set forth above.

Section 1.04 Deemed Substantive Consolidation of the Debtors and Estates

The Plan shall serve as a motion by the Debtors seeking entry of a Bankruptcy Court order deeming the substantive consolidation of the Debtors' Estates into a single Estate for ~~all~~certain purposes related to the Plan, including Voting, Confirmation and Distribution~~. The Debtors believe that they have operated as an integrated enterprise, managed across geographic boundaries and legal entities. Holders of Allowed Claims against or Interests in each of the Debtors will receive the same recovery provided to other Holders of Allowed Claims or Interests in the applicable Class. The Debtors believe that no creditor will receive a recovery inferior to that which it would receive if each Debtor proposed a plan of liquidation that was completely separate from that proposed by each other entity and, therefore, the Debtors do not believe that any creditor will be materially adversely affected by not voting and receiving distributions on an entity-by-entity basis.~~ (but for the avoidance of doubt, without altering the separate Petition Dates for each Debtor).

~~More i~~Information concerning the Debtors' request for substantive consolidation and the bases thereof is contained in Section 4.03.2 of this Disclosure Statement.

Section 1.05: Voting on the Plan

Section 1.05.3 Parties-in-Interest Entitled to Vote

Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" under a plan unless: (a) the plan leaves unaltered the legal, equitable and contractual rights to which such claim or interest entitles the holder thereof; or (b) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

In general, under section 1126(a) of the Bankruptcy Code, the holder of a claim or interest that is allowed under a plan is entitled to vote to accept or reject the plan if such claim or interest is impaired under the plan. Under section 1126(f) of the Bankruptcy Code, the holder of a claim that is not impaired under a plan is deemed to have accepted the plan, and the plan proponent need not solicit such holder's vote. Under section 1126(g) of the Bankruptcy Code, the holder of an impaired claim or impaired interest that will not receive any distribution under the plan in respect of such claim or interest is deemed to have rejected the plan and is not entitled to vote on the plan. For a detailed description of the treatment of Claims and Interests under the Plan, refer to Section 4 below - Summary of the Plan.

Class 1 (Other Priority Claims) is Unimpaired under, and deemed under section 1126(f) of the Bankruptcy Code to have accepted, the Plan.

Classes 2 (Other Secured Claims), 3 (MGG Subordinated Claims) and 4 (General Unsecured Claims) are Impaired under, and entitled to vote to accept or reject, the Plan.

Classes 5 (Intercompany Claims), 6 (Section 510(b) Claims and 7 (Interests) are Impaired under, and deemed under section 1126(g) of the Bankruptcy Code to have rejected, the Plan.

Except as described in Sections 4.02.4 and 5.02.6 below, the Bankruptcy Code requires, as a condition to confirmation of the Plan, that each Impaired Class accept the Plan. Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by an impaired class of claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of claims in such class that have voted to accept or reject the plan. Holders of claims who fail to vote are deemed neither to accept nor to

reject the plan. For a more detailed description of the requirements for confirmation of the Plan, refer to Section 5 below - Statutory Requirements for Confirmation of the Plan.

Even if the Plan has not been accepted by all Impaired Classes entitled to vote, section 1129(b) of the Bankruptcy Code allows the Bankruptcy Court to confirm the Plan, provided that the Plan has been accepted by at least one Impaired Class of creditors. Notwithstanding the failure of an Impaired Class to accept the Plan, the Plan can be confirmed by a procedure commonly known as cram-down, so long as the Plan does not "discriminate unfairly" and is "fair and equitable," for the purposes of the Bankruptcy Code, with respect to each Class of Claims or Interests that is Impaired under, and has not accepted, the Plan. For a more detailed description of the requirements for confirmation of a nonconsensual plan, refer to Section 5 below - Statutory Requirements for Confirmation of the Plan.

Section 1.05.4Submitting a Ballot

Classes 2 (Other Secured Claims), 3 (MGG Subordinated Claims) and 4 (General Unsecured Claims) are entitled to or are being solicited to vote to accept or reject the Plan. If you are entitled to or are being solicited to vote, you should carefully review this Disclosure Statement, including the attached appendices and the instructions accompanying your Ballot or Ballots. Then, indicate your acceptance or rejection of the Plan by voting for or against the Plan on the enclosed Ballot or Ballots and return the Ballot or Ballots to Epiq Corporate Restructuring, LLC (the "Balloting Agent"). For further information, refer to Section 6 below - Voting Procedures, and the Disclosure Statement Orders ~~attached hereto as **Exhibit B**~~.

Ballots cast by Holders in Classes entitled to vote must be received by the Balloting Agent by ~~__:___ _.m. (prevailing Time) on [_____]~~ October 30, 2020, or such later date occurring prior to the ~~C~~commencement of the Confirmation Hearing to which the Debtors, in their sole discretion, may agree in writing (the "Voting Deadline"). For further information, refer to Section 6 below - Voting Procedures.

Ballots received after the Voting Deadline will not be counted.

The method of delivery of Ballots to be sent to the Balloting Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided in the Plan or Disclosure Statement Orders (as defined below), delivery of a Ballot will be deemed made only when the original executed Ballot is actually received by the Balloting Agent. In all cases, sufficient time should be allowed to ensure timely delivery. Original executed Ballots are required.

Delivery of a Ballot to the Balloting Agent by facsimile, e-mail or any other electronic means will not be accepted. No Ballot should be sent to the Debtors or the Debtors' financial or legal advisors, agents or representatives (other than the Balloting Agent), and if so sent, will not be counted.

Section 1.05.5~~Debtors' Recommendation~~UCC's Statement in Support of Confirmation of Plan

The statement in this Section 1.05.5 is solely from the UCC. Since the inception of these Chapter 11 Cases, the UCC has advocated vigorously for the interests of unsecured creditors. Those efforts have included, without limitation, (a) protecting the Estates' rights to unencumbered assets and causes of action in the Final DIP Order, (b) carving out various unencumbered assets and causes of action from the "credit bid" of the MGG Parties in the sale of the Debtors' assets, (c) investigating causes of action against, among others, the MGG Parties, and preparing the Standing Motions (as defined below) to pursue claims against the MGG Parties, and (d) negotiating a resolution of the Estates' claims against the MGG Parties that

provides a material dividend for Holders of General Unsecured Claims as well as the opportunity to enhance those recoveries under the Plan.

Specifically, although the MGG Parties have denied any liability to the Estates, the MGG Settlement now provides that the Estates will receive a minimum of $2 million from the MGG Parties (through $1.1 million payable in cash and a "backstop" of an additional $900,000 from the litigation recoveries noted in (a) below), plus upside in the form of (a) the Estates' sharing in litigation recoveries on various claims, as described in more detail in Section 3.10 below, and (b) the Estates sharing in the sale proceeds of certain assets up to a maximum of $100,000. The MGG Parties have also agreed to subordinate their Allowed Class 3 MGG Subordinated Claims to the Holders of Allowed General Unsecured Claims, preserving any upside solely for non-MGG unsecured creditors.

The Plan also provides for engaging an independent Plan Administrator who will evaluate potential causes of action that may augment recoveries for Holders of General Unsecured Claims. In the UCC's view, it is very significant that current and former directors and officers of the Debtors are not released under the Plan on the Effective Date. Rather, the Plan Administrator will have a minimum of 120 days from the Effective Date (for any Lookback D&O Action) or an unlimited period of time – subject to any applicable statute of limitations (for other claims, including against any Non-Released Party) – to investigate and, if appropriate in each case, pursue such causes of action for the benefit of Holders of General Unsecured Claims.

Based on the above, the UCC supports Confirmation of the Plan and recommends that Holders of General Unsecured Claims vote in favor of the Plan.

Section 1.05.6 Recommendation of the Debtors and the UCC

The Debtors and the UCC recommend that Holders of Claims entitled to vote on the Plan vote to accept it.

Section 1.06 Confirmation of the Plan

Section 1.06.1 Plan Objection Deadline

Objections to Confirmation of the Plan must be filed with the Bankruptcy Court and served so as to be actually received on or before ~~[_____] (prevailing Eastern Time) on [_____]~~ on October 28, 2020.

Unless objections to Confirmation are timely served and filed in compliance with the ~~Solicitation Procedures~~Disclosure Statement Orders, they may not be considered by the Bankruptcy Court. For further information, refer to Section 5 below - Statutory Requirements for Confirmation of the Plan.

Section 1.06.2 Confirmation Hearing

The Bankruptcy Court has scheduled the hearing to consider confirmation of the Plan (the "Confirmation Hearing") for ~~[_____~~November 9, 2020 at ~~____ _.m~~1:00 p.m. (prevailing Eastern Time)~~]~~. The Confirmation Hearing may be adjourned by the Bankruptcy Court or the Debtors

without further notice other than by announcement in open court and/or notice(s) of adjournment filed on the docket.

SECTION 2:BACKGROUND

Section 2.01The Debtors' Business and Organizational Structure

As of the commencement of these Chapter 11 Cases, the Debtors operated as a vertically-integrated agriculture company (collectively, with their respective direct and indirect non-debtor subsidiaries, the "Company") that primarily engaged in the development of hemp genetics and the production and distribution of wholesale and white-label hemp-derived cannabinoid products, including CBD, to customers throughout the United States and internationally. GenCanna Global, Inc., n/k/a OGG, Inc. ("GCG Parent") and GenCanna Global USA, Inc., n/k/a OGGUSA, Inc. ("GCG Opco") were founded in 2014.[89] Upon its founding, the Company was an inaugural member of the Kentucky Department of Agriculture's Industrial Hemp Research Pilot Program.

The ~~Debtors~~Company employed a team of in-house developers, scientists, growers, operators, and botanists to ensure industry-leading quality of its products. All of ~~Debtors'~~Company's products were tested for safety and quality by independent laboratories. The ~~Debtors'~~Company's Hemp Research Campus ("HRC") with 16 buildings, was located on nearly 150 agricultural acres formerly used by Philip Morris/Altria as a tobacco seed breeding and research facility near Winchester, Kentucky, in the Bluegrass region just outside of Lexington, Kentucky.

The ~~Debtors'~~Company's cultivation and processing cycle was a central component of ~~their~~its business operations. The cycle began with the development and production of plant genetics/germplasm used in the growth process. The ~~Debtors~~Company then developed and produced their germplasm in-house and in certain instances through sourcing germplasm from third parties.

Cuttings or seeds were then rooted in greenhouses and raised until they sprouted and reached a certain level of growth, such that they could be transplanted to outdoor fields where they could grow into mature plants. The ~~Debtors~~Company used a variety of farms to accomplish this, including their own corporate farm comprised of approximately 1,800 acres located in Western Kentucky.

In addition to the ~~Debtors'~~Company's corporate farm, the ~~Debtors~~Company utilized a Certified Farming Network ("CFN"), which was a group of approximately sixty growers under agreements with the Debtors to grow the Debtors' hemp plants at their respective farms. Those growers were paid based on a formula that includes acreage of farm land utilized, dry weight floral equivalent of the harvested biomass, the CBD content of the harvested hemp plants, and other factors over the years. The majority of the ~~Debtors'~~Company's 2019 hemp harvest was cultivated by the CFN in this manner.

In addition to the ~~Debtors'~~Company's corporate farm and the CFN, other third party growing partners were used as well, and were paid through separately negotiated contracts for their growing services.

As of February 6, 2020 (the "Order for Relief Date"), the ~~Debtors~~Company employed over 130 individuals, some of whom were full-time, and some of whom were employed on a seasonal or as-needed

[89] For convenience, the term "Company" is used in various places throughout the narrative portions of this Disclosure Statement to refer to some or all of the Debtors and/or their subsidiaries as appropriate to context and is without prejudice to any Entity's rights or objections as to any given Debtor or subsidiary thereof.

basis. Virtually all of the ~~Debtors'~~Company's employees were based in Kentucky. None of the ~~Debtors'~~Company's employees were unionized or subject to a collective bargaining agreement.

The following Debtor Entities comprise the Company:

- GCG Parent. Debtor GCG Parent is a corporation originally incorporated under the laws of the British Virgin Islands in August 2014 and reincorporated under the laws of Delaware in 2019. GCG Parent functions primarily as a holding company that owns 100% of the equity interests of GCG Opco.

- GCG Opco. Debtor GCG Opco was incorporated under the laws of Delaware in 2014, and is the primary Entity through which the Company has conducted its day to day business operations.

- Hemp KY. Debtor Hemp KY, a wholly-owned subsidiary of GCG Opco, is organized as a Kentucky limited liability company.

In addition, as of its Petition Date, Debtor GCG Opco owned one half of the equity interests in 4274 Colby, LLC ("Colby"). Colby is a Kentucky limited liability company. The other one half of the equity interests in Colby are owned by 101 Enterprises, LLC. Colby owns real estate in Winchester, Kentucky which is rented back to the Debtors and to Atalo Holdings, Inc. ("Atalo"). Atalo is itself a debtor in a separate chapter 7 bankruptcy case pending as Case No. 20-50447-gs before the Bankruptcy Court.

An Organizational Chart detailing the Company's corporate structure is attached as **Exhibit ~~C~~B**.

Section 2.02 Financial Overview of the Company

As of the Order for Relief Date, the combined primary indebtedness and other liabilities of the Debtors included the following: (a) obligations under the Prepetition Loan Facility (as defined herein); (b) mortgage loans encumbering certain of the Debtors' owned real property; (c) claims of providers of materials and services allegedly incurred in connection with the Company's construction of the Mayfield Facility (as defined herein); (d) certain obligations arising from the Company's acquisition of the Paris Greenhouse (as defined herein) property from Southerland's Greenhouses, Inc.; (e) certain capital lease, equipment and vehicle obligations; (f) obligations owing to the Debtors' network of growers and seed suppliers; and (g) other trade payable obligations.

Section 2.02.1 MGG Prepetition Loan Facility Obligations

Debtors GCG Opco and GCG Parent are party to that certain Financing Agreement, dated as of June 24, 2019 (as amended, restated, modified, or supplemented from time to time in accordance with its terms, the "Prepetition Credit Agreement"), by and among GCG Opco, as Borrower, GCG Parent, as Guarantor (together, the "Prepetition Obligors"), MGG Investment Group LP ("MGG"), as Collateral Agent and as Administrative Agent (MGG in such capacities, the "Prepetition Agent"), and the Lenders from time to time party thereto (the "Prepetition Lenders," and together with the Prepetition Agent, the "Prepetition Secured Parties").

Pursuant to the Prepetition Credit Agreement, that certain Fee Letter, dated as of June 24, 2019, and related loan and security documents (collectively, the "Prepetition Loan Documents"), the Prepetition Lenders initially provided a $60 million (later upsized to $75 million) credit facility (the "Prepetition Loan Facility"), which was comprised of a term loan in the aggregate principal amount of

$40 million, and availability for delayed draw term loans in an aggregate principal amount initially not to exceed $20 million (and later upsized to $35 million). Further, on several occasions Collateral Agent Advances were made under the Prepetition Loan Facility, including in the principal amount of $5,000,000 on November 22, 2019, the principal amount of $5,000,000 on December 11, 2019, and $1,750,000 on December 31, 2019.

The Prepetition Credit Agreement was amended on several occasions, including by that certain First Amendment to Financing Agreement dated as of August 2, 2019, (the "First Amendment") that certain Second Amendment to Financing Agreement dated as of August 22, 2019 (the "Second Amendment"), and that certain Third Amendment and Waiver to Financing Agreement dated as of November 6, 2019 (the "Third Amendment").[9][10] In addition, the Prepetition Obligors and the Prepetition Agent entered into that certain Amended and Restated Fee Letter, dated November 6, 2019 (as amended and restated, the "Fee Letter").

The ~~Debtors~~Prepetition Obligors were in default under the Prepetition Loan Facility within a short time after it closed. In the Third Amendment, Debtors GCG Global and GCG Opco stipulated to the existence of the following eleven Events of Default under the Prepetition Loan Documents: (a) an Event of Default that arose under Section 9.01(a) of the Financing Agreement as a result of the Loan Parties' failure to pay the principal installment of the Term Loan which was due and payable on September 30, 2019, pursuant to Section 2.03(a) of the Financing Agreement; (b) an Event of Default that arose under Section 9.01(a) of the Financing Agreement as a result of the Loan Parties' failure to pay interest (i) that was due and payable on November 1, 2019 and (ii) on the principal installment of the Term Loan that remained outstanding as a result of the Event of Default described in clause (a) above pursuant to Section 2.04(c) of the Financing Agreement due on September 30, 2019; (c) an Event of Default that arose under Section 9.01(c) of the Financing Agreement as a result of the Loan Parties' failure to comply with Section 7.03(a) of the Financing Agreement (as in effect immediately prior to this Amendment) for the four consecutive Fiscal Quarter periods ended June 30, 2019 and, if applicable, September 30, 2019; (d) an Event of Default that arose under Section 9.01(c) of the Financing Agreement as a result of the Loan Parties' failure to comply with Section 7.03(b) of the Financing Agreement (as in effect immediately prior to this Amendment) for the four consecutive Fiscal Quarter periods ended June 30, 2019 and, if applicable, September 30, 2019; (e) an Event of Default that arose under Section 9.01(c) of the Financing Agreement as a result of the Loan Parties' failure to comply with Section 7.03(d) of the Financing Agreement (as in effect immediately prior to this Amendment) from and after July 12, 2019; (f) an Event of Default that arose under Section 9.01(c) of the Financing Agreement as a result of the Loan Parties' failure to comply with Section 7.02(g) of the Financing Agreement (as in effect immediately prior to this Amendment) for the Fiscal Quarter ended June 30, 2019 and, if applicable, September 30, 2019; (g) an Event of Default that arose under Section 9(d) of the First Amendment as a result of the Loan Parties' failure to deliver evidence of payment by the Loan Parties of the remaining balance due to the Mayfield Graves Industrial Authority in accordance with Section 6(b) of the First Amendment; (h) an Event of Default that arose under Section 9.01(c) of the Financing Agreement as a result of the Loan Parties' failure to comply with Section 7.02(a) of the Financing Agreement due to the mechanic's Liens imposed on the Mayfield Property prior to the Third Amendment Effective Date; (i) an Event of Default that arose under Section 9.01(c) of the Financing Agreement as a result of the Loan Parties' failure to comply with Section 7.02(b) of the Financing Agreement due to Indebtedness incurred with respect to the Mayfield Property prior to the Third Amendment Effective Date; (j) an Event of Default that arose under Section 9.01(c) of the Financing Agreement as a result of the Loan Parties' failure to comply with Section 7.02(h) of the Financing Agreement and the definition of Permitted Hemp

[9][10] Copies of substantially all of the Prepetition Loan Documents, other than the Fee Letter, have been filed with the Bankruptcy Court by MGG as exhibits to the *Notice of Filing Preliminary Evidence of Perfection of Liens* [Docket No. 64]. The Fee Letter may be obtained (at no charge) upon request to counsel for the Debtors.

Kentucky Payments due to the Loan Parties' making of Restricted Payments to Hemp Kentucky prior to the Third Amendment Effective Date; and (k) an Event of Default that arose under Section 9.01(r) of the Financing Agreement as a result of the Loan Parties' failure to deliver the Qualified 2018 Audit within 90 days following the Effective Date.

Furthermore, in each of the amendments to the Prepetition Loan Agreement and in each of the letters documenting the Collateral Agent Advances, GCG Parent and GCG Opco granted broad releases to and for the benefit of MGG and the other Prepetition Secured Parties. *See* First Amendment, § 8; Second Amendment, § 7; Third Amendment, § 7; Collateral Agent Advance letter, dated November 22, 2019; Collateral Agent Advance letter, dated December 11, 2019; and Collateral Agent Advance letter, dated Dec. 31, 2020. In substance, by these releases, GCG Parent, GCG Opco and their subsidiaries released the Prepetition Secured Parties from any and all Causes of Action whatsoever, whether known or unknown, relating in any way to the Prepetition Loan Facility and/or Prepetition Loan Documents.

As of the Order for Relief Date, approximately $68,857,389.02 in principal amount was outstanding under the Prepetition Loan Facility, plus interest accrued and accruing at the rates set forth in the Prepetition Credit Agreement (together with any other amounts outstanding under the Prepetition Loan Facility as provided in the Prepetition Loan Documents, including interest, fees, costs, expenses, penalties, premiums, indemnities and other charges owed and owing under or in connection with the Prepetition Loan Documents, collectively, the "Prepetition Obligations"). Based on the Debtors' review of the applicable Prepetition Loan Documents, including the Fee Letter, and the Debtors' books and records, the Debtors believe (and have agreed in connection with the MGG Settlement) that the Prepetition Obligations also include the following components: (a) prepetition interest of not less than $122,314.94; (b) a Yield Enhancement Amount of not less than $4,014,736.66; and (c) an Exit Fee of not less than $15,000,000.00. Accordingly, the Debtors believe, and have agreed pursuant to the MGG Settlement Agreement, that the total Prepetition Obligations as of the Order for Relief Date were not less than $8~~7~~8,~~994.44~~0.16,182.

In addition to the principal outstanding under the Prepetition Loan Facility as of the Order for Relief Date, pursuant to the terms of the Prepetition Loan Documents (including the Fee Letter), pursuant to the DIP Orders, the Debtors have acknowledged and stipulated, among other things, that, subject only to the third-party challenge rights preserved pursuant to Paragraph 4.14 of the Final DIP Order, (a) the Prepetition Obligors were as of the Order for Relief Date, and continue to be, liable for the Prepetition Obligations and (b) the Prepetition Obligations owing to the Prepetition Secured Parties constitute legal, valid, and binding obligations of the Prepetition Obligors and their applicable affiliates, enforceable against them in accordance with their respective terms (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code), and no portion of the Prepetition Obligations owing to the Prepetition Secured Parties is subject to avoidance, recharacterization, reduction, set-off, offset, counterclaim, crossclaim, recoupment, defenses, disallowance, impairment, recovery, subordination, or any other challenges pursuant to the Bankruptcy Code or applicable non-bankruptcy law or regulation by any person or entity.

Pursuant to the DIP Orders, the Debtors have acknowledged and stipulated, subject only to the third-party challenge rights preserved pursuant to Paragraph 4.14 of the Final DIP Order, that the Prepetition Loan Facility and the Prepetition Obligations are secured by first priority security interests in and liens on (collectively, the "Prepetition Liens") all or substantially all of the property and assets, including proceeds and products thereof, of the Prepetition Obligors, except (i) for real property and certain other assets of the Prepetition Obligors expressly excluded from the Prepetition Liens under the Prepetition Loan Documents or (ii) as to which the Prepetition Agent has stipulated pursuant to the Committee Stipulations (as defined herein) is not subject to the Prepetition Liens.

~~As set forth in the UCC Position Statement, the UCC disputes, among other things, whether the Prepetition Secured Parties are entitled to recover the Yield Enhancement Amount and/or the Exit Fee.~~

Section 2.02.2 Certain Mortgage Loan Obligations

The Debtors own certain real property and improvements encumbered by mortgage loans in favor of mortgage lenders. First, GCG Opco owns certain real property and improvements, including a greenhouse, located at 1895 Clintonville Road in Paris, Kentucky (the "Paris Property"). As of the Order for Relief Date, GCG Opco allegedly was indebted to Kentucky Bank under that certain Promissory Note, dated April 5, 2019, (the "Paris Promissory Note"), for principal of approximately $1,798,988.29, plus interest, fees and charges. Kentucky Bank asserts that payment and performance of GCG Opco's obligations under the Paris Promissory Note are secured by a duly perfected Mortgage, dated April 5, 2019, which encumbers the Paris Property and proceeds thereof.

Second, GCG Opco owns certain real property and improvements located at 16-18 West Lexington Avenue in Winchester, Kentucky (the "Winchester Property"), which includes a 3-story building previously used, in part, as a retail store for the Company. As of the Order for Relief Date, GCG Opco allegedly was indebted to Central Bank & Trust Co. ("Central Bank") under that certain Commercial Note, dated as of December 28, 2018 (the "Winchester Commercial Note"), in the aggregate amount of approximately $244,322.07. Central Bank asserts that performance and payment of GCG Opco's obligations under the Winchester Commercial Note are secured by a duly perfected Commercial Mortgage and Assignment of Leases and Rents, dated as of December 28, 2018, which encumbers the Winchester Property and proceeds thereof.

Third, GCG Opco owns certain real property and improvements, including an industrial warehouse facility, located at 322 North 3rd Street, Paducah, Kentucky 42001 (the "Paducah Property"). GCG Opco, as Borrower, and Community Financial Services Bank ("CFSB"), as Lender, entered into that certain promissory note, dated October 18, 2018, identified by CFSB as Loan No. 300495399, in the original principal amount of $937,500.00 (as amended from time to time, the "Paducah Promissory Note"). As of the Order for Relief Date, GCG Opco allegedly was indebted to CFSB under the Paducah Promissory Note for principal and prepetition interest totaling approximate $915,914.12, plus additional interest, fees and charges. CFSB asserts that performance and payment of GCG Opco's obligations under the Paducah Promissory Note are secured by that certain duly perfected Mortgage, dated as of October 18, 2018, pursuant to which CFSB was granted a first priority security interest in, and lien upon, the Paducah Property.

Section 2.02.3 Debenture Obligations

Prior to the Order for Relief Date, GCG Parent and MariMed, Inc. ("MariMed"), entered into that certain Subscription Agreement, dated as of November 7, 2018 (the "Subscription Agreement"), pursuant to which GCG Parent issued and MariMed acquired certain Subordinated Secured Convertible Debentures (the "Convertible Debentures") as follows:

Date of Convertible Debenture	**Principal Amount**
September 10, 2018	$2,000,000
September 18, 2018	$3,000,000
September 21, 2018	$1,750,000
October 22, 2018	$3,000,000
October 26, 2018	$3,000,000
November 8, 2018	$17,250,000
Total	**$30,000,000**

In January 2019, MariMed exercised certain rights afforded it under the terms of the Subscription Agreement and Convertible Debentures to convert the Convertible Debentures into 11,254,597.54 shares of GCG Parent's Common Stock in full and final satisfaction and release of any obligations of GCG Parent in connection with the Subscription Agreement and Convertible Debentures. In connection with the foregoing conversion transaction, MariMed also released any security interests it had been granted in connection with the Convertible Debentures.

Following the exercise of such conversion rights, MariMed became GCG Parent's largest single shareholder. Additionally, in February 2019, Robert Fireman, MariMed's President, Chief Executive Officer and Chairman, was appointed to GCG Parent's Board of Directors.

Section 2.02.4 Obligations Relating to Unfinished Mayfield Facility

As of the Order for Relief Date, GCG Opco leased, pursuant to the terms of that certain Lease Agreement, dated as of February 2019 (the "Mayfield Lease"), with the Industrial Authority of Mayfield-Graves County (the "Industrial Authority"), as lessor, certain real property in Graves County, Kentucky (the "Mayfield Property") on which the Company was constructing a hemp processing facility for its CBD products (the "Mayfield Facility"). The Mayfield Facility, construction on which ceased several months prior to the Order for Relief Date, was only partially completed and not operational as of the Order for Relief Date.

Prior to the Order for Relief Date, the Company found itself in disputes with various construction contractors, subcontractors, service providers and other vendors (collectively, "Construction Vendors") and unable to secure adequate financing to complete the construction of the Mayfield Facility. Several of these Construction Vendors asserted and filed statutory mechanics liens and unjust enrichment claims against the Mayfield Property and have asserted Claims against the Debtors for amounts allegedly due them.

Various of these Construction Vendors have filed Claims against the Debtors. In addition, the Industrial Authority has filed a Claim against GCG Opco in which it alleges that it is owed in excess of $31 million, of which it alleges more than $30.6 million is on account of the filed statutory mechanics liens and unjust enrichment claims asserted by the Construction Vendors.

Section 2.02.5 Obligations Arising from the Company's Acquisition of the Paris Greenhouse

Prior to the Order for Relief Date, in connection with the Debtors' acquisition of the Paris Property, in addition to the cash purchase price for the Paris Property, GCG Opco agreed to reimburse the sellers of the Paris Property and certain related parties for certain tax obligations they may have incurred as a result of the transaction. To this end, GCG Opco caused CFSB to issue an irrevocable letter of credit, dated March 22, 2019 (the "LOC"), in the amount of $1 million for the benefit of Southerland's Greenhouses, Inc., William O. Southerland, Jr. and Cindy Price Southerland (the "Southerlands"). In conjunction with the issuance of the LOC, GCG Opco executed a promissory note whereby it promised to reimburse CFSB the sum of $1,000,000.00, plus interest thereon at the variable rate as defined in the note in the event the LOC was drawn (the "LOC Reimbursement Note"). GCG Opco secured the payment and performance of its obligations under the LOC Reimbursement Note by executing an Assignment of Deposit Account, dated March 22, 2019, pursuant to which CFSB received an assignment of, and a security interest in, approximately $1,005,245 then deposited in a savings account maintained at CFSB.

Following the Order for Relief Date, the Southerlands made demand upon CFSB to draw the LOC and CFSB obtained relief from the automatic stay to apply most of the funds on deposit with it.

Section 2.02.6 Certain Capital Lease, Vehicle and Equipment Obligations

As of the Order for Relief Date, the Company was party to several equipment and capital leases for various pieces of equipment, machinery and other personal property. The lessors in respect of such obligations assert Claims allegedly secured by the property covered by such agreements.

In addition, as of the Order for Relief Date, Arrow Farms, LLC ("Arrow"), and GCG Opco were parties to that certain Tillable Acreage Sub-Lease Agreement, dated as of January 1, 2019, and that certain Harvesting Services Agreement, dated as of August 29, 2019. Prior to the Order for Relief Date, disputes arose between the Debtors and Arrow as to the ownership of certain equipment that had been acquired and used to harvest hemp cultivated on the property subleased from Arrow and as to the ownership of bales of harvest hemp still located on that property.

These disputes have been, with one exception, resolved during the pendency of the Chapter 11 Cases.

Section 2.02.7 Obligations Owing to Growers and Seed Suppliers

As noted above, the Debtors maintained a CFN of approximately sixty growers under agreements with the Debtors to grow the Debtors' hemp plants at their respective farms as well as one-off arrangements with certain third-party growing partners. The Debtors estimate that such growers may assert claims against the Debtors in excess of $18 million.

In addition, the Debtors sourced seeds and germplasm for use in the operation of their business from various suppliers, some of whom were not paid as of the Order for Relief Date.

At various points during 2019 following Mr. Fireman's appointment to GCG Parent's Board of Directors, the Debtors and MariMed Hemp, Inc. ("MariMed Hemp"), a wholly-owned subsidiary of MariMed, entered into several hemp seed sale transactions (the "Insider Seed Sale Transactions") whereby MariMed acquired large quantities of feminized hemp seeds that it re-sold to the Debtors substantial premiums above the prices that MariMed paid for such seeds. MariMed has reported in public securities filings purchasing $20.75 million of hemp seed inventory which it sold and delivered to the Debtors for $33.2 million. On or about June 22, 2020, MariMed Hemp filed a proof of Claim against GCG Opco asserting an unsecured, nonpriority claim of $33,592,942.55 for amounts allegedly owed to MariMed Hemp on account of the Insider Seed Sale Transactions.

The Debtors' investigation of the Insider Seed Sale Transactions is ongoing. The Debtors, accordingly, reserve all rights, claims, defenses, counterclaims and Causes of Action arising out of or relating to the Insider Seed Transactions.

Section 2.02.8 Other Trade and Miscellaneous Payables

In addition to the various financial obligations discussed above, the Debtors are aware of other trade and miscellaneous claims against the Debtors for which Claims have been Scheduled or Filed in their Chapter 11 Cases.

Section 2.03 The Debtors' Management

In connection with the Chapter 11 Cases, each of the Debtors has made certain disclosures regarding their respective officers, directors, managing members, general partners, members in control, controlling shareholders and other people in control of the Debtors as of their respective Petition Dates. Such disclosures include the names and positions held by such persons and entities on or after each Debtor's Petition Date, as reported in each Debtor's Schedules. *See* Amended Statement of Financial Affairs of GenCanna Global USA, Inc. [Case No. 20-50133, Docket No. 272]; Statement of Financial Affairs of GenCanna Global, Inc. [Case No. 20-50211, Docket No. 24]; and Statement of Financial Affairs of Hemp Kentucky LLC [Case No. 20-50212, Docket No. 20].

In addition, effective as of July 1, 2020, Gary Broadbent, who previously served as the Company's Executive Vice President, Secretary and General Counsel, also was appointed by the boards of GCG Parent and GCG Opco to serve as the Company's Chief Wind-Down Officer.

Section 2.04 Circumstances Leading to these Chapter 11 Cases[11]

Section 2.04.1 Industry Headwinds

The hemp/CBD industry in which the Debtors operated was experiencing significant headwinds even before the effects of the COVID-19 pandemic were felt broadly throughout the country. A victim of the industry's own early success, since 2019 hemp supply has greatly exceeded demand as more growers and producers have entered this market segment.[10][12] Licensed hemp acreage increased more than 445% year-over-year in 2019,[11][13] yet regulatory uncertainty inhibited similar demand growth. As of July 2, 2019, the aggregate market capitalization for the five largest publicly traded cannabis companies was $33.1 billion.[12][14] As of April 28, 2020, those companies' aggregate market capitalization was $11.0 billion, a decline of 67%. In addition, Charlotte's Web Holdings, Inc. ("Charlotte's Web"), the Debtors' closest publicly-traded comparable, has seen its market capitalization decline from $1.5 billion to $471.6 million over the same period, a decline of 70%. Similarly, Charlotte's Web reported quarter-over-quarter revenue contraction of 9% in the fourth quarter of 2019, after growing 21% over the same period in 2018. Furthermore, in July of 2019, the Debtors sold CBD isolate at a median price of approximately $4,250 per kilogram (for quantities of 25kgs or more). In April 2020, the spot price for CBD isolate ranged from approximately $700 - $1,000 per kilogram, a decline of approximately 76% – 84% from July 2019 levels.

Section 2.04.2 Explosion at the HRC Facility

Compounding the Company's troubles, on November 7, 2019, a large fire occurred at the HRC facility, debilitating certain critical functions that were performed at the plant. Fortunately, no one was seriously injured in the incident; however, the Debtors lost the ability to refine and produce CBD in-house as a result of the incident. Insurance claims for property losses and business interruption losses

[11] The UCC does not adopt the statement of the history of this matter. For the avoidance of doubt, the description of the circumstances leading to these Chapter 11 Cases is without prejudice to the Plan Administrator's ability to conduct an independent investigation of these facts and circumstances.

[10][12] *See Declaration of Richard W. Morgner in Support of the Debtors' Bidding Process and Approval of the MGG Sale Bid* [Docket No. 756].

[11][13] *See* Vote Hemp, 2019 U.S. Hemp License Report (https://www.votehemp.com/wp-content/uploads/2019/09/Vote-Hemp-US-License-Report-2019.pdf).

[12][14] The five largest publicly traded cannabis companies at that time were Canopy Growth Corporation, Aurora Cannabis, Aphria, Tilray and Cronos Group.

relating to the explosion and fire at the HRC facility were among the assets sold and assigned to the Purchaser in the Sale Transaction.

Section 2.04.3 Construction Disputes and Delays Relating to Mayfield Facility

As noted above, in the summer of 2019, the Debtors were in the process of constructing the Mayfield Facility, a new state-of-the-art hemp processing facility located in Mayfield, Kentucky, when the Company put further construction on hold due to construction delays which would not allow the plant to be operational for its 2019 harvest season. Additionally, cost overruns created considerable capital stress on the Company, which caused it to reallocate capital to pay for the construction. Ultimately, the Company was unable to secure adequate financing to complete the construction of the Mayfield Facility. Various Construction Vendors then asserted mechanic's liens in respect of the Mayfield Facility.

The unavailability of the Mayfield Facility for the Debtors' 2019 harvest season, in turn, hampered the Debtors' ability to efficiently and cost-effectively complete the drying process for their hemp harvest. The Company used to conduct the drying process in-house at the HRC facility, but as of the 2019 harvest season no longer had drying capacity there. The Mayfield Facility was intended to handle larger harvests such as the one that was expected for the 2019 season, but the Company was forced to suspend that construction project as discussed above.

The Company attempted to address this situation by entering into a relationship with Specialty Oil Extractors ("SOE"), a third-party processing company located in South Carolina. As of the Order for Relief Date, a majority of the Debtors' baled hemp inventory had been shipped to SOE, and where it was being stored pending processing. Other portions of the inventory harvest were stored at other locations, including at the HRC facility.

Unfortunately, the Debtors' postpetition relationship with SOE was troubled, resulting in further delays and disruptions to the Debtors' business operations and cash flows. Indeed, the Debtors contend (which contention may be disputed by SOE) that as of the closing of the Sale Transaction on May 29, 2020, the SOE relationship had yet to generate any saleable product for the Debtors. This, to a significant degree, thwarted the Debtors' ability to achieve one of their main goals when these Chapter 11 Cases were commenced - to generate positive cash flow and maintain market share by processing the hemp inventory from the 2019 harvest into saleable finished goods.

Section 2.04.4 Challenges with Finding Appropriate Financial Leadership

Another factor that negatively impacted the Company's ability to weather these challenges was the absence of effective leadership from the chief financial officer position during this critical period. Most recently, in July, 2019, the Company hired Mark A. Stegeman[~~13~~15] to serve as the Company's Chief Financial Officer, replacing a prior individual serving that role on an interim basis. Unfortunately, certain performance and professional issues surfaced almost immediately.

Among other things, the Mr. Stegeman met with the Company's primary lender soon after being hired, without adequate preparation or familiarity with the Company's financial affairs. Shortly after that meeting, the lender advised the Company that it required the Debtors to employ a financial advisor to

[~~13~~15] At the request of Mr. Stegeman, the Debtors acknowledge that Mr. Stegeman does not agree or consent to the Debtor's description of the events or conclusions related to him or his dealings with the Debtors set forth in this Disclosure Statement, and in particular Sections 2.04.4 and 2.04.5. Mr. Stegeman's claims against the Debtor remain pending and may be adjudicated at a later date.

review the financial health and cash needs of the business, leading to the Company's decision to engage Huron Consulting Services LLC ("Huron").

Mr. Stegeman was also tasked with moving forward with the Company's 2018 audit, which was a requirement under the Debtors' Prepetition Loan Facility. Unfortunately, the audit process, which had suffered delays under the prior interim CFO, was further mismanaged by Mr. Stegeman. Moreover, immediately before his departure from the Company, Mr. Stegeman made allegations, later determined by the Company to be without merit, that certain sale transactions recorded by the Company were invalid and fraudulent in nature. Mr. Stegeman's allegations and the steps that the Company took to investigate them are described in detail in Section 2.04.5 of this Disclosure Statement. As discussed therein, the Company exhaustively investigated these allegations with the assistance of reputable outside counsel and determined that the allegations of fraud and illegality were without merit.

Unfortunately, the allegations of fraud and illegality leveled by Mr. Stegeman, despite since having been determined by the Debtors to be without merit, were aired at a critical time for the Company, which was then attempting to complete the long overdue 2018 audit and then working with Goldman Sachs & Co. as its financial advisor to evaluate strategic alternatives, including a potential refinancing to address the Company's growing liquidity problems. As detailed below, Mr. Stegeman's scandalous allegations, as well as the manner in which he and his team treated other Company employees during their investigation, caused concern among certain employees of the Company. Further, the Debtors believe these allegations were a contributing factor - together with the Company's increasing financial distress in inability to remain current on payments due the auditor for its services - to the Company's inability to complete the 2018 audit. The Company's auditor, Marcum LLP ("Marcum"), discontinued work on the 2018 audit in December 2019 and thereafter formally terminated its engagement with the Company.[~~14~~16] The failure to complete the 2018 audit, in turn, is believed to have played a significant role in the Company's inability to halt the further downward spiral that by January 2020 would land the Company in bankruptcy.

~~As set forth in the UCC Position Statement, the UCC disputes certain aspects of the Debtors' narrative concerning the matters addressed in this Section 2.04.4.~~

Section 2.04.5Certain Disputes Between the Company and Its Former CFO, Mark Stegeman; Mr. Stegeman's Allegations of Financial Impropriety by the Company

2.04.5.a: Mr. Stegeman's Employment Disputes with the Company

Mr. Mark A. Stegeman briefly served as the Company's Chief Financial Officer, from approximately mid-July 2019 until December 2019.

On November 13, 2019, Mr. Stegeman notified the Company in writing of his resignation. Specifically, he stated, "[t]his letter further constitutes formal notice of my election to terminate my employment for 'Good Reason' pursuant to section 4.1(c) of the Employment Agreement, effective Monday, December 16, 2019," unless certain circumstances were "cured" to Mr. Stegeman's satisfaction by that date. Mr. Stegeman's November 13, 2019 resignation letter further alleged that the circumstances giving rise to the "Good Reason" basis for his resignation related to alleged actions by certain members of the Company's senior management that were the subject of a memorandum, dated November 11,

[~~14~~16] Recognizing the importance of completing the 2018 audit to the ongoing efforts to save the Company, and after meeting with representatives of Marcum to discuss Marcum's resumption of the auditing engagement, on December 4, 2019, the Company made a $103,000 catch up payment to Marcum from the Company's dwindling Cash reserves. Marcum nevertheless declined to resume work on the 2018 audit.

2019, that Mr. Stegeman co-authored and delivered to the Company's EVP and General Counsel, Gary Broadbent (the "GC"). Mr. Stegeman opined in his resignation letter that the alleged wrongdoing by certain other members of the Company's senior management "constitutes 'acts by other members of senior management that materially violate applicable laws, regulations, the Company's contractual obligations, fiduciary duties to the Company, or the Company's governance documents, and which increase the Executive's liability, legal exposure, or professional reputation, whether covered by insurance or indemnification rights or not,' under sub-section 4.1(c)(iv) of my Employment Agreement."

By letter dated December 3, 2019, the Company responded to Mr. Stegeman's resignation letter. Although the Company disputed Mr. Stegeman's allegations that his resignation was for "Good Reason" within the meaning of his Employment Agreement and maintained that the Company had "cause" to terminate Mr. Stegeman's employment, the Company informed Mr. Stegeman it considered him to have voluntary resigned his employment without "Good Reason" under the terms of his Employment Agreement.

On January 10, 2020, Mr. Stegeman initiated an arbitration proceeding against the Company on the alleged grounds that he was wrongfully terminated because he "reported irregularities and company practices [he] believed to be improper to upper management." In in the arbitration proceeding, and in proofs of Claim that Mr. Stegeman has filed against the Debtors in these Chapter 11 Cases, Mr. Stegeman seeks at least $1.5 million in severance from the Debtors, plus punitive damages, attorneys' fees, costs, and other unspecified amounts. By letter dated February 13, 2020, the Debtors advised the arbitrator that the arbitration was stayed by virtue of the Debtors' bankruptcy filings.

Also on January 10, 2020, Mr. Stegeman filed a "whistleblower" complaint against the Company with the Department of Labor under the Sarbanes-Oxley Act. In this complaint, Mr. Stegeman alleges again that he was wrongfully terminated because he "reported irregularities and company practices [he] believed to be improper to upper management."

By letter dated March 4, 2020, the Department of Labor informed Mr. Stegeman and the Company that that it had "completed [its] investigation" of his whistleblower complaint, and dismissed the complaint. The Department of Labor found that the Company was not subject to the provision of the Sarbanes-Oxley Act pursuant to which Mr. Stegeman had asserted his claims. On March 24, 2020, Mr. Stegeman filed an objection to the Department of Labor's findings and requested a hearing before an administrative law judge. As of the preparation of this Disclosure Statement, Mr. Stegeman's request for review of the Department of Labor's findings remains pending.

2.04.5.b: Mr. Stegeman's Allegations of Financial Impropriety

During a November 5, 2019, telephone call among members of the Company's board of directors, the board discussed a $600,000 transaction between MariMed and the Company that had occurred in August 2019. Mr. Fireman - MariMed's Chairman, President and Chief Executive Officer and also a member of the Company's board of directors - stated his belief that the $600,000 was a loan by MariMed to the Company. Other board members stated their views the transaction was a sale of goods to MariMed. Mr. Fireman asserted further that MariMed had not received any inventory or other items of value from the Company in return for the $600,000, although as of November 12, 2019. Other board members disputed this, maintaining that MariMed had taken possession of inventory. Later that same day, a senior restructuring professional from Huron who attended this board call, asked members of the Company's finance and accounting team to investigate the issue.

Members of the Company's finance and accounting team, including Mr. Stegeman, conducted an impromptu investigation over the next several days. Mr. Stegeman and certain others then co-authored

an internal memorandum, dated November 11, 2019, that its authors marked as "ATTORNEY-CLIENT PRIVILEGED" and delivered to the GC.

According to Mr. Stegeman and certain other members finance and accounting team, their investigation revealed the following:

- The Company received $600,000 in cash from MariMed on August 23, 2019.
- On August 31, 2019, 200kg of isolate were accumulated in the Company's shipping office to be sold and shipped to an entity identified as a subsidiary or affiliate of MariMed) for $700,000.
- In early September 2019, the Company's CEO informed shipping and receiving clerks that he would personally pick up the isolate and hand deliver the inventory to UPS for shipment. The next day, a Company employee arrived and loaded half of the isolate into his pickup truck for hand-delivery to UPS. Approximately two days later, two different Company employees arrived and loaded the remaining isolate into an SUV for hand-delivery to UPS. At this point, the inventory was marked as shipped via "Customer Pickup" in the Company's Salesforce/Netsuite application, and the sale was recorded on September 17, 2019.
- The individuals that picked up the inventory never returned with shipping documents, which was unusual. The two individuals who loaded the second half of the isolate also took original copies of paperwork with them, which also was unusual. As of the November 6, 2019 investigation, the Company's records did not include shipping documents for this transaction.

During the course of their investigation of this MariMed transaction, the participating members of the finance and accounting team inquired of the shipping clerk, receiving clerk, and fulfillment manager that had provided the above information whether they were aware of any other "unusual" transactions or hand-deliveries of inventory. These employees mentioned one other transaction involving a customer named Pink Hippo. According to their investigation, the finance and accounting team determined as follows with respect to the Pink Hippo transaction:

- The Company received a sales order on September 26, 2019, for 80kg of water soluble isolate, for a total sales price of $160,032.
- On September 30, 2019, personnel in the shipping office were informed that the inventory that had been collected so far (64.5 kg) needed to be marked as shipped and physically moved to another location to qualify as a shipment that would be counted towards monthly sales targets. The inventory was moved to the Company's retail location ("46&2") in Winchester, Kentucky, to be stored until the full order was available for actual shipment to the customer. On September 30, 2019, shipping office personnel marked the entire 80kg order as shipped via "Customer Pickup" in Salesforce/Netsuite, and the sale was recorded.
- On October 16, 2019 and October 22, 2019, shipments totaling 17kg were shipped to Pink Hippo via UPS. As of November 6, 2019, the remaining portions of the order remained unshipped, and 46kgs of water soluble isolate were stored at 46&2.

The finance and accounting team's investigation at 46&2 also raised questions for the investigatory team concerning certain inventory related to "Comfort Leaf" products, but the finance and

accounting team was not able at that time to identify any accounting irregularities with respect to this inventory.

On November 6, 2019, Mr. Stegeman reported by telephone these findings to the Company's GC, who then met with Mr. Stegeman and members of the finance and accounting team that same day. The GC informed them that he would contact the Company's outside counsel at Pillsbury Winthrop Shaw Pittman LLP ("Pillsbury"). The internal memorandum co-authored by Mr. Stegeman and other members of the investigatory team then followed.

Through follow-up investigations and consultation with Pillsbury, the Company determined that the issues raised by Mr. Stegeman and the finance and accounting team with respect to these transactions - although they did reveal certain weaknesses relating to the Company's policies and procedures for storing product on customers' behalf - did not constitute fraud, as asserted by Mr. Stegeman and the finance and accounting team. Among other things, the Company determined that the Company's Vice President of Finance at the time had been consulted in connection with the transactions that Mr. Stegeman had challenged as improper. With respect to Pink Hippo, the Company confirmed that Pink Hippo (like other customers) requested that its order be shipped F.O.B. Kentucky, as Pink Hippo did not have adequate storage capacity to take possession of the entire shipment.

Of note, these discrepancies were identified before the quarterly books were finalized, and Mr. Stegeman stated at the time that no fraudulent transactions had been brought to his attention by Company's auditor, Marcum. Nonetheless, the incorrect allegations of fraud pushed by Mr. Stegeman and certain members of his team, as well as the manner in which they conducted their initial investigation, caused concern among certain employees of the Company and, the Debtors believe, were a contributing factor to their inability to complete the 2018 audit. The absence of audited financial statements, in turn, played a material role in the Company's inability to successfully access the capital markets at a time when the Company was desperate to address its worsening liquidity and financial distress.

~~As set forth in the UCC Position Statement, the UCC disputes certain aspects of the Debtors' narrative concerning the matters addressed in this Section 2.04.5.~~

Section 2.04.6 CFN Grower Disputes

As noted above, the Company utilized the CFN to conduct a large portion of the growing in connection with the Company's 2019 harvest. The Company entered into fixed pricing agreements with the CFN growers in early 2019 that obligated the Company to, among other things, pay the growers a fixed price regardless of the commodity market pricing. Ultimately, however, the Company's sales did not materialize as projected, and it was unable to make all of the agreed payments to the CFN growers. The Company did, however, make approximately $8.1 million in payments in the aggregate, which some amount of money going to virtually every one of the CFN growers. Further, the Debtors estimate that 77% of the CFN growers received payments in excess of 25% of what they were owed.

The Company negotiated modifications to the fixed pricing agreements to obtain some limited relief, including by deferring a portion of the amounts owed to the CFN growers under their respective agreements. Unfortunately, as discussed in Section 2.04.9 below, an involuntary bankruptcy filing against GCG Opco intervened, which both prevented the Debtors from being able reap the benefits of these arrangements and the CFN growers from receiving payments of the deferred amounts.

~~As set forth in the UCC Position Statement, the UCC disputes certain aspects of the Debtors' narrative concerning the matters addressed in this Section 2.04.6.~~

Section 2.04.7 The Company's Initial Attempts to Explore Strategic Alternatives and Address Its Liquidity Challenges

During the early months of 2019, the Company engaged Cowen and Company LLC ("Cowen") as its investment banker to investigate various strategic transactions. That effort helped the Company source the Prepetition Loan Facility, but did not result in any of the expected equity opportunities for the Company, and Cowen was terminated on or around August 21, 2019.

In August 2019, the Company engaged Goldman Sachs & Co., LLC ("Goldman Sachs") to serve as a financial advisor to assist the Company with evaluating strategic alternatives, including a potential refinancing to address the Company's growing liquidity problems. Working in consultation with the Company's Chief Investment Officer at the time, Mr. Leland O'Connor, Goldman Sachs pursued various potential transactions on behalf of the company. In August of 2019, the Company received a significant offer that exceeded $1 billion in the form of a letter of intent, but ultimately this transaction was not realized due to, among other impediments, the Company's lack of audited financial statements and financial setbacks experienced by the potential transaction partner. Unfortunately, no other transaction came to fruition, and Goldman Sachs' engagement concluded in January 2020.

Mr. O'Connor on behalf of the Company also engaged the services of a third-party broker in an effort to identify potential sources for equity and debt raises for the Company. Those efforts were similarly unsuccessful, due, at least in part, to the Company's inability to complete the 2018 audit.

Section 2.04.8 The Company's Engagement of Restructuring Advisors

In early September 2019, the Company retained Huron, after conducting a management led search process for a financial advisor in which Huron was considered together with at least two other reputable and nationally recognized financial advisory firms. Huron's initial engagement was to provide limited finance and accounting related services. Thereafter, Huron's engagement was expanded to, among other things, provide the Company with the services of James Alt as the Company's Chief Transformation Officer and Marc Passalacqua as the Company's Deputy Chief Transformation Officer, arrangements that were later formalized by the Company's boards of directors.

In addition, while the Company had been represented by other outside counsel in connection with its earlier efforts to explore strategic alternatives, in January 2020 the Company parted ways with its prior counsel and engaged Benesch, Friedlander, Coplan & Aronoff LLP ("Benesch") as its restructuring counsel. A short time later, the Company engaged Jefferies LLC ("Jefferies") as its investment banker and Dentons Bingham Greenebaum LLP ("Dentons") as the Company's Kentucky co-counsel.

With the assistance of its restructuring advisors, the Company immediately took steps to reduce its costs to better match the revenue shortfall it was experiencing. The Company, among other things, evaluated its staffing levels and made the difficult decision to implement reductions in its workforce in order to reduce its monthly cash burn. Additionally, the Company implemented several other cost reduction initiatives, including pay concessions or reductions in wages to provide additional liquidity to the Company. The Company also increased its efforts with the collection of its past due receivables from its customers to increase its cash position.

Section 2.04.9 The Involuntary Bankruptcy Filing Against GCG Opco

On January 24, 2020, three of the Debtors' creditors – Pinnacle, Inc., Crawford Sales, Inc. and Integrity/Architecture, LLP – filed an involuntary chapter 11 petition against the Company in this Court. Although the Debtors believe that by January 2020, the Company was starting to make headway in addressing its liquidity situation, the Debtors believe that the filing of the involuntary petition materially undermined the Debtors' nascent restructuring efforts. Accordingly, on February 5, 2020, GCG Parent and KY Hemp each filed in the Bankruptcy Court voluntary petitions for relief under chapter 11 of the Bankruptcy Code and GCG Opco consented to the previously filed involuntary petition in its case. The following day, the Bankruptcy Court entered an order for relief in GCG Opco's Chapter 11 Case.

SECTION 3: OVERVIEW OF THE CHAPTER 11 CASES

Section 3.01 First Day Relief and Other Case Matters

To minimize disruption to the Debtors' operations, on the Order for Relief Date, the Debtors filed motions seeking, among other relief, to the authority to: (1) continue utilizing the Debtors' prepetition cash management system and existing business forms [Docket No. 50]; (2) pay certain vendors critical to the Debtors' go-forward business in the ordinary course of business [Docket No. 53]; (3) pay and honor prepetition wages and employee benefits and certain administrative costs related to those wages and benefits [Docket No. 46]; (4) continue the Debtors' insurance coverage programs, satisfy premium obligations relating thereto and enter into insurance premium financing arrangements in the ordinary course of business [Docket No. 47]; (5) pay certain prepetition claims of shippers and freight carriers [Docket No. 52]; (6) jointly administer these Chapter 11 Cases [Docket No. 45]; (7) continue utility service and pay utility companies utility services provided prior to and following the Order for Relief Date [Docket No. 51]; (8) extend the time deadline to file schedules or provide certain required information [Docket No. 48]; and (9) establish certain notice procedures and approve a master service list [Docket No. 54] (collectively, the "First Day Motions"). A brief description of each of the First Day Motions and the evidence in support thereof is also set forth in the *Declaration of James Alt in Support of the Chapter 11 Filings and First Day Motions* [Docket No. 44] filed on the Order for Relief Date.

At or shortly after the hearing on February 6, 2020, the Bankruptcy Court granted substantially all of the relief requested in the First Day Motions, some on an interim basis and others on a final basis [Docket Nos. 89, 91, 93, 95, 97, 98, 99, 101, 118 & 119]. In late February 2020 and early March 2020, the Bankruptcy Court granted the relief requested in certain of the First Day Motions on a final basis [Docket Nos. 199 & 290].

The First Day Motions and all orders for relief granted in these chapter 11 cases, can be viewed free of charge at http://dm.epiq11.com/gencanna.

Section 3.02 Other Procedural and Administrative Matters

The Debtors also filed several motions on or subsequent to the Order for Relief Date to further facilitate the smooth and efficient administration of these Chapter 11 Cases and reduce the administrative burdens associated therewith, including as follows:

- On the Order for Relief Date, the Debtors filed an application to retain Epiq Corporate Restructuring, LLC, as claims, noticing, solicitation and administrative agent to the Debtors [Docket No. 49], which application was eventually approved by the Bankruptcy Court on February 7, 2020 [Docket No. 92].

- On February 18, 2020, the Debtors filed an application to retain Dentons as Debtors' Kentucky co-counsel [Docket No. 138], which application was later approved March 18, 2020 [Docket No. 403].

- On February 19, 2020, the Debtors filed an application to retain Benesch as Debtors' bankruptcy counsel [Docket No. 143], which application was later approved by the Bankruptcy Court on April 2, 2020 [Docket No. 506].

- On February 19, 2020, the Debtors filed an application to employ Jefferies as the Debtors' investment banker [Docket No. 142], which application was later approved as modified by the Bankruptcy Court on April 17, 2020 [Docket No. 642].

- On February 21, 2020, the Debtors filed an application to, among other things, employ Huron Consulting Services LLC as the Debtors' financial advisor and to appoint James Alt as Chief Transformation Officer [Docket No. 158], which application was later approved as modified by the Court on April 23, 2020 [Docket No. 661].

- On March 5, 2020, the Debtors filed a motion to establish procedures for the retention and compensation of certain professionals utilized by the Debtors in the ordinary course of business [Docket No. 302], which motion was later approved by the Bankruptcy Court on June 1, 2020 [Docket No. 883].

Section 3.03 Approval of Debtor-in-Possession Financing

In addition to the other First Day Motions, the Debtors also filed a motion on the Order for Relief Date seeking authority to obtain postpetition financing on a secured, superpriority basis in the aggregate maximum principal amount of up to $10.0 million [Doc. 55] (the "DIP Motion"). On February 6, 2020, the Bankruptcy Court approved the DIP Motion on an interim basis and entered an order [Docket No. 82] (the "First Interim DIP Order") authorizing, among other things, the Debtors to draw up to $2.75 million in the aggregate principal amount.

A Final Hearing (as defined in the First Interim DIP Order) initially was scheduled for February 25, 2020. However, at the request of several parties-in-interest, the Debtors and MGG, in its capacity as agent for the DIP Loan Facility (the "DIP Agent"), agreed, and filed a notice reflecting their agreement [Docket No. 146], to adjourn the Final Hearing until March 4, 2020 and to treat the February 25, 2020 hearing as a hearing to consider entry of a further interim order in respect of the DIP Motion. Following a hearing on February 25, 2020, the Bankruptcy Court entered a second interim order in respect of the DIP Motion [Docket No. 207] (the "Second Interim DIP Order"). The Second Interim DIP Order, among other things, increased the Initial DIP Loan amount to $4.75 million and established an objection deadline for the Final Hearing of February 28, 2020. The Final Hearing was then re-noticed for March 4, 2020.

Following the entry of the Second Interim Order, numerous parties-in-interest, including the UCC, filed objections to the DIP Motion [Docket No. 224, 227, 230, 232, 233, 235, 236, 237, 238 & 243]. On March 3, 2020, the DIP Agent [Docket No. 263] and the Debtors [Docket No. 265] filed their respective replies to the objections and in further support of the DIP Motion.

The Debtors and the DIP Agent attempted to work with the UCC and various objecting parties to resolve their objections prior to the March 4, 2020 hearing, but eventually determined that it would not be possible to achieve a sufficient number of consensual resolutions within that timeframe. Accordingly,

the Debtors and the DIP Agent again agreed to adjourn the Final Hearing, this time until March 16, 2020, which was memorialized in an Order entered by the Bankruptcy Court on March 6, 2020 [Docket No. 306]. The Bankruptcy Court's scheduling order allowed parties the opportunity to file supplemental briefing on objections previously raised by March 10, 2020, but did not permit new objections to be interposed. Any replies from the Debtors and DIP Agent were permitted to be filed by March 13, 2020, at 12:00 noon.

Thereafter, additional objections and supplemental submissions were filed by certain objecting parties [Docket Nos. 316, 317 & 372], together with a supplemental reply from MGG on March 13, 2020 [Docket No. 350], a supplemental reply from the Debtors on March 17, 2020 [Docket No. 400], and declarations in further support of the DIP Motion and entry of the Final DIP Order (as defined herein) from James Alt, the Debtors' Chief Transformation Officer, and Richard Morgner, the Debtors' investment banker from Jefferies [Docket Nos. 401 & 402]. Meanwhile, the COVID-19 pandemic was coming to be understood as a significant health threat, leading the Bankruptcy Court to enter an order on March 13, 2020 [Docket No. 360], that further adjourned the Final Hearing and certain other matters from March 16th until March 19, 2020. The Bankruptcy Court then entered a follow up order approving COVID-19 related procedures for a telephonic evidentiary Final Hearing on the DIP Motion to be held on March 23, 2020 [Docket No. 398].

Various submissions were made in anticipation of the Final Hearing on March 23, 2020, including clean and redlined versions of a proposed Final DIP Order, a further revised DIP Budget, and an amended and restated proposed DIP Loan Agreement [Docket Nos. 447, 448, 449 & 450]. Discussions among the parties continued during this period, resulting in, among other things, the consensual resolution of most of the UCC's objections, other than an dispute relating to amount budgeted for the UCC's professional fees.

On March 23, 2020, the Bankruptcy Court convened by telephone a contested evidentiary Final Hearing on the DIP Motion. At the conclusion of the Final Hearing, the Bankruptcy Court overruled the remaining objections, subject to certain revisions being made to the proposed Final DIP Order. On March 25, 2020, the Bankruptcy Court entered the Final DIP Order [Docket No. 474]. Among other relief granted, the Final DIP Order approved aggregate DIP Commitments of $12.5 million (instead of the original $10.0 million) to account for, among other things, the delays that had been encountered in the Chapter 11 Cases and the Debtors' need for additional funding as compared to their projections in the original DIP Budget.

Section 3.04 Appointment of the UCC

On February 18, 2020, the U.S. Trustee filed a notice of appointment of the UCC [Docket No. 135], as follows: Pinnacle, Inc.; George Christian Petty; Thompson Construction; Bragg Farming Company; Furnwood Farms, LLC; Justin D. Clark; and Dean Dorton. Effective September 14, 2020, Furnwood Farms, LLC, resigned from the UCC.

The UCC has retained Foley & Lardner LLP and DelCotto Law Group PLLC, as its counsel, and GlassRatner Advisory & Capital Group, LLC, as its financial advisor.

Section 3.05 Marketing Process and Sale Transaction

Section 3.05.1 Bidding Procedures

In consultation with their advisors, the Debtors determined that it was in the best interests of the Debtors and their Estates to pursue a potential sale of substantially all of the Debtors' assets. In

compliance with the milestones set forth in the First Interim DIP Order, on February 18, 2020, the Debtors filed a motion [Docket No. 136] (the "Sale Motion") with the Bankruptcy Court seeking, among other things, entry of (a) an order approving bidding procedures (such bidding procedures, including modifications made thereto in connection with the Bankruptcy Court's approval thereof, the "Bidding Procedures") for the marketing and potential sale of substantially all of the Debtors' assets and (b) the approval of a sale or sale transactions to the highest and best bidder or bidders for the Debtors' assets. A hearing to consider the Sale Motion to the extent of the Debtor's request for approval of the Bidding Procedures was scheduled for March 4, 2020.

The UCC, the U.S. Trustee and six other parties filed objections or responses in opposition to the Debtors' request for approval of the Bidding Procedures [Docket Nos. 149, 234, 249, 250, 255, 256, 258, 262 & 264]. Prior to the hearing to consider the Debtors' request for approval of the Bidding Procedures, the Debtors and MGG engaged in extensive discussions with the objecting parties. The UCC's objections to the bidding procedures were resolved as result of these discussions. However, certain of the other objections could not be consensually resolved, resulting in a contested hearing on March 4, 2020. At the conclusion of the hearing, the Bankruptcy Court overruled the objections to Bidding Procedures subject to certain modifications being made to the Debtors' proposed order and Bidding Procedures. On March 5, 2020, the Court entered its order [Docket No. 335] (the "Bidding Procedures Order") approving the Bidding Procedures, as modified and granting related relief.

The Bidding Procedures Order and annexed Bidding Procedures set forth the requirements and deadlines for potential bidders to submit bids for the Debtors' assets, certain of which were extended to allow potential bidders every opportunity to participate in the sale process, and the terms for an auction of the Debtors' assets. Potential bidders were required to submit qualified bids by April 17, 2020, although that deadline was later extended by the Debtors as discussed below (the "Bid Deadline"). If the Debtors received two or more qualified bids, the Debtors were authorized to conduct an auction (the "Auction"), initially scheduled for April 20, 2020. The Debtors were authorized to review and evaluate each bid made at the Auction on the basis of financial and contractual terms and other factors relevant to the sale, plan or other proposed transaction proposed, including those factors affecting the speed and certainty of consummating the transaction, and to choose the highest or otherwise best offer(s) (the "Successful Bidder") and alternative next highest or otherwise best offer(s).

Section 3.05.2 The Sale Process

The sale process was shepherded by the Debtors and their advisors, including, specifically, the Debtors' investment banker, Jefferies. The Jefferies team - led by Richard W. Morgner, a Managing Director and Joint Global Head of Jefferies' Debt Advisory & Restructuring Group - had extensive expertise providing investment banking services to financially distressed companies, creditors, committees, equity holders, asset purchasers, and other constituencies in reorganization proceedings and complex financial restructurings, both in and out of court.

The bankruptcy marketing and bidding process was conducted over a period of approximately three months, beginning with Jefferies preparing materials and connecting with potential bidders in late January 2020. Jefferies and the Debtors' other restructuring advisors worked with the Debtors' management team to establish a confidential electronic data room (the "Data Room") that was eventually populated with over 890 separate files and over 6,300 pages of diligence materials.

Prior to and from the Order for Relief Date to the Bid Deadline, the Debtors, with the assistance of Jefferies and their other restructuring advisors, engaged in discussions with the interested parties regarding a potential asset sale, plan sponsorship or other transaction. In total, Jefferies contacted approximately 190 parties, including both potential strategic and financial buyers / financing parties. The

contacted parties included buyers / financing parties recommended by both the advisors to the UCC and MGG, and these potential bidders were granted equivalent access to diligence materials and the Debtors' advisors. Of those parties, 66 executed nondisclosure agreements and were provided with a Confidential Information Presentation and access to the continually updated Data Room. Potential bidders who executed non-disclosure agreements were also given access to senior management, third-party partners, and customers and received various management presentations throughout the process.

Potential bidders were initially requested to submit preliminary non-binding letters of intent to Jefferies for any kind of proposal by February 24, 2020 (although the failure to make such a submission did not disqualify any party from further participation in the sale process). Nine such proposals were received from a combination of four strategic buyers and five financial buyers. These Proposals ranged from asset liquidation-type bids to offers to purchase the Debtors as a going concern.

Over the next two months, the Debtors and their advisors worked extensively with those parties that had expressed interest in a potential transaction to generate viable offers to the Debtors. Indeed, when it appeared that more time might be helpful to the Debtors' goals of maximizing value and saving jobs through the sale process, the Debtors, after consulting with the required Consultation Parties, extended the Bid Deadline until April 22, 2020.

The Debtors received four bids by the Bid Deadline proposing a sale of substantially all of the Debtors' assets or certain subsets of assets (each a "Sale Bid"). Only one of these bids was determined by the Debtors, in consultation with the UCC and other required Consultation Parties, to be a Qualified Bid pursuant to the Bid Procedures Order. The other three bids did not comply with various material requirements.

The Debtors concluded (after consultation with certain consultation parties as required by the Bidding Procedures Order), and the Bankruptcy Court later found, that the only qualified Sale Bid was submitted by MGG GenCanna Acquisition Corp. (the "Purchaser"), an entity wholly owned by funds and accounts managed by MGG, to purchase substantially all of the Debtors' assets for not less than $75 million, comprised of a credit bid in the amount of $73.5 million, cash in the amount of $1.5 million, plus the payment of all cure costs and the assumption of certain Assumed Liabilities (the "Initial MGG Sale Bid"). The terms and conditions of the MGG Sale Bid were set forth in the proposed APA executed by MGG and filed with the Court [Docket Nos. 682 and 683].

Although the Initial MGG Sale Bid was a Qualified Bid, the Debtors still pressed MGG to improve the terms of the Initial MGG Sale Bid. Through those negotiations and discussions, the Debtors were able to make significant improvements to the Initial MGG Sale Bid.

The Debtors also received by the Bid Deadline a proposal by GenCanna Holdings, Inc. (the "Proposed Plan Sponsor"), a wholly-owned subsidiary of MariMed Hemp, whose sole shareholder is MariMed (OTCPK:MRMD), a publicly traded company, to sponsor a plan of reorganization (the "Plan Bid"). At the Bid Deadline, the Debtors received no other proposals to sponsor a plan of reorganization.

The Debtors concluded (after consultation with certain consultation parties as required by the Bidding Procedures Order) that the Plan Bid did not contain sufficient assurances as to the availability of committed financing to proceed with a plan process and to consummate the transactions contemplated by the Plan Bid.

Given that the Debtors had only one Sale Bid that was a qualified bid, the Debtors, in consultation with the required Consultation Parties, cancelled the Auction. The Debtors, however, continued working with the Proposed Plan Sponsor and its advisors to explore what steps could be taken

to improve the Plan Bid and make it potentially viable. As part of these efforts, the Debtors, with the support of MGG, granted the Proposed Plan Sponsor an extension to April 29, 2020 to demonstrate its financial wherewithal. Moreover, the Debtors encouraged the Proposed Plan Sponsor's representatives to have direct discussions with MGG's representatives, because MGG and the Purchaser had expressed a willingness to work with the Proposed Plan Sponsor to explore a potential path forward for a fully consensual plan-based transaction.

Section 3.05.3 The Sale Objections, the Sale Hearing and Related Matters

Ultimately, the Debtors' accommodations of, and encouragement for, the Proposed Plan Sponsor came to nothing, as Proposed Plan Sponsor never came forward with adequate evidence to demonstrate its financial wherewithal to consummate the Plan Bid. Instead, on April 29, 2020, the Proposed Plan Sponsor, MariMed and MariMed Hemp (the "MariMed Entities") filed an objection [Docket No. 792] (the "MariMed Sale Objection") to the Sale Motion, arguing, among other things, that the Bankruptcy Court should override the Debtors' business judgment and approve the Proposed Plan Sponsor's Plan Bid as the highest and best bid. Other objections to the Sale Motion and the approval of the Sale Transaction were filed by the UCC [Docket No. 690] (the "Committee Sale Objection") and several other parties in interest [Docket Nos. 686, 691, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 742, 775 & 767].

This left the Debtors with the bid from the MGG affiliate as the only viable sale or plan bid. Fortunately, after the Debtors received the Initial MGG Sale Bid, the Debtors achieved some success in further negotiations with MGG and its affiliate it improve upon the terms of the Initial MGG Sale Bid. These revised and improved terms were memorialized in a revised form of purchase agreement that was filed with the Bankruptcy Court on May 3, 2020 [Docket No. 762], and included the following enhancements: (a) the Purchaser confirmed that it was credit bidding $12.5 million of DIP Obligations, representing the entirety of the Debtors' borrowings under the DIP Facility, with the remaining $61 million of the credit bid attributable to the prepetition secured obligations owing to the Prepetition Secured Parties; (b) the Purchaser agreed to leave behind for the Debtors' Estates any commercial tort claims, D&O claims and avoidance action claims; and (c) the Purchaser confirmed that any owned real property to be acquired would be acquired subject to any existing valid prior mortgages.

Notwithstanding these improvements to the Initial MGG Sale Bid and the absence of any viable competing bids, several parties (in addition to the MariMed Entities), including the UCC, continued to press objections to the sale. The Debtors and the Purchaser attempted resolve many of these objections prior to the sale hearing and, in several instances, were successful. However, with the MariMed Parties and the UCC still vigorously pressing their respective objections, the Bankruptcy Court entered orders [Docket Nos. 747 & 800] scheduling a multi-day evidentiary hearing on the Sale Motion (the "Sale Hearing") to commence on May 6, 2020 and establishing procedures for the presentation of evidence and legal argument via telephone and streaming video in connection with that hearing.

Meanwhile, the Debtors continued to negotiate with the Purchaser to improve the terms of the Sale Transaction for the Debtors' Estates. As a product of these ongoing discussions, as set forth in the notice filed on May 5, 2020 [Docket No. 794], the Purchaser agreed to exclude from the Sale Transaction approximately ten out of sixteen vehicles owned by the Debtors, thereby ensuring that they would remain with the Debtors' Estates to serve as potential sources of additional value for creditors. Further, during a status conference held before the Bankruptcy Court on May 5, 2020, counsel for the Debtors and the Purchaser announced that they had reached agreement for an additional $2 million of Cash to be made available to the Debtors in connection with the Sale Transaction. This agreement was later memorialized

in the Purchase Agreement by increasing the Cash purchase price component of the consideration from $1.5 million to $3.5 million.

At the conclusion of a contested evidentiary Sale Hearing that last two full days, the Bankruptcy Court overruled the remaining objections and ruled from the bench that the Purchaser's bid, as it had been modified since the Initial MGG Sale Bid had been submitted to the Debtors, was the highest and best bid and approved the Sale Transaction subject to certain limited further modifications being made to its terms and to the terms of the proposed sale order. Thereafter, on May 19, 2020, the Bankruptcy Court entered the Sale Order approving the Sale Transaction [Docket No. 850].

~~As set forth in the UCC Position Statement, the UCC disputes certain aspects of the Debtors' narrative concerning the matters addressed in this Section 3.05.3.~~

Section 3.05.4 Closing of the Sale Transaction; Post-Closing Sale Matters

Following the conclusion of the Sale Hearing the Debtors and the Purchaser worked cooperatively and diligently to complete all the steps necessary to consummate the Sale Transaction. Among other things, the Debtors and the Purchaser made certain revisions to the form of Asset Purchase Agreement that had been attached to the Sale Order and finalized the terms of the Transition Services Agreement and the Interim Permit Operating Agreement (each as defined in the Asset Purchase Agreement) that the Debtors believe were not material in nature.[15] These and other Sale Documents prepared, executed and delivered in connection with the closing of the Sale Transaction were drafted to ensure, to the greatest extent possible, that the Debtors' Estates would be fully reimbursed by the Purchaser for any expenses incurred in connection with the provision of the contemplated transition services and other post-closing commitments.

On Friday, May 29, 2020, the Sale Transaction closed in accordance with its terms. The next Business Day, June 2, 2020, the Debtors filed a *Notice of Closing of Sale of Substantially All Assets to GenCanna Acquisition Corp.* [Docket No. 889], the exhibits to which included the fully executed version of the Asset Purchase Agreement (together with all schedules and exhibits thereto) in effect as of the closing of the Sale Transaction and the execution version of the Transition Services Agreement. The execution version of the Transition Services Agreement include an exhibit describing in detail the services to be provided during the term of the Transition Services Agreement.

Since the closing of the Sale Transaction, the Debtors and the Purchaser have continued performing under the Transition Services Agreement and the Interim Permit Operating Agreement in accordance with their respective terms. The Debtors have no reason to believe that the Purchaser will not honor its commitment to compensate and reimburse the Estates in full in accordance with the terms of the Transition Services Agreement, the Interim Permit Operating Agreement or other Transaction Documents, as applicable. ~~Further, as of the preparation of this Disclosure Statement, it is the Debtors' expectation that those services under the Transition Services Agreement for which most of the Debtors'~~

~~[15] Contrary to what the UCC and certain other parties have implied in recent filings, the Debtors and the Purchaser had full authority to negotiate, draft, execute and perform under the Transition Services Agreement, the Interim Permit Operating Agreement and other Transaction Documents. *See* Sale Order, ¶ 4 (" The Credit Bid and the Sale Transaction are hereby approved and authorized in all respects, and the Debtors are hereby authorized and empowered to enter into, and to perform their obligations under, the APA and to execute and perform such agreements or documents, and take such other actions as are necessary or desirable to effectuate the terms of the APA, including but not limited to negotiating, entering into and performing under, as appropriate, the Transition Services Agreement, the Interim Permit Operating Agreement and the other Transaction Documents provided for in Section 6.11 of the APA.").~~

~~remaining employees have remained on their payroll will be concluded by the end of the agreement's initial 90 day term (on or about August 27, 2020).~~

It is expected (although not explicitly required by the terms of the Asset Purchase Agreement) that the Purchaser may offer employment to certain individuals who have remained employees of the Debtors since the Closing of the Sale Transaction. For the avoidance of doubt, the Debtors represent that to the best of their knowledge, information and belief as of the filing of this Disclosure Statement, the Purchaser has not committed to employ the Debtors' Chief Wind-Down Officer, Gary Broadbent, or any Person who currently serves as a member of the board of directors or similar governing body of any Debtor. Nor, to the best of the Debtors' knowledge, information and belief, are any of the foregoing individuals in discussions with the Purchaser as of the filing of this Disclosure Statement about the possibility of taking on such a role with the Purchaser.

Finally, with respect to the Interim Permit Operating Agreement, Debtors are informed as of the filing of this Disclosure Statement that the Purchaser has obtained most or all of the federal and state licenses it needs to, among other things, grow, process, handle and distribute hemp and hemp derived products in accordance with applicable state and federal law.

~~As set forth in the UCC Position Statement, the UCC disputes certain aspects of the Debtors' narrative concerning the matters addressed in this Section 3.05.4.~~

Section 3.06 The UCC's Investigation and Standing Motions

Section 3.06.1 Introduction

Under the terms of the Final DIP Order, $100,000 of Cash Collateral and/or proceeds of the DIP Loans were carved-out for the UCC and its professionals to investigate (but not to prosecute or challenge) the validity, enforceability, perfection, priority or extent of the Prepetition Liens or Prepetition Obligations. *See* Final DIP Order, ¶ 4.15. Paragraph 4.14 of the Final DIP Order granted the UCC and other parties-in-interest, subject to limited exceptions, until (such period, the "Challenge Period"): (a) 60 calendar days after the appointment of the UCC to commence a Challenge Proceeding (as defined in the Final DIP Order) against any Prepetition Secured Party with respect to the validity, enforceability, avoidance, perfection or priority of any Prepetition Lien, or the allowance of any Prepetition Obligation based on the amount of such obligation (i.e., not including any challenge on a basis such as section 510(c) of the Bankruptcy Code) (any such challenge, a "Perfection Challenge," and such deadline for bringing a Perfection Challenge, the "First Challenge Deadline"); and (b) 100 calendar days after the appointment of the UCC to commence a Challenge Proceeding with respect to any other challenge to the Debtors' Stipulations as set forth in Final DIP Order and the Interim Orders (as defined in the Final DIP Order) (any such challenge, an "Other Challenge," and together with the Perfection Challenge, a "Challenge"; and such deadline, the "Second Challenge Deadline"). *Id.*, ¶ 4.14.

Notwithstanding the limited Challenge Period set forth in the Final DIP Order, the Prepetition Agent, on behalf of itself and the other Prepetition Secured Parties, has, pursuant to several stipulations with the UCC agreed to extend the UCC's Challenge Periods [Docket Nos. 647, 673, 919, 1003, 1058, 1088 & 1134].~~16~~17 Ultimately, the First Challenge Deadline was extended by agreement from the original First Challenge Deadline of April 20, 2020, through April 29, 2020, and the Second Challenge Deadline

~~16~~17 Pursuant to the initial stipulation between MGG and the UCC [Docket No. 647], MGG stipulated that the Prepetition Secured Parties did not hold duly perfected and enforceable security interests in commercial tort claims, fixtures in the Commonwealth of Kentucky, vehicles, or proceeds of the foregoing.

was extended by agreement from the original Second Challenge Deadline of May 28, 2020, through August 14, 2020.

Section 3.06.2 The UCC's Investigation

During these Chapter 11 CasesCommencing in late February 2020, the UCC has sought expansivebegan pursuing pre-litigation discovery from the Debtors, MGG and numerous third-parties. Indeed, on February 25, 2020 - less than 20 days after the Order for Relief Date - the UCC sent the Debtors, via informal and formal discovery requests containing 87 separate requests for information and documents. A short time later, without prior notice to the Debtors. For example, on March 13, 2020, the UCC filed a motion [Docket No. 3542] (the "UCC Rule 2004 Motion") under Bankruptcy Rule 2004 seeking authority to conduct investigations on a wide range of topics and to issue subpoenas for documents and/or testimony to more than 30 discovery targets. The Debtors initially objected to the UCC Rule 2004 Motion [Docket No. 415], expressing concerns about the breadth and burden of the discovery the UCC sought to pursue. After; however, after discussions, the Debtors and UCC reached agreement on, and the Bankruptcy Court entered, a stipulated order providing for a Bankruptcy Rule 2004 examination process [Docket No. 526] (the "Rule 2004 Order") that contemplated a tiered schedule for producing documents to the UCC and providing other discovery to the UCC.

Notwithstanding this early skirmish over the UCC's discovery activities, the Debtors and their professionals have fully complied with the Rule 2004 Order and have been extremely cooperative with the UCC's formal and informal requests for documents, information and other discovery during the pendency of these Chapter 11 Cases. The Debtors began rolling document productions on April 1, 2020, and ultimately made a total of 10 productions between April 1, 2020 and June 26, 2020, including weekend productions. In total, the Debtors produced 25,081 pages documents to the UCC, without taking into account the documents made available to the UCC through the Data Room. The UCC's third-party discovery targeted nine parties, including MGG. Many of these third parties produced additional documents to the UCC. MGG, specifically, produced more than 6,400 pages of documents.

In addition, on August 10, 11, and 12, the UCC deposed, respectively, Mr. Robert Fireman (MariMed's Chairman, President and Chief Executive Officer and also a member of the Company's board of directors), Pat Flynn (as a representative of MGG), and Mr. Mark Stegeman (the Debtors' former CFO)[1718] as part of its investigation. Except for Mr. Fireman, the UCC did not seek to depose any current officer or director of any of the Debtors.

As set forth in the UCC Position Statement, the UCC disputes certain aspects of the Debtors' narrative concerning the matters addressed in this Section 3.06.2.

Section 3.06.3 The UCC's First Standing Motion and First Proposed Complaint

On April 29, 2020, the UCC filed a motion requesting standing and authority to prosecute and settle certain Perfection Challenge claims on behalf of the Estates [Docket No. 717] (the "First Standing Motion"). The Perfection Challenge claims that the UCC sought standing to bring against the Prepetition Secured Parties were those set forth in the UCC's proposed complaint attached as Exhibit B to the First Standing Motion (the "First Proposed Complaint").

By the First Proposed Complaint, the UCC alleged claims focused on three aspects of the Prepetition Agent's prepetition Liens and the Prepetition Secured Parties' Claims: (i) the Prepetition

[1718] *See* Disclosure Statement §§ 2.04.4 and 2.04.5 for further information concerning Mr. Stegeman and his involvement with the Company.

Agent's Liens on the Debtors' business interruption insurance policy, in respect of which the UCC sought to recover any payments made to the Prepetition Secured Parties in respect thereof (the "First Claim"); (ii) the Debtors' obligations to MGG in the amount of approximately $680,000, representing loan proceeds that were used by the Debtors to satisfy a mortgage on real property owned by a non-debtor joint venture, on which GCG Opco was a guarantor and in which GCG Opco holds a 50% joint venture interest (the "Second Claim"); and (iii) the Prepetition Secured Parties' alleged preferential improvement in position through the Prepetition Agent's enforcement of floating Liens encumbering the Debtors' hemp crop inventory and proceeds thereof (the "Third Claim").

The UCC's First Standing Motion was adjourned on several occasions before being scheduled to be heard at the August 20, 2020 hearing in these Chapter 11 Cases. On August 13, 2020, the Debtors filed their objection [Docket No. 1201] (the "Debtors' First Standing Motion Objection") to the First Standing Motion, arguing, among other things, that (a) considering of the UCC's First Standing Motion was not warranted until after the Bankruptcy Court had an opportunity to rule upon the MGG Settlement Agreement, which was also pending and scheduled to be considered at the August 20th hearing, (b) the counts contained in the First Proposed Complaint that the UCC sought standing to pursue against MGG were not colorable, and (c) in any event, the UCC's prosecution of such causes of action would be unlikely to benefit the Debtors' Estates and creditors.

~~Much of the Debtors' First Standing Motion Objection is devoted to explaining why the Debtors believe that the UCC had failed to allege colorable claims in the First Proposed Complaint. As set forth in greater detail in the Debtors' First Standing Motion Objection, the Debtors contend that the UCC's First Proposed Complaint fails for at least the following reasons:~~

~~(a) The First Claim fails (i) because, contrary to the UCC's allegations in the Proposed Complaint, under applicable New York law, MGG at all relevant times did have valid, perfected and enforceable liens against the Debtors' business interruption insurance policy and the proceeds thereof and (ii) because, as the UCC was informed prior to its filing of the Standing Motion, the Prepetition Secured Parties never actually received any transfers of proceeds of the business interruption insurance policies prior to the commencement of these Chapter 11 Cases.~~

~~(b) The Second Claim fails because the referenced mortgage obligations that the Debtors paid from certain proceeds of the Prepetition Loan Facility satisfied a guaranty that GCG Opco had issued for those very same mortgage obligations.~~

~~(c) The Third Claim fails because (i) even with the extensive discovery afforded the UCC, the UCC has failed to plead any facts showing that the Prepetition Agent gained any new property interests in the Debtors' hemp crops or proceeds thereof during the preference period, (ii) no "transfer" ever occurred as required for preference liability to exist because the Debtors at all relevant times were the owners of the hemp crops at issue, and (iii) in any event, the safe harbor provided for in section 547(c)(5) of the Bankruptcy Code applies and would likely insulate the Prepetition Agent and any subsequent transferees from any liability. Parties-in-interest also may want to review the MGG Settlement Motion [Docket No. 1145] for additional discussion of defects in the Causes of Action the UCC seeks to pursue in the First Proposed Complaint.~~

A comprehensive discussion of the UCC's First Standing Motion, the UCC's First Proposed Complaint and the Debtors' First Standing Motion Objection is beyond the scope of what can reasonably covered in this Disclosure Statement. In addition, as discussed in Section 3.06.4 below, the UCC's First Standing Motion and First Proposed Complaint ~~have been~~were later superseded by the UCC's Second Standing Motion and Second Proposed Complaint.

Section 3.06.4 The UCC's Second Standing Motion and Second Proposed Complaint

On August 14, 2020, the UCC (a) moved the Bankruptcy Court for authorization to file under seal [Docket No. 1209] (the "SSM Sealing Motion") what the UCC styled as an "amended" motion for standing (the "Second Standing Motion" and, together with the First Standing Motion, the "Standing Motions") and a substantially revised and expanded proposed complaint (the "Second Proposed Complaint") and (b) filed the Second Standing Motion and annexed Second Proposed Complaint entirely under seal. The Second Standing Motion and Second Proposed Complaint contained material changes relative to the First Standing Motion and First Proposed Complaint, including that: (a) in the Second Proposed Complaint, the UCC had abandoned four of the seven original counts it had sought to pursue via the First Proposed Complaint and had instead added several entirely new counts; and (b) the UCC's Second Proposed Complaint had expanded to 58 pages, 174 numbered paragraphs, 101 footnotes and 100 exhibits, whereas the First Proposed Complaint had just 25 pages, 111 numbered paragraphs and 4 footnotes. .

Specifically, the Second Standing Motion raised various claims, including (a) an "improvement in position" preference claim against the MGG Parties under §§ 547(b) and 547(c)(5) of the Bankruptcy Code based on the allegation that the MGG Parties substantially improved their collateral position in inventory during the 90 day period preceding the Petition Date; (b) an equitable subordination claim against the MGG Parties under § 510(c) of the Bankruptcy Code due to the MGG Parties' alleged exercise of control over the Debtors and alleged scheme to substantially grow the MGG Parties' collateral base by manipulating the Debtors' growers into giving up possession of the crops they had grown through promises of future payment; and (c) claims to disallow or avoid the MGG Parties' alleged unsecured deficiency claim.

Although the UCC originally sought to have the Second Standing Motion considered by the Bankruptcy Court on an expedited basis at the August 20, 2020 hearing Subsequent to its filing, the Debtors, MGG and the UCC have since stipulated, and the Bankruptcy Court has ordered, [Docket No. 1252] (the "Agreed SSM Scheduling Order"), that the hearing date and objection deadlines for the Second Standing Motion are continued and adjourned subject to further scheduling consistent with the Agreed SSM Scheduling Order. Please refer to Section 3.09 below for additional information concerning further scheduling with respect to the Second Standing Motion, the SSM Sealing Motion and certain other matters formerly scheduled for the August 20, 2020 hearing in the Chapter 11 Cases.

Subsequent to the filing of the Second Standing Motion, as discussed more fully in Sections 3.07 and 3.09 below, the Debtors, the UCC and the MGG Parties agreed to submit to mediation in an effort to resolve their disputes and the issues raised by, among other matters, the Second Standing Motion and Second Proposed Complaint. That mediation resulted in a settlement among the parties (now embodied in the MGG Settlement Agreement) which, if approved by the Court, will render the Second Standing Motion moot.

As of the filing of this Disclosure Statement, because the UCC has sought to file these documents entirely under seal, neither the Second Standing Motion, nor the Second Proposed Complaint is publicly available on the docket of the Chapter 11 Cases.

The UCC Position Statement enclosed with the Solicitation Package contains the UCC's summaries of the relief requested by the Second Standing Motion, the Causes of Action included in the Second Proposed Complaint and the bases for the foregoing. Parties seeking more information about the Second Standing Motion and Second Proposed Complaint should refer to the UCC Position Statement.

[NTD: For the avoidance of doubt and without limiting the ability of the Debtors to make other revisions, the Debtors reserve the right to further revise this portion of the Disclosure Statement based on, among other things, the contents of the UCC Position Statement relating to the Second Standing Motion and Second Proposed Complaint.]

The Debtors believe that the UCC has failed yet again to come forth with colorable claims against MGG that would support the UCC's request for standing in the Second Standing Motion.

Despite the having more than doubled in length, the Debtors contend that the UCC's "improvement in position" preference count against the MGG defendants suffers from the very same infirmities that were fatal to the UCC's attempt to plead such a claim in the First Proposed Complaint. Thus, the "improvement in position" preference count that the UCC seeks to plead in the Second Proposed Complaint fails because: (i) the UCC has failed to plead any facts showing that the Prepetition Agent gained any new property interests in the Debtors' hemp crops or proceeds thereof during the preference period; (ii) no "transfer" ever occurred as required for preference liability to exist because the Debtors at all relevant times were the owners of the hemp crops at issue; and (iii) the safe harbor provided for in section 547(c)(5) of the Bankruptcy Code applies and would likely insulate the Prepetition Agent and any subsequent transferees from any liability. Parties-in-interest also may want to review the MGG Settlement Motion [Docket No. 1145] for additional discussion of defects in the Causes of Action the UCC seeks to pursue in the Proposed Complaint.

The balance of the UCC's Second Proposed Complaint primarily focuses upon the UCC's allegations in furtherance of attempting to plead viable causes of action against MGG and the Prepetition Lenders for (a) equitable subordination under section 510(c) of the Bankruptcy Code (the "Equitable Subordination Count") and (b) avoidance and disallowance of the Exit Fee and Make-Whole Claim provided for un the Prepetition Loan Documents (the "Exit/Make-Whole Fee Count"). In the Debtors' view, the UCC's Equitable Subordination Count is long on rhetoric and speculation, but short on substance.

The Debtors maintain that the UCC has failed to allege anything that rises above the actions that a prudent lender would take when confronted with such a troubled borrower. Indeed, as discussed more fully in Section 2.02.1 of this Disclosure Statement, by November 6, 2019, the Debtors had acknowledged no fewer than eleven events of default under a Prepetition Loan Facility that they had entered into just four months earlier. Moreover, far from executing upon some fantastical "collateral build" scheme to somehow enhance its ability to recover the initial $45 million that the Prepetition Lenders had loan the Company as of August 2, 2019, between August 3, 2019 and January 29, 2020, MGG and the other Prepetition Lenders made further extensions of credit to the Company totaling $23,575,000. This is hardly the behavior of lenders that, according to the UCC, believed themselves to already be massively undersecured by at least $17 million on its initial $45 million extension of credit to its borrower. *See* Committee 9019 Objection, ¶ 47 (alleging that by October 26, 2019 (i.e., the start of the 90 day Preference Period), "the Debtors' inventory—which constitutes the bulk of MGG's collateral—was valued at approximately $28 million, rendering MGG substantially undersecured").

Next, by the Second Proposed Complaint, the UCC attacks the Exit Fee and Yield Enhancement components of the Prepetition Obligations. These challenges as well, in the Debtors' view, are facially defective. They are predicated on the UCC's incorrect assertion that Exit Fee and Yield Enhancement components of the Prepetition Obligations were gratuitously granted to MGG and other Prepetition Secured Parties for no consideration. The Fee Letter that the UCC attacks was executed in connection with the Third Amendment to the Prepetition Loan Agreement - the very same Third Amendment pursuant to which MGG and the Prepetition Lenders provided the Company with an additional $10

million of gross availability under the Prepetition Loan Facility notwithstanding the Company's acknowledgement of no fewer than eleven default events under the Prepetition Loan Documents.

Thus, it is the Debtors' belief that the UCC's Second Standing Motion and Second Proposed Complaint are likewise destined to fail. Consistent with the Debtors' position concerning the Second Standing Motion and the Second Proposed Complaint as set forth herein and in other filings, the Debtors have assumed for purposes of their Liquidation Analysis and projected recoveries under this Plan that there is zero recovery from MGG under the Second Proposed Complaint. But, as with the UCC's First Standing Motion and First Proposed Complaint, the Debtors recognize that a comprehensive discussion of the Second Standing Motion and Second Proposed Complaint is beyond the scope of what can reasonably covered in this Disclosure Statement.

As of the filing of this Disclosure Statement, (a) it remains unclear what portions, if any, of the Second Standing Motion and Second Proposed Complaint ultimately will be unsealed by the Bankruptcy Court and (b) the Debtors, MGG and potentially other parties have not had an opportunity to object to the Second Standing Motion. In light of the foregoing, the Debtors recommend that before voting on the Plan or making a decision whether to object to the Plan, parties in interest should access the docket for the Chapter 11 Cases, obtain any publicly available versions of the Second Standing Motion, the Second Proposed Complaint and any responses or objections thereto that are filed by the Debtors, MGG or others, and carefully read the foregoing filings. To the extent that the foregoing filings are made publicly available, they can be accessed and downloaded (at no charge) through the Debtors' case information website, http://dm.epiq11.com/gencanna.

Section 3.07The Original MGG Settlement and the MGG Settlement Motion

On July 30, 2020, the Debtors filed a motion [Docket No. 1145], a copy of which is attached hereto as **Exhibit D** (the "MGG Settlement Motion"), seeking entry of an order, pursuant to Bankruptcy Rule 9019, approving the *Settlement Agreement and Release*, by and among the Debtors and the MGG (as defined therein), attached thereto as Exhibit A (the "Original MGG Settlement Agreement").

The Original MGG Settlement Agreement memorialized the terms of a global settlement by and among the Debtors and the MGG Parties (the "Original MGG Settlement") that has beenwas several months in the making. The MGG Settlement, and the Bankruptcy Court's approval thereof, are critical components of the Plan and a lynchpin of the Debtors' efforts through the Plan to maximize the value of their Estates, responsibly conclude these liquidating Chapter 11 Cases and create a sources of meaningful recoveries for the Debtors' unsecured creditors.On August 17, 2020, the UCC filed an objection to the MGG Settlement Motion [Docket No. 1219].

Material terms of the MGG Settlement Agreement include the following:[18]

a. Settlement Payment. MGG will pay $1 million in cash, which will be additional unencumbered funds to be used to pay administrative expenses, priority claims, unsecured claims, and other wind-down expenses pursuant to a Conforming Plan. The payment will be made through an initial $400,000 payment and then monthly until paid in full. Any unpaid portion of the balance may be prepaid by MGG at any time without premium or penalty. The

[18] This summary of the MGG Settlement Agreement's terms is qualified in its entirety by the terms of the MGG Settlement Agreement, which shall control in the event of any conflict. Capitalized terms contained in this summary that are not otherwise defined in this Disclosure Statement or in **Appendix 1** to the Plan have the meanings ascribed to such terms in the MGG Settlement Agreement.

release described below is contingent upon the $1 million being paid in full. The obligation to pay the $1 million will become effective upon the occurrence of the Settlement Effective Date.

b. Allowance of Deficiency Claim. MGG and the other Prepetition Secured Parties will receive an allowed unsecured deficiency claim in the amount of $27,016,182.27 (the "MGG Subordinated Claim"), ***but will waive or subordinate all rights to receive any further distributions in respect of this claim as described below***.

c. Waiver/Subordination of Distributions. MGG and the other Prepetition Secured Parties will ***waive or subordinate*** all rights to receive further distributions on account of deficiency claim as follows:

(1) Under a Conforming Plan, the right to receive a distribution will be subordinated to all allowed general unsecured claims *except* those held by creditors who are past or present members of the Board of Directors of GCG Parent, a holder of 20% or more of the equity interests of GCG Parent or any affiliate of any such person or entity.

(2) If a Conforming Plan is not confirmed for whatever reason, the right to receive a distribution will be waived for the benefit of all holders of allowed unsecured claims.

The agreement to waive or subordinate distribution rights on account of the deficiency claim as set forth above will become effective upon the occurrence of the Settlement Effective Date.

d. Sharing of Litigation Proceeds. The Debtors and their professionals will assist the Purchaser with litigating and/or settling rights to recover (i) certain accounts receivable and equipment deposits, (ii) insurance policy proceeds on account of the HRC fire insurance claims submitted in connection with the fire that occurred at the HRC campus, and (iii) various promissory note obligations. The sharing agreements will be effective only if a Conforming Plan is confirmed and only upon the occurrence of the Effective Date.

The professional fee costs for all such matters will be paid for or reimbursed by the Buyer. If litigation is necessary, the professionals will provide services at reduced costs, and will share in a portion of the recovery proceeds; however, if recoveries are obtained prior to commencing litigation, the professionals will charge their market rates and will not share in the recoveries. The proceeds/recoveries resulting from such matters will be shared among the Debtors' estates, counsel (in the event of litigation), and the Buyer as set forth in the MGG Settlement Agreement. The potential recoveries for the estates range ***between 2.5% and 20.75% of net proceeds***, depending on the category of proceeds, and the total potential recoveries for the estates are estimated to be ***between $750,000.00 and $1,500,000.00*** based upon a preliminary analysis of such matters, although no recovery percentages or amounts are guaranteed. Such proceeds would otherwise constitute assets sold to the Purchaser and would not be available to the Debtors' bankruptcy estates absent the MGG Settlement Agreement.

e. Sharing of Sale Proceeds. The Debtors and their professionals will assist the Buyer with disposing of certain equipment or other hard assets belonging to the Purchaser as the Purchaser may request from time to time. The litigation costs for all such matters will be at reduced legal rates and will be paid for or reimbursed by the Purchaser. The proceeds resulting from such matters will be shared among the Debtors' Estates, counsel, and the Purchaser as set forth in the Settlement Agreement. The expected net recoveries for the estates from such sales are capped at $100,000.00 in the aggregate. Such proceeds would otherwise constitute assets sold to the Purchaser and would not be available to the Debtors' Estates absent the MGG Settlement Agreement. The sharing agreements will be effective only if a Conforming Plan is confirmed and only upon the occurrence of the Plan Effective Date.

f. Mutual Releases. In exchange for the foregoing, MGG and affiliated parties will exchange mutual releases with the Debtors and the Estates, subject to certain exceptions as described in the MGG Settlement Agreement. The releases will be effective upon the occurrence of the Settlement Effective Date.

~~In the exercise of their business judgment, the Debtors have determined, for the reasons expressed in greater detail in the MGG Settlement Motion and that the Debtors will support at the hearing on the MGG Settlement Motion, that the MGG Settlement is fair and reasonable and in the best interests of their Estates and creditors. Indeed, in the Debtors' judgment, not only is the MGG Settlement the best path forward, but it may be the only path forward that avoids additional litigation and maximizes potential recoveries to the Debtors' creditors. A more detailed description of the MGG Settlement Agreement and the legal and factual bases supporting the Debtors' request for approval thereof can be found in the MGG Settlement Motion, a copy of which is attached hereto as **Exhibit D**. The Debtors urge parties in interest to carefully read and consider the MGG Settlement Motion and the annexed MGG Settlement Agreement before voting on the Plan and making any decision whether to object to the Plan.~~

~~On August 17, 2020, the UCC filed the Committee 9019 Objection [Docket No. 1219], a copy of which is attached hereto as **Exhibit E**. Parties in interest that wish to consider the UCC's position in opposition to the MGG Settlement Motion are likewise urged to carefully read and consider the Committee 9019 Objection before voting on the Plan and before making any decision whether to object to the Plan.~~

~~Additionally, as set forth in the UCC Position Statement, the UCC disputes certain aspects of the Debtors' narrative concerning the matters addressed in this Section 3.07.~~

~~As of the filing of this Disclosure Statement~~Although originally scheduled to be heard on August 20, 2020, pursuant to an agreed order of the Bankruptcy Court entered August 18, 2020 [Docket No. 1243] (the "Agreed MGG Settlement Scheduling Order"), the hearing on the MGG Settlement Motion~~, originally scheduled for a hearing on August 20, 2020, has been~~ was continued and adjourned subject to further scheduling consistent with the Agreed MGG Settlement Scheduling Order. ~~Please refer to~~

As a result of the mediation discussed more fully in Section 3.09 below ~~for additional information concerning further scheduling with respect to the MGG Settlement Motion and certain other matters formerly scheduled for the August 20, 2020 hearing in the Chapter 11 Cases.~~, the Original MGG Settlement has been amended and replaced, and is now supported by the Debtors and the UCC.

Section 3.08 Conversion Motions

Section 3.08.1 The UCC Conversion Motion

On August 5, 2020, the UCC filed its *Motion to Convert Pursuant to 11 U.S.C. § 1112* [Docket No. 1161] (the "UCC Conversion Motion"), pursuant to which the UCC seeks to have the Chapter 11 Cases involuntarily converted to chapter 7 liquidation cases for "cause" under section 1112(b) of the Bankruptcy Code, which, if granted, would result in, among other things, the immediate appointment of an interim trustee for the Debtors' Estates. ~~Further, if~~ On August 17, 2020, the Debtors filed an objection [Docket No. 1226] (the "Debtors' UCC Conversion Motion Objection") to the UCC Conversion Motion ~~is granted prior to the approval of the MGG Settlement Motion (which as discussed in Section 3.07 is also opposed by the UCC), the Debtors believe that there is little or no likelihood that the MGG Settlement will be consummated and their Estates and creditors will therefore lose the benefits that would otherwise be available to them pursuant to the terms of the MGG Settlement.~~.

~~The primary statutory basis upon which the UCC relies to establish "cause" for conversion is section 1112(b)(4)(A) of the Bankruptcy Code, which states that "cause" includes "substantial or continuing loss to or diminution of the estate and the absence of a reasonable likelihood of rehabilitation". Nevertheless, the UCC spends most of the text of the UCC Conversion Motion attacking~~

~~the Debtors for a litany of perceived slights during the Chapter 11 Cases and for an alleged lack of independence from MGG. Furthermore, as the UCC makes clear in the UCC Conversion Motion, its request to convert these Chapter 11 Cases is inextricably intertwined with the UCC's opposition to the MGG Settlement and the UCC's Second Standing Motion and Second Proposed Complaint.~~

~~On August 17, 2020, the Debtors filed an objection [Docket No. 1226] (the "Debtors' UCC Conversion Motion Objection") to the UCC Conversion Motion. As the Debtors explain in the Debtors' UCC Conversion Motion Objection, the Debtors have made, and continue to make, substantial progress in the Debtors' efforts to monetize their remaining assets, to maximize the value of their Estates for the benefit of their creditors and to formulate and obtain confirmation of a chapter 11 plan. Indeed, notwithstanding strenuous opposition from the UCC at virtually every step of these Chapter 11 Cases, in a little over six months, the Debtors, among other achievements, have consummated the sale of substantially all of their assets, resolved disputes and developed consensus with numerous, substantial creditors in these cases.[19] Further, the UCC's reliance on the continued accumulation of professional fees claims in these Chapter 11 Cases to bolster its argument that there exists "substantial or continuing loss to or diminution" of the Estates is both disingenuous and unpersuasive, given that the UCC's excessive and unproductive litigation tactics are a principal driver for the professional fees that have been incurred thus far in these Chapter 11 Cases. The Debtors believe, and will demonstrate in connection with the hearing on the UCC's Conversion Motion, that the UCC's arguments in support of conversion of the Chapter 11 Cases amounts to nothing more than (a) a repackaging of UCC's long-standing opposition to the Debtors' efforts through these proceedings to pursue a value-maximizing and orderly going concern sale and liquidation to benefit their creditors and (b) another prong of the UCC's vehement opposition to the MGG Settlement.~~

A comprehensive discussion of the UCC Conversion Motion and the Debtors' UCC Conversion Motion Objection is beyond the scope of what can reasonably covered in this Disclosure Statement. ~~Before voting on the Plan or making a decision whether to object to the Plan, parties in interest are urged to carefully read and consider the UCC Conversion Motion and the Debtors' UCC Conversion Motion Objection. The~~To the extent parties are interested, the foregoing filings are available for review at no charge by accessing them through the Debtors' case information website, http://dm.epiq11.com/gencanna.

~~As set forth in the UCC Position Statement, the UCC disputes certain aspects of the Debtors' narrative concerning the matters addressed in this Section 3.08.1.~~

As discussed in Section 3.09 below, the hearing on the UCC Conversion Motion has been adjourned ~~and continued~~ subject to further order of the Bankruptcy Court.

Section 3.08.2 The US. Trustee's Conversion Motion

On May 18, 2020, the U.S. Trustee filed what was styled as the *Emergency Motion of the United States Trustee to Convert Case* [Docket No. 848] (the "UST Original Conversion Motion"). In the UST Original Conversion Motion, the U.S. Trustee argued primarily that "cause" to convert the Chapter 11 Cases existed pursuant to section 1112(b)(4)(C) of the Bankruptcy Code because a commercial property insurance policy covering certain real property located at 1895 Clintonville Road in Paris, Kentucky (the

~~[19] *See, e.g.*, the stipulations and agreed orders with the following parties: (i) the Industrial Authority of Mayfield-Graves County and Graves County Economic Development [Docket No. 1205]; (ii) Furnwood Farms [Docket No. 1203]; (iii) Financial Asset Management, LLC, Poderosol, LLC and Erick Fraga [Docket No. 1144]; (iv) Community Financial Services Bank [Docket No. 1151]; (v) Arboretum Silverleaf Income Fund, L.P. [Docket No. 1101]; and (vi) Arrow Farms, LLC [Docket No. 1064].~~

"Paris Property") had expired on May 5, 2020. On May 22, 2020, the Debtors filed a response [Docket No. 856] (the "Debtors' UST Original Conversion Motion Objection") in opposition to the UST Conversion Motion arguing, among other things, that, notwithstanding the expiration of one insurance policy covering the Paris Property, that the Debtors had been maintaining "appropriate" insurance coverage in accordance with the requirements of the Bankruptcy Code. ~~The Debtors noted that they had engaged in commercially reasonable efforts to obtain replacement insurance coverage, but that their insurance broker had been unsuccessful in locating an insurer willing to underwrite a replacement policy, primarily because of the increasing reluctance of insurers to write policies for companies operating in the hemp or CBD industries. The Debtors also indicated that they had been in communication with Kentucky Bank, the mortgage holder for the Kentucky Property, to "force-place" property insurance coverage. Thereafter, the UST Original Conversion Motion was adjourned without date after the Debtors were able to confirm that Kentucky Bank, the mortgage holder for the Paris Property, had been able to "force-place" property insurance coverage.~~

On August 13, 2020, the U.S. Trustee~~, without prior discussion of such matters with the Debtors,~~ filed what is styled as a *Renotice of the Emergency Motion of the United States Trustee to Convert Case* [Docket No. 1197] (the "UST Renoticed Conversion Motion," and together with the UST Original Conversion Motion, the "UST Conversion Motions"). Pursuant to an order shortening notice entered by the Bankruptcy Court on August 14, 2020 [Docket No. 1204], the UST Renoticed Conversion Motion ~~is~~was initially scheduled to be heard on August 20, 2020. The UST Renoticed Conversion Motion renews the U.S. Trustee's request that the cases be converted to chapter 7 liquidation proceedings for "cause," again based on the U.S. Trustee's asserted position that the Debtors have failed "to maintain appropriate insurance that poses a risk to the estate or to the public" under section 1112(b)(4)(C) of the Bankruptcy Code. The U.S. Trustee acknowledges that the Paris Property remains covered by the forced-placed insurance policy obtained by Kentucky Bank, but argues that the available level of force-placed insurance coverage is insufficient to protect the value of the Kentucky Property in excess of that amount.

On August 18, 2020, the Debtors filed an objection [Docket No. 1236] (the "Debtors' UST Renoticed Conversion Motion Objection," and together with the Debtors' UST Original Conversion Motion Objection, the "Debtors' UST Conversion Motion Objections") to the UST Renoticed Conversion Motion. As the Debtors explain in the Debtors' UST Renoticed Conversion Motion Objection, the current force-placed insurance coverage is the best and most extensive property insurance available for the Kentucky Property at this time, especially in light of the Debtors' prior unsuccessful attempts to locate replacement insurance coverage. ~~The Debtors point out that a chapter 7 trustee would be in no better position to obtain insurance coverage for the Paris Property, that there are no ongoing business operations at the Paris Property, and that the Debtors are currently listing the Paris Property for sale.~~

A comprehensive discussion of the UST Conversion Motions and the Debtors' UST Conversion Motion Objection is beyond the scope of what can reasonably covered in this Disclosure Statement. ~~Before voting on the Plan or making a decision whether to object to the Plan, parties in interest are urged to carefully read and consider the UST Conversion Motions and the Debtors' UST Conversion Motion Objections.~~ The foregoing filings are available for review at no charge by accessing them through the Debtors' case information website, http://dm.epiq11.com/gencanna.

As discussed in Section 3.09 below, the hearing on the UST Conversion Motion has been adjourned ~~and continued~~ subject to further order of the Bankruptcy Court.

Section 3.09The Meditation ~~and Further Proceedings Concerning Second Standing Motion, SSM Sealing Motion, MGG Settlement Motion, UCC Conversion Motion and UST Conversion~~

~~Motions~~**, Resulting Mediation Settlement Term Sheet and Documentation of the Resolution of Disputes by the Mediation Settling Parties**

At the hearing before the Bankruptcy Court on August 20, 2020, the Debtors, the UCC and MGG Parties informed the Bankruptcy Court that the parties were interested in pursuing an expedited mediation of their disputes concerning the Second Standing Motion, the MGG Settlement Motion, the UCC Conversion Motion, the UST Conversion Motions, the Plan and related matters. On August 21, 2020, the Bankruptcy Court entered an order referring the disputes among the Debtors, the UCC, MGG and the U.S. Trustee (if the U.S. Trustee wanted to participate) to mediation before the Honorable Tracey N. Wise, U.S. Bankruptcy Judge, Eastern District of Kentucky [Docket No. 1285]. Also on August 21, 2020, Judge Wise entered an order scheduling the mediation to commence on September 11, 2020 and establishing certain procedures relating to the mediation [Docket No. 1287].

~~Additionally, on August 21, 2020, the Bankruptcy Court entered an order setting a telephonic status conference for 1:00 p.m. (prevailing Eastern Time) on September 21, 2020, concerning, among other things, the results of the mediation, the SSM Sealing Motion, and further scheduling for the Second Standing Motion, the MGG Settlement Motion, the UCC Conversion Motion, the UST Conversion Motions, the Disclosure Statement, the Plan and related matters.~~

~~[The mediation was held on September 11, 2020. The outcome of the mediation was [TO COME].]~~

~~[TO COME: Insert discussion of scheduling and further proceedings relating to SSM Sealing Motion, and further scheduling for the Second Standing Motion, the MGG Settlement Motion, the UCC Conversion Motion, the UST Conversion Motions, the Disclosure Statement, the Plan and related matters.]~~

Thereafter, the Debtors, the UCC and the MGG Parties each submitted confidential mediation statements to Judge Wise and participated in an all-day mediation on September 11, 2020, with counsel for each of the mediating parties attending in person and client and other representatives participating remotely. At the conclusion of the September 11, 2020, mediation session, the parties had reached an agreement in principle on most, but not quite all, material issues in dispute among them. Over the next two weeks, with the continued assistance and oversight from Judge Wise and her staff, the mediating parties continued their discussions over their remaining open issues. Ultimately, on September 25, 2020, the Debtors, the UCC and the MGG Parties (the "Mediation Settling Parties") executed a mediation settlement term sheet containing the high level terms of their agreements in resolution of their disputes relating to, among other things, the MGG Settlement Motion and the Original MGG Settlement, the Plan, the Committee Conversion Motions, the UST Conversion Motions[19] and certain related matters (the "Mediation Settlement Term Sheet").

Then, working from the Mediation Settlement Term Sheet, over the next two weeks, the Mediation Settling Parties engaged in good faith, further arms'-length negotiations to translate the high level agreements embodied in the Mediation Settlement Term Sheet into revised versions of, among other documents, the Plan and the Original MGG Settlement Agreement.

On October 8, 2020, the Debtors filed, among other things, the following documents that the Debtors, the UCC and the MGG Parties have each agreed to support: (a) the current version of the Plan [Docket No. ____] and this Disclosure Statement; and (b) the *First Amended Settlement Agreement and*

[19] The U.S. Trustee did not directly participate in the mediation session held on September 11, 2020, but was in communication with the UCC's counsel throughout the mediation process.

Release, dated October __, 2020, by and among the Debtors and the MGG Parties [Docket No. ____] (the "MGG Settlement Agreement"). The MGG Settlement Agreement, a copy of which is attached hereto as **Exhibit C**, has now been fully executed by the Debtors and the MGG Parties.

Section 3.10 Further Proceedings on the MGG Settlement Motion and the MGG Settlement Agreement

The MGG Settlement Motion, which remains pending, is now scheduled to be heard on a parallel track with the Confirmation Hearing. Additionally and alternatively, as set forth in Article IV.A.2 of the Plan, the Plan itself is deemed to be a motion for approval of the MGG Settlement Agreement and, if the Plan is confirmed, at the option of the Debtors and the MGG Parties, the Confirmation Order may constitute the Bankruptcy Court's approval of the MGG Settlement Agreement under Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such compromise and settlement is fair, equitable, reasonable, and in the best interests of the Debtors and their Estates.

Although possible that the MGG Settlement Agreement could be approved and consummated without the Plan also being confirmed and becoming effective, the MGG Settlement, and the Bankruptcy Court's approval thereof, are critical components of the Plan and a lynchpin of the Debtors' efforts through the Plan to maximize the value of their Estates, responsibly conclude these liquidating Chapter 11 Cases and create a sources of meaningful recoveries for the Debtors' unsecured creditors.

Importantly, the MGG Settlement Agreement, as it has been revised and enhanced through the Settling Mediation Parties' successful mediation process, is now fully supported by the UCC.

Material terms of the MGG Settlement Agreement include the following:[20]

a. Settlement Payment. MGG will made a settlement payment of $1,100,000 in cash to the Debtors' Estates[21] within three (3) Business Days after the Settlement Effective Date (as defined in the MGG Settlement Agreement).[22]

b. Allowance of Claims of the MGG Parties. MGG and the other Prepetition Secured Parties will receive an allowed unsecured deficiency claim in the amount of $27,016,182.27 (defined in the Plan as the "MGG Subordinated Claim"), ***but will waive or subordinate all rights to receive any further distributions in respect of this claim as described below***.

[20] This summary of the MGG Settlement Agreement's terms is qualified in its entirety by the terms of the MGG Settlement Agreement, which shall control in the event of any conflict. Capitalized terms contained in this summary that are not otherwise defined in this Disclosure Statement or in Appendix 1 to the Plan have the meanings ascribed to such terms in the MGG Settlement Agreement.

[21] For the avoidance of doubt, references to the Debtors and their Estates in the MGG Settlement Agreement also encompass their successors and assigns, including the Plan Administrator and the Wind-Down Trust.

[22] The term " Settlement Effective Date" means the first business day that follows the date on which this Agreement shall have been approved by a final, non-appealable order of the Court, in form and substance reasonably acceptable to the MGG Parties, provided that the requirement that the order be final and non-appealable may be waived by the MGG Parties in their sole discretion (in which case the Settlement Effective Date shall occur so long as such order shall not have been reversed, amended or modified without the consent of the MGG Parties and so long as no stay of such order is then in effect).

c. Waiver/Subordination of Distributions. MGG and the other Prepetition Secured Parties will ***waive or subordinate*** all rights to receive further distributions on account of deficiency claim as follows:

(1) Subject to the occurrence of the Effective Date, the Prepetition Secured Parties have agreed to subordinate to the Holders of Allowed General Unsecured Claims all rights to receive Distributions or other consideration on account of the MGG Allowed Claim.

(2) In the event the Plan Effective Date does not occur (because the Chapter 11 Cases are converted to cases under chapter 7 of the Bankruptcy Code, the cases are dismissed, or otherwise), the Prepetition Secured Parties have agreed to waive and release any and all rights to receive distributions or other consideration on account of the MGG Allowed Claim.

(3) For the avoidance of doubt, the subordination and waiver provided for in the MGG Settlement Agreement applies only to the Prepetition Secured Parties' distribution rights and is without prejudice to any rights or claims otherwise held or asserted by the Prepetition Secured Parties, including, without limitation, the right of any such party to vote its claims to accept or reject any plan of reorganization or liquidation or to elect a chapter 7 trustee.

d. Prosecution and Sharing of Recoveries on Specified Assets. Pursuant to the Sale Order and the Asset Purchase Agreement, the Purchaser acquired, among other things, the Debtors' right, title and interest in and to certain accounts receivable, deposits, notes receivable, and other assets, or the proceeds thereof, in each case as and to the extent set forth in the APA and the schedules attached thereto. Subject to the occurrence of the Settlement Effective Date, the Purchaser and the Debtors have agreed to cooperate in the collection, recovery and prosecution of the accounts receivable, deposits, notes receivable and other assets identified on Exhibit 2 to the MGG Settlement Agreement (as the same may be amended from time to time by the parties thereto), and the Purchaser has agreed to share with the Estates recoveries obtained on account thereof as follows:

(1) Prosecution. The Debtors and their professionals shall prosecute (including through the commencement of adversary proceedings in the Court, if necessary) recoveries in respect of the following: (i) the accounts receivable and deposits identified on Exhibit 2 to the MGG Settlement Agreement (the "AR/Deposit Litigation"), (ii) the obligations owed by Southern Tier Hemp, LLC (a company affiliated with Mr. Michael Falcone who is a board member and insider of the Debtors) to the Debtors under or related to certain promissory notes and other obligations, together with such other claims as the Debtors have or may have against Mr. Falcone or any affiliate that remain assets of the estates (the "Falcone Litigation"), and (iii) the Debtors' insurance claims with respect to the fire that occurred at the Debtors' HRC facility ("Insurance Litigation") (collectively, the "Litigation Matters").

(2) Oversight Committee. The prosecution of the Litigation Matters will be subject to the oversight of the Oversight Committee. The Oversight Committee will be established as a three (3) member committee and shall have sole and exclusive authority with respect to the Litigation Matters. Two of the members of the Oversight Committee will be appointed by Purchaser and one member will be appointed by the Debtors.

(3) Debtors' Professionals. Except as expressly provided in Section 5 of the MGG Settlement Agreement, all allowed professional fees incurred by the Debtors' professionals providing services in connection with the Litigation Matters (the "LT Professionals") will be paid for by the Debtors or their Estates in accordance with the requirements of the Bankruptcy Code and orders of the Court (or the terms of a confirmed and effective plan of reorganization or liquidation, as applicable), with such fees being reimbursable by the Purchaser and MGG as set forth in the MGG Settlement Agreement.

(4) Payment of Litigation Costs. The Purchaser has agreed to pay, and will be directly liable to the Debtors and their Estates for 100% of all professional fees and other costs and expenses set forth in an agreed budget approved by the Debtors, the Oversight Committee and the relevant professional, incurred by the Debtors in connection with the Litigation Matters (collectively, the "Litigation Costs").

(5) LT Professionals' Rates. As set forth in Sections 5(e) and 5(f) of the MGG Settlement Agreement, the LT Professionals each have agreed to provides services on a partial contingent-fee basis, charging 67% of its usual and customary rates as currently in effect, in exchange for litigating such matters on a partial contingency basis and sharing in the proceeds of any such Litigation Matters as set forth in the MGG Settlement Agreement.

(6) AR/Deposit Litigation.[23]

- Cash Proceeds. Any cash proceeds recovered in connection with any AR/Deposit Litigation matter (other than any AR/Deposit Litigation matter involving either Thar or Huttick), whether through a settlement, final judgment or otherwise (collectively the "AR/Deposit Litigation Proceeds"), shall be shared as follows: (w) first, to pay for any accrued but unpaid Litigation Costs incurred by the Debtors in litigating such matter; (x) second, to reimburse the Purchaser for the aggregate amount of Litigation Costs incurred by the Debtors in litigating such matter and actually paid by the Purchaser to the Debtors; and (y) from the remaining net cash proceeds, 15% to the Estates, 17% to the applicable LT Professional (to the extent the partial contingency arrangements are applicable), and 68% to the applicable LT Professional (or 85% if the partial contingency arrangements are not applicable).

- AR/Deposit Litigation with Thar and Huttick. For any settlement of an AR/Deposit Litigation matter involving either Thar or Huttick, the Purchaser shall pay (x) to the applicable LT Professional an amount equal to the difference between the fees payable to such LT Professional pursuant to section 5(e) above and the fees that would have been paid to the LT Professional had the percentage in section 5(e) above been 85% (rather than 67%), and (y) to the Estates (A) in the case of Thar, the sum of $50,000 (the "Thar Proceeds"), and (B) in the case of Huttick (1) in the event of a cash settlement an amount equal to 33.3% of the net proceeds of such settlement, and (2) in the event of a settlement involving non-cash consideration, an amount equal to 33.3% of the value of such non-cash consideration, provided that in

[23] The Debtors' share of proceeds as provided in paragraphs 5(g), (h) and (i) and paragraph 6 are collectively referred to as the "Estate Recoveries."

each such case the amount payable to the Debtors shall not exceed $50,000 (the "Huttick Proceeds").

(7) Falcone Litigation Proceeds. Assuming the claims and causes of action of Purchaser and the Debtors are jointly prosecuted, any cash proceeds recovered in connection with the Falcone Litigation, whether through a settlement, final judgment or otherwise (the "Falcone Litigation Proceeds"), shall be shared as follows: (i) first, to pay for any accrued but unpaid Litigation Costs incurred by the Debtors in litigating such matter; (ii) second, to reimburse the Purchaser for the amount of Litigation Costs incurred by the Debtors in litigating such matter actually paid by the Purchaser to the Estates or by the Estates (as applicable); and (iii) third, for the remaining net cash proceeds, 17% to the applicable LT Professional (to the extent the partial contingency arrangements are applicable), 58% to the Purchaser (or 75% to the extent the partial contingency arrangements are not applicable), and 25% to the Estates.

(8) Insurance Litigation Proceeds. Any cash proceeds recovered in connection with the Insurance Litigation, whether through a settlement or final judgment (the "Insurance Litigation Proceeds"), shall be shared as follows: (i) first, to pay for any accrued but unpaid Litigation Costs incurred by the Debtors in litigating such matter; (ii) second, to reimburse the Purchaser for the amount of Litigation Costs incurred by the Debtors in litigating such matter actually paid by the Purchaser to the Debtors; and (iii) for the remaining net cash proceeds, 8% to the Debtors' bankruptcy estates (up to a cap of $350,000.00), 17% to the applicable LT Professional (to the extent the partial contingency arrangements are applicable), and 75% to the Purchaser (or 92% to the extent the partial contingency arrangements are not applicable).

(9) Backstop of Estate Recoveries. In the event the Estates have not received at least $900,000.00 in the aggregate in Estate Recoveries (exclusive of Sale Proceeds) by the earlier of the date (a) on which the AR/Deposit Litigation, the Falcone Litigation and the Insurance Litigation have been finally resolved, and (b) that is the third anniversary of the Settlement Effective Date, Purchaser shall pay to the Debtors' estates an amount equal to the difference between the actual amount of Estate Recoveries (exclusive of Sale Proceeds) received by the Estates as of such date and $900,000 (a "Backstop Payment"). If a Backstop Payment is made due to the occurrence of the date identified in clause (b) and at a time when AR/Deposit Litigation, Falcone Litigation and/or Insurance Litigation is continuing, no further payments shall be made to the Debtors on account of Estate Recoveries (exclusive of any Sale Proceeds) unless and until Purchaser recovers the full amount of the Backstop Payment from monies that would otherwise constitute Estate Recoveries (exclusive of Sale Proceeds). Once Purchaser has recovered the full amount of any Backstop Payment, the Debtors shall thereafter be entitled to receive future Estate Recoveries (if any).

e. Sharing of Certain Asset Sale Proceeds. Pursuant to the Sale Order and the Asset Purchase Agreement, the Purchaser has acquired certain equipment and other tangible personal property, which the Debtors have access to in performing their obligations under the TSA. In the event that the Purchaser requests the Debtors under or in connection with the TSA to facilitate the sale of all or any portion of any such equipment or personal property on behalf of the Purchaser (outside of the bankruptcy cases), the Buyer agrees to share 2.5% of the net cash proceeds generated from any such sale (up to $100,000.00 in the aggregate) with the Debtors' bankruptcy estates (the "Sale Proceeds").

f. Escrowed Funds. All cash proceeds comprising AR/Deposit Litigation Proceeds, Thar Proceeds, Huttick Proceeds, Falcone Litigation Proceeds, Insurance Litigation Proceeds, and Sale Proceeds (collectively, the "Cash Proceeds") shall be received and held in escrow by the applicable LT Professional. Upon the receipt of any such Cash Proceeds, the Purchaser and the Debtors will promptly perform a reconciliation to determine the portion of such Cash Proceeds payable to (a) the Debtors to pay accrued and unpaid Litigation Costs, (b) the Buyer to reimburse Litigation Costs previously paid by Buyer, and (c) from remaining net cash proceeds to each of (i) LT Professionals (as applicable), (ii) Purchaser, and (iii) the Debtors. Absent any dispute in respect of such reconciliation, the LT Professional holding the escrowed funds shall release and pay the Cash Proceeds pursuant to such agreed reconciliation and without further order of the Bankruptcy Court.

g. Mutual Releases. Except for the obligations arising under the Asset Purchase Agreement, the TSA or the MGG Settlement Agreement, pursuant to the MGG Settlement Agreement, the Debtors and the MGG Parties will forever, unconditionally, permanently, and irrevocably release, discharge, and acquit each other, and each of their respective successors, assigns, affiliates, parents, subsidiaries partners (limited and general), controlling persons, representatives, agents, attorneys, advisors, financial advisors, consultants, professionals, financing sources, officers, directors, members, managers, shareholders, and employees, past, present and future, and their respective heirs, predecessors, successors and assigns from any and all claims, controversies, disputes, liabilities, obligations, demands, damages, expenses, attorneys' fees, debts, liens, actions, and causes of action of any and every nature whatsoever, whether arising in law or otherwise, and whether known or unknown, matured or contingent, arising under, in connection with, or relating to the Debtors, the Prepetition Facility, the Prepetition Obligations, the DIP Facility, the DIP Obligations, or the Final DIP Order (the "Released Claims"). Notwithstanding the foregoing, and for the avoidance of doubt: (a) the MGG Parties are only releasing *distribution rights* with respect to the Claims being released against the Debtors and the Estates, but the underlying Claims themselves are not being released and are expressly preserved, subject in all respects to paragraph 4 of the MGG Settlement Agreement; (b) the foregoing release in favor of the MGG Released Parties (the "MGG Release") is expressly conditioned upon payment in full of the Settlement Payment (but, for the avoidance of doubt, not payment of the Estate Recoveries, any Sale Proceeds or any Backstop Payment) as provided for in the MGG Settlement Agreement; (c) if any past or present officer or member of the Board of Directors of GCG Topco becomes employed by or associated with any MGG Released Party (as defined in the MGG Settlement Agreement), the MGG Release is not intended to, and shall not, apply to such person or entity, except for Aitor Arrieta, Christopher Macaluso, Amy Schoenthaler, Christopher Stubbs and Chelsea Pipkin; (d) the MGG Release shall not release or otherwise affect the rights of the Debtors or the Estates to object to any proof of Claim filed in the Chapter 11 Cases on any basis, to assert any right of setoff or recoupment in respect of such proofs of Claim, or to assert any released Claim for defensive purposes only; and (e) the forgoing release by the MGG Released Parties does not extend to any claim or cause of action that is a "Purchased Asset" under the Asset Purchase Agreement.

In the exercise of their business judgment, the Debtors have determined, for the reasons expressed in greater detail in the MGG Settlement Motion, this Disclosure Statement and other Filings that have been or will be made by the Debtors in support of the MGG Settlement Agreement's approval and that the Debtors will support at the hearing on the MGG Settlement Motion and/or Confirmation of the Plan, as applicable, that the MGG Settlement is fair and reasonable and in the best interests of their Estates and creditors. Indeed, in the Debtors' judgment, not only is the MGG Settlement the best path

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forward, but it may be the only path forward that avoids additional litigation and maximizes potential recoveries to the Debtors' creditors.

Section 3.11~~Section 3.10:~~ Schedules and Statements and 341 Meeting; Other Bankruptcy Reporting

On March 1, 2020, the Debtors filed their respective schedules of assets and liabilities and statements of financial affairs (the "Schedules and Statements") with the Bankruptcy Court. On March 4, 2020, Debtor GCG Opco filed certain amendments to its Statement of Financial Affairs. On April 27, 2020, Debtor GCG Opco filed certain amendments to its Schedules E and F. The Schedules and Statements are available for review at the Debtors' case information website, http://dm.epiq11.com/gencanna.

On March 9, 2020, the U.S. Trustee conducted a meeting of creditors pursuant to section 341 of the Bankruptcy Code.

Section 3.12~~Section 3.11:~~ Bar Date and Claims Process

On April 10, 2020, the Debtors filed a motion requesting entry of an order establishing bar dates for filing proofs of claim [Docket No. 564]. On April 30, 2020, the Bankruptcy Court entered an order [Docket No. 740] (the "Bar Date Order") setting June 22, 2020, at 5:00 p.m. (prevailing Eastern Time), as the General Bar Date (as defined in the Bar Date Order) for the filing of proofs of claims against the Debtors and as the Section 503(b)(9) Claim Deadline (as defined in the Bar Date Order), and established August 4, 2020, at 5:00 p.m. (prevailing Eastern Time) as the Government Claim Deadline (as defined in the Bar Date Order). As of the filing of this Disclosure Statement, 331 proofs of Claim were filed against the Debtors.

Section 3.13~~Section 3.12:~~ Exclusivity

Section 1121(b) of the Bankruptcy Code establishes an initial period of 120 days after the Bankruptcy Court enters an order for relief under chapter 11 of the Bankruptcy Code, during which only the debtor may file a chapter 11 plan. If the debtor files a chapter 11 plan within such 120-day period, section 1121(c)(3) of the Bankruptcy Code extends the exclusivity period by an additional 60 days to permit the debtor to seek acceptances of such plan. Section 1121(d) of the Bankruptcy Code also permits the Bankruptcy Court to extend these exclusivity periods "for cause." The initial exclusivity period for Debtors GCG Parent and KY Hemp to file a chapter 11 plan (such deadline, the "Initial Filing Exclusivity Deadline") was set to expire on June 5, 2020, which is approximately 120 days after those two Debtors filed for relief under chapter 11 of the Bankruptcy Code,~~20~~[24] and their initial deadline to solicit votes (the "Initial Solicitation Exclusivity Deadline") was set for August 4, 2020.~~21~~[25] On May 15, 2020, the Debtors filed a motion [Docket No. 843] (the "First Exclusivity Motion") seeking an extension of the Initial Exclusivity Deadline and the Initial Solicitation Exclusivity Deadline by approximately 120 days each, through and including October 3, 2020, and December 2, 2020, respectively. The UCC objected to the First Exclusivity Motion on May 29, 2020 [Docket No. 877]. The Debtors filed a reply in further support of the First Exclusivity Motion on June 15, 2020 [Docket No. 938]. Following a

~~20~~[24] The Initial Filing Exclusivity Deadline for Debtor GCG Opco, which has an Order For Relief Date of February 6, 2020, was Monday, June 8, 2020 (the 120th day occurring on Saturday, June 6, 2020).

~~21~~[25] The Initial Solicitation Exclusivity Deadline was August 5, 2020 for Debtor GCG Opco.

contested hearing held on June 18, 2020, the Bankruptcy Court overruled the UCC's objection and on June 19, 2020, entered an order granting the First Exclusivity Motion [Docket No. 983].

SECTION 4: SUMMARY OF THE PLAN

This section provides a summary of the structure and means for implementation of the Plan and the classification and treatment of Claims and Interests under the Plan, and is qualified in its entirety by reference to the Plan (as well as the exhibits thereto and definitions therein).

The statements contained in this Disclosure Statement include summaries of the provisions contained in the Plan and in the documents referred to therein. The statements contained in this Disclosure Statement do not purport to be precise or complete statements of all the terms and provisions of the Plan or documents referred to therein, and reference is made to the Plan and to such documents for the full and complete statement of such terms and provisions of the Plan or documents referred to therein.

The Plan controls the actual treatment of Claims against, and Interests in, the Debtors under the Plan and will, upon the occurrence of the Effective Date, be binding upon all holders of Claims against and Interests in the Debtors, the Debtors' Estates, the Wind-Down Trust, all parties receiving property under the Plan, and other parties in interest. In the event of any conflict between this Disclosure Statement and the Plan or any other operative document, the terms of the Plan and/or such other operative document shall control.

The classification, treatment and voting of Claims and Interests, means for implementation of the Plan, Plan's settlement, release, injunction and related provisions, and conditions to the consummation of the Plan are summarized below. For all other components of the Plan, including (i) the treatment of Executory Contracts and Unexpired Leases, (ii) provisions governing Distribution, (iii) provisions for resolving contingent, disputed and unliquidated Claims, (iv) provisions relating to the modification, revocation or withdrawal of the Plan, (v) provisions addressing the retention of the Bankruptcy Court's jurisdiction, and (vi) other miscellaneous provisions of the Plan, please refer to the Plan attached hereto as **Exhibit A**.

Section 4.01 Treatment of Unclassified Claims

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims, DIP Claims, Priority Tax Claims and Gap Period Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III of the Plan.

Section 4.01.1: Administrative Claims Administrative Claim Bar Date

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors or the Plan Administrator, as applicable, to the extent an Allowed Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims) will receive in full and final satisfaction of its Allowed Administrative Claim an amount of Cash equal to the amount of the unpaid portion of such Allowed Administrative Claim in accordance with the following: (a) if such Administrative Claim is Allowed on or prior to the Effective Date, no later than 45 days after the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (b) if such Administrative Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable

thereafter; (c) at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtors or the Plan Administrator~~, as applicable~~; or (d) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

Except for Professional Fee Claims (which are addressed in Article II.C of the Plan and unless previously Filed, requests for payment of Administrative Claims must be Filed and served on the Plan Administrator no later than the Administrative Claim Bar Date pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order. Objections to such requests must be Filed and served on the Plan Administrator (~~if~~excluding the Plan Administrator ~~is not~~if the objecting party) and the requesting party on or before the Administrative Claim Objection Deadline. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior Bankruptcy Court orders, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with, an order of the Bankruptcy Court that becomes a Final Order.

Except for Professional Fee Claims, Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims that do not file and serve such a request on or before the Administrative Claim Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors, the Estates, the Wind-Down Trust, the Plan Administrator, or the property of any of the foregoing, and such Administrative Claims shall be deemed released as of the Effective Date without the need for any objection from the Debtors or the Plan Administrator or any notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

Section 4.01.2 DIP Claims

In accordance with the MGG Settlement Agreement, all remaining DIP Claims, to the extent (if any) not already satisfied, compromised, settled and released in connection with the closing of the Sale Transaction, shall be deemed satisfied, compromised, settled, and released as set forth in this Plan and the MGG Settlement Agreement.

Section 4.01.3 Professional Fee Claims

4.01.3.a: Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the ~~Confirmation~~Effective Date must be Filed no later than 45 days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules, and prior Bankruptcy Court orders. The Plan Administrator (or the authorized signatories to the Professional Fee Escrow Account, after consultation with the Plan Administrator) shall pay to each Holder of an Allowed Professional Feel Claim the unpaid amount of such Holder's Allowed Professional Fee Claim from funds held in the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claim is Allowed by entry of an order of the Bankruptcy Court, which order has not thereafter been vacated, reversed or stayed as to such Professional Fee Claim.

4.01.3.b: Professional Fee Escrow Account

As soon as is reasonably practicable after the Confirmation Date and no later than the Effective Date, the Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the estimated Professional Fee Escrow Amount. The Professional Fee Escrow Account shall be maintained

in trust solely for the Professionals and for no other Entities until all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court. No Liens, claims, or interests shall encumber the Professional Fee Escrow Account or Cash held in the Professional Fee Escrow Account in any way. Funds held in the Professional Fee Escrow Account shall not be considered property of the Estates, the Debtors, the Plan Administrator, or the Wind-Down Trust.

The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals by the Debtors or the Plan Administrator, as applicable, from the funds held in the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed by an order of the Bankruptcy Court; provided that the Debtors' and the Plan Administrator's obligations to pay Allowed Professional Fee Claims shall not be limited nor be deemed limited to funds held in the Professional Fee Escrow Account and such Allowed Professional Fee Claims shall also be payable from the Wind-Down Trust Assets. When all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court, any remaining funds held in the Professional Fee Escrow Account shall promptly be paid to the Wind-Down Trust without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity, and such funds shall thereafter constitute the Wind-Down Trust Assets.

4.01.3.c: Professional Fee Escrow Amount

Each Professional shall provide a reasonable and good-faith estimate of such Professional's unpaid fees and expenses incurred and projected to be outstanding as of the ~~Confirmation~~Effective Date, and shall deliver such estimate to the Debtors no later than ~~five~~three (~~5~~3) days before the anticipated Confirmation Hearing; provided, however, that such estimate shall not be considered or deemed an admission or limitation with respect to the amount of the fees and expenses that are the subject of the Professional's final request for payment of Professional Fee Claims and such Professionals are not bound to any extent by the estimates. If a Professional does not provide an estimate, the Debtors may estimate the unpaid and unbilled fees and expenses of such Professional. The total aggregate amount so estimated as of the Effective Date shall be utilized by the Debtors to determine the amount to be funded to the Professional Fee Escrow Account, provided that the Plan Administrator shall use Cash from the Wind-Down Trust to increase the amount of the Professional Fee Escrow Account to the extent fee applications are Filed after the Effective Date in excess of the amount held in the Professional Fee Escrow Account based on such estimates.

~~*4.01.3.d: Post-Confirmation Fees and Expenses*~~

~~Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of the Plan and occurrence of the Effective Date incurred by the Debtors after the Confirmation Date. The Debtors and the Plan Administrator, as applicable, shall pay within ten business days after submission of a detailed invoice to the Debtors or the Plan Administrator, as applicable, such reasonable claims for compensation or reimbursement of expenses incurred by the Professionals of the Debtors or Plan Administrator, as applicable. If the Debtors or Plan Administrator, as applicable, disputes the reasonableness of any such invoice, the Debtors or the Plan Administrator, as applicable, or the affected professional may submit such dispute to the Bankruptcy Court for a determination of the reasonableness of any such invoice, and the disputed portion of such invoice shall not be paid until the dispute is resolved. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code~~

~~and any related Bankruptcy Rules in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors or the Plan Administrator, as applicable, may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.~~

Section 4.01.4 Priority Tax Claims

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

Section 4.01.5 Gap Period Claims

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

Section 4.02 Classification and Treatment of Claims and Interests

Section 4.02.1 Classification of Claims and Interests

Except for the Claims addressed in Article II of the Plan, all Claims and Interests are classified in the Classes set forth in Article III of the Plan for all purposes, including voting, Confirmation, and Distributions pursuant to the Plan and in accordance with section 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that such Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other Classes. A Claim or an Interest also is classified in a particular Class for the purpose of receiving Distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The classification of Claims and Interests against each Debtor pursuant to the Plan is as set forth below. In the event that substantive consolidation is not approved or the Debtors withdraw the request for substantive consolidation contained in the Plan, the Plan shall apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth herein shall apply separately to each of the Debtors. All of the potential Classes for the Debtors are set forth herein. Certain of the Debtors may not have Holders of Claims or Interests in a particular Class or Classes, and such Claims shall be treated as set forth in Article III.F of the Plan. In the event that substantive consolidation is not approved or the Debtors withdraw the request for substantive consolidation contained in the Plan, each Class will contain sub-Classes for each of the Debtors (other than Class 3 (MGG Subordinated Claims), which will be vacant at Debtor Hemp KY).

If deemed substantive consolidation is approved, voting tabulations for recording acceptances or rejections of the Plan shall be conducted on a consolidated basis across all three Debtors for each voting Class. However, if deemed substantive consolidation is not approved or the Debtors withdraw the request for substantive consolidation contained in the Plan, voting tabulations for recording acceptances or rejections of the Plan shall be conducted on a Debtor-by-Debtor basis.

The classification of Claims and Interests against each Debtor (as applicable) pursuant to the Plan is as follows:

Key to sub-Classes: A = OGUSA, Inc. (f/k/a GenCanna Global USA, Inc.); B = OGG, Inc. (f/k/a GenCanna Global, Inc.); and C = Hemp Kentucky, LLC				
Class	**sub-Classes[222 6]**	**Claim**	**Status**	**Voting Rights**
1	A, B & C	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	A, B & C	Other Secured Claims	Impaired	Entitled to Vote
3	A & B	MGG Subordinated Claims	Impaired	Entitled to Vote
4	A, B & C	General Unsecured Claims	Impaired	Entitled to Vote
5	A, B & C	Intercompany Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
6	A, B & C	Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
7	A, B & C	Interests	Impaired	Not Entitled to Vote (Deemed to Reject)

Section 4.02.2 Treatment of Claims and Interests

Subject to Article VI of the Plan, each Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, compromise, settlement, release, and in exchange for, such Holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by the Debtors and the Holder of such Allowed Claim or Allowed Interest, as applicable. Unless otherwise indicated, the Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the later of the Effective Date and the date such Holder's Claim or Interest becomes an Allowed Claim or Allowed Interest or as soon as reasonably practicable thereafter.

To the extent a Class contains Allowed Claims or Allowed Interests with respect to any Debtor, the classification of Allowed Claims and Allowed Interests is specified below.

4.02.2.a: Class 1 (Other Priority Claims)

Classification: Class 1 consists of all Allowed Other Priority Claims.

Treatment: Except to the extent that a Holder of an Allowed Other Priority Claim agrees to less favorable treatment, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed Other Priority Claim, each Holder of an Allowed Other Priority Claim shall receive, at the option of the Debtors or the Plan Administrator, as applicable:

[222 6] Sub-Classes are subject to elimination in the event that deemed substantive consolidation is approved.

[222 6] Sub-Classes are subject to elimination in the event that deemed substantive consolidation is approved.

(i) payment in full in Cash of the unpaid portion of its Allowed Other Priority Claim on the later of the Effective Date and such date such Other Priority Claim becomes an Allowed Other Priority Claim; or

(ii) such other treatment rendering such Holder's Allowed Other Priority Claim Unimpaired.

Voting: Class 1 is Unimpaired under the Plan. Holders of Other Priority Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of an Other Priority Claims are not entitled to vote to accept or reject the Plan.

4.02.2.b: Class 2 (Other Secured Claims)

Classification: Class 2 consists of all Allowed Other Secured Claims.

Treatment: Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment or as otherwise ordered by the Bankruptcy Court, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive, at the option of the Debtors or the Plan Administrator, as applicable:

(i) on the first applicable Distribution Date as determined pursuant to Article VI.A hereof, payment in full in Cash of such Holder's Allowed Other Secured Claim;

(ii) on the first applicable Distribution Date as determined pursuant to Article VI.A hereof, receipt of the collateral securing any such Allowed Other Secured Claim;

(iii) in the event that the Debtors or the Plan Administrator, as applicable, sells the property encumbered by the Liens securing such Allowed Other Secured Claim free and clear of such Liens, the Holder of such Allowed Other Secured Claim shall be entitled to receive the net proceeds of the sale of such property until such Allowed Other Secured Claim is paid in full; or

(iv) such other treatment rendering such Holder's Allowed Other Secured Claim Unimpaired.

Voting: Class 2 is Impaired under the Plan. Holders of Allowed Other Secured Claims are entitled to vote to accept or reject the Plan.

4.02.2.c: Class 3 (MGG Subordinated Claims)

Classification: Class 3 consists of all MGG Subordinated Claims.

Allowance: Pursuant to the MGG Settlement Agreement, the MGG Subordinated Claims have been Allowed in the aggregate amount of $27,016,182.27, but are subordinated in rights of payment and priority to all Allowed General Unsecured Claims and all other Allowed Claims that, pursuant to the Plan, are senior in priority to such Allowed General Unsecured Claims.

Treatment: On the Effective Date and in accordance with the terms of the MGG Settlement Agreement, in full and final satisfaction, compromise, settlement, and release of and in

exchange for its Allowed MGG Subordinated Claim, each Holder of an Allowed MGG Subordinated Claim shall be deemed to receive on account of its Allowed MGG Subordinated Claim its ~~Trust~~ Ratable Share of Subordinated Beneficial Interests~~, *provided* that such Beneficial Interests shall, as a result of the subordination of the Allowed MGG Subordinated Claims to the prior payment in full of all Allowed General Unsecured Claims (but not GCG Parent Control Claims) pursuant to the MGG Settlement Agreement, be turned over to the Holders of Allowed General Unsecured Claims based upon their respective GUC Ratable Shares.~~.

Voting: Class 3 is Impaired under the Plan. ~~The~~Pursuant to the MGG Settlement Agreement, the Prepetition Agent is deemed the Holder~~s~~ of the MGG Subordinated Claims ~~are~~ for purposes of voting on the Plan and is entitled to vote to accept or reject the Plan.

4.02.2.d: Class 4 (General Unsecured Claims)

Classification: Class 4 consists of all Allowed General Unsecured Claims.

Treatment: Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to less favorable treatment, on the first applicable Distribution Date as determined pursuant to Article VI.A hereof, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive on account of such Allowed Unsecured Claim against a Debtor, its ~~Trust~~ Ratable Share of ~~the~~Senior Beneficial Interests in the Wind-Down Trust.

Voting: Class 4 is Impaired under the Plan. Holders of Allowed General Unsecured Claims are entitled to vote to accept or reject the Plan.

4.02.2.e: Class 5 (Intercompany Claims)

Classification: Class 5 consists of all Intercompany Claims.

Treatment: Holders of Intercompany Claims shall not receive any Distribution or other payments, or retain any property, on account of such Intercompany Claims. On or after the Effective Date, the Plan Administrator may reconcile such Intercompany Claims as may be advisable in order to avoid the incurrence of any past, present, or future tax or similar liabilities by the Debtors.

Voting: Class 5 is Impaired under the Plan. Holders of Intercompany Claims are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Intercompany Claims are not entitled to vote to accept or reject the Plan.

4.02.2.f: Class 6 (Section 510(b) Claims)

Classification: Class 6 consists of all Section 510(b) Claims.

Treatment: Section 510(b) Claims, if any, shall be cancelled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and holders of Section 510(b) Claims will not receive any Distribution or other payments, or retain any property, on account of such Section 510(b) Claims.

Voting: Class 6 is Impaired under the Plan. Holders of Intercompany Claims are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Section 510(b) Claims are not entitled to vote to accept or reject the Plan.

4.02.2.g: Class 7 (Interests)

Classification: Class 7 consists of all Interests.

Treatment: Interests shall be cancelled and released without any Distribution, payments or retention of any property on account of such Interests.

Voting: Class 7 is Impaired under the Plan. Holders of Interests are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Interests are not entitled to vote to accept or reject the Plan.

Section 4.02.3 Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' rights in respect of any Claims that are Unimpaired, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Claims that are Unimpaired. Unless otherwise Allowed, Claims that are Unimpaired shall remain Disputed Claims under the Plan.

Section 4.02.4 Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by at least one Impaired Class of Claims. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right to modify the Plan in accordance with the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

Section 4.02.5 Subordinated Claims

Except as expressly provided herein, the allowance, classification, and treatment of all Allowed Claims and Interests and the respective Distributions, payments and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors and the Plan Administrator, as applicable, reserve the right to reclassify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

Section 4.02.6 Elimination of Vacant Classes; Presumed Acceptance by Non-Voting Classes

Any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court in an amount greater than zero as of the date of the Confirmation Hearing shall be considered vacant and deemed eliminated from

the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

If a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims or Interests in such Class shall be deemed to have accepted the Plan.

Section 4.02.7 Controversy Concerning Impairment

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

Section 4.03 Means for Implementation of the Plan

Section 4.03.1 Settlement of Claims and Interests

4.03.1.a: ~~In General~~ Global Settlement

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, ~~and in consideration for the classification, Distributions, payments, releases, and other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall constitute and be deemed a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, or otherwise resolved pursuant to the Plan~~the Plan incorporates a compromise and settlement of numerous inter-Debtor, Debtor-creditor, and intercreditor issues designed to achieve an economic settlement of Claims against the Debtors and an efficient resolution of these Chapter 11 Cases. This global settlement constitutes a settlement of a number of the potential litigation issues, including issues regarding substantive consolidation, the treatment of Intercompany Claims, the allocation (or lack thereof) of Assets among the Estates, and the nature, amount, secured status and priority of the Claims of MGG, the Purchaser, the Prepetition Secured Parties and the DIP Secured Parties. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of ~~such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, reasonable, and~~ each of the compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Debtors ~~and~~, their Estates~~. Subject to the Plan, all Distributions made to Holders of Allowed Claims and Allowed Interests, as applicable, in any Class are intended to be and shall be final.~~, their creditors, and other parties-in-interest, and are fair, equitable, and within the range of reasonableness. Each provision of the global settlement shall be deemed non-severable from each other and from the remaining terms of the Plan..

4.03.1.b: MGG Settlement

~~Except in the event that~~Without prejudice to the Debtors' ability to pursue approval of the MGG Settlement ~~has been approved by an order of the Bankruptcy Court that has become a Final Order prior to the Confirmation Date~~by the separate motion requesting such relief filed by the Debtors on July 30, 2020 [Docket No. 1145], as such motion may be amended from time to time, the Plan also shall be deemed a motion to approve the MGG Settlement in accordance with the terms of the MGG Settlement Agreement~~, which~~. The MGG Settlement Agreement includes the good-faith compromise and settlement of~~,~~ all potential claims and Causes of Action of the Debtors and their Estates against the MGG Parties and certain Related Parties, pursuant to Bankruptcy Rule 9019, except as expressly provided in the MGG

Settlement Agreement. Additionally, unless the Bankruptcy Court enters a separate order providing for the approval of the MGG Settlement Agreement and related relief, the Debtors may request that the entry of the Confirmation Order ~~shall~~will constitute the Bankruptcy Court's approval of such compromises and settlements under Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such compromise and settlement is fair, equitable, reasonable, and in the best interests of the Debtors and their Estates.

On the Effective Date, the transactions contemplated by the MGG Settlement Agreement and Plan, including the receipt by the Debtors or the Wind-Down Trust, as applicable, of the MGG Settlement Payments ~~as contemplated by the MGG Settlement Agreement,~~ shall be in full and final settlement of all Causes of Action released or subject to release pursuant to the terms of the MGG Settlement Agreement and any action or proceeding that has been or may be commenced with respect to any such Cause of Action shall be deemed dismissed with prejudice. The UCC's Second Standing Motion will be denied ~~and the Second Proposed Complaint filed by the UCC in connection therewith will be deemed settled and dismissed~~as moot, if the MGG Settlement is approved by the Bankruptcy Court and becomes effective by its terms.

Pursuant to the terms of the MGG Settlement Agreement and this Plan, each MGG Subordinated Claim is an Allowed Class 3 Claim entitled to receive on account thereof its ~~Trust~~ Ratable Share of the Subordinated Beneficial Interests~~, *provided* that, pursuant to the terms of the MGG Settlement Agreement and this Plan, the Allowed MGG Subordinated Claims are subordinated to the prior payment in full of all Allowed General Unsecured Claims (but not to GCG Parent Control Claims). In furtherance of implementing such subordination of the MGG Subordinated Claims, each Holder of an Allowed General Unsecured Claim shall receive a turnover of its GUC Ratable Share of the Beneficial Interests otherwise distributable on account of the Allowed MGG Subordinated Claims.~~.

Section 4.03.2~~1~~Deemed Substantive Consolidation

Substantive consolidation of the Debtors and their Estates is an important element of the Debtors' successful implementation of the Plan.~~23~~[27] The Debtors' proposed deemed substantive consolidation structure is supported by the applicable legal standards, practical considerations, and available information regarding the Debtors' prepetition financial affairs. Substantive consolidation is an equitable remedy that a bankruptcy court may apply in the cases of affiliated debtors, among other instances. When debtors are substantively consolidated, the assets and liabilities of such debtors are pooled and essentially treated as the assets and liabilities of a single debtor.

4.03.2.a: The Applicable Law Governing Substantive Consolidation

The United States Court of Appeals for the Sixth Circuit (the "Sixth Circuit") has recognized that section 105(a) of the Bankruptcy Code preserves the bankruptcy courts' power to grant the equitable remedy of substantive consolidation in appropriate circumstances. *See, e.g.*, *See Huntington National Bank v. Richardson (In re Cyberco Holdings, Inc.)*, 734 F.3d 432, 439 (6th Cir. 2013); *Creditors Servs. Corp. v. Cooley (In re Creditors Servs. Corp.)*, 182 F.3d 916, 1999 WL 519296, at *2 (6th Cir. 1999); *First Nat'l Bank of Barnesville v. Rafoth (In re Baker & Getty Fin. Servs., Inc.)*, 974 F.2d 712, 720–21 (6th Cir. 1992).

Though the Sixth Circuit approves of substantive consolidation, it has yet to adopt a specific test for determining when substantive consolidation should be applied. *See Spradlin v. Beads and Steeds*

~~23~~[27] For the avoidance of doubt, the Debtors are not at this time seeking substantive consolidation with any non-Debtor Persons.

Inns, LLC (In re Howland), 674 Fed. Appx. 482, 488 n.3 (6th Cir. Jan. 3., 2017); *Cyberco Holdings*, 734 F.3d at 439, Multiple courts within the Sixth Circuit, however, have relied upon the formulation of the test for substantive consolidation announced by the United States Court of Appeals for the Third Circuit in *In re Owens Corning*, 419 F.3d 195, 211 (3d Cir. 2005). *See, e.g., Lim v. Miller Parking Co.*, 560 B.R. 688, 708 (Bankr. E.D. Mich. 2016); *In re Dott Acquisition, LLC*, 520 B.R. 588, 624–25 (Bankr. E.D. Mich. 2014); *Walls v. Centurion Asset Mgmt., Inc. (In re Bolze)*, Adv. No. 09–3035, 2009 WL 2232802, *3–4 (Bankr. E.D. Tenn. July 23, 2009); *Simon v. ASMICO Tech., Inc. (In re Am. Camshaft Specialties, Inc.)*, 410 B.R. 765, 778 (Bankr. E.D. Mich. 2009). *But cf. Paris v. Walker (In re Walker)*, 566 B.R. 503, 531 (Bankr. E.D. Tenn. 2017) (concluding that it favored the more liberal *Auto-Train/Eastgroup* approach to substantive consolidation without expressly rejecting the *Owens Corning* approach) (citing *In re Auto-Train Corp.*, 810 F.2d 270 (D.C. Cir. 1987), and *Eastgroup Props. V. Southern Motel Ass'n*, 935 F.2d 245 (11th Cir. 1991)). Accordingly, consistent with the prevailing approach of such courts within the Sixth Circuit, the Debtors will analyze substantive consolidation as provided for in this Plan under the test articulated by the Third Circuit and subsequently applied by courts within the Sixth Circuit.

In setting forth the test for substantive consolidation, the *Owens Corning* court looked to five principles behind substantive consolidation: (i) limiting the cross-creep of liability by respecting entity separateness is a fundamental ground rule; (ii) the harms substantive consolidation addresses are nearly always those caused by debtors; (iii) mere benefit of administration of the case is hardly a harm calling for substantive consolidation into play; (iv) substantive consolidation should be a rare remedy and one of last resort after considering and rejecting other remedies; and (v) while substantive consolidation may be used defensively to remedy the identifiable harms caused by entangled affairs, it may not be used offensively. *Id.* at 211. Based on these principles, the Third Circuit held that the party calling for substantive consolidation must prove: (i) that prepetition, the entities to be consolidated disregarded separateness so significantly that their creditors relied on the breakdown of entity borders and treated them as one legal entity or (ii) that postpetition, their assets and liabilities are so scrambled that separating them is prohibitive and hurts all creditors. *Id.* Substantive consolidation is appropriate if either factor is justified. *Id.*

In addition to considering the elements of the *Owens Corning* substantive consolidation analysis, courts in the Sixth Circuit have applied various factors such as the following highlighted by the district court in *Lim v. Miller Parking Co.*, 560 B.R. 688, 709 (E.D. Mich. 2016):

> (1) The presence or absence of consolidated financial statements; (2) The unity of interests and ownership between various corporate entities; (3) The existence of parent and intercorporate guarantees on loans; (4) The degree of difficulty in segregating and ascertaining individual assets and liabilities; (5) The existence of transfers of assets without formal observance of corporate formalities; (6) The commingling of assets and business functions; and (7) The profitability of consolidation at a single physical location.

(internal quotations and citations omitted).

4.03.2.b: Bases for Substantive Consolidation of these Debtors and Estates

The Debtors believe that the substantive consolidation provided for under the Plan is appropriate under prevailing standard applied by courts in the Sixth Circuit. The Debtors believe that prior to the commencement of the Chapter 11 Cases many of their creditors, both secured and unsecured, were induced to effectively treat the Debtors as a single entity. While the Debtors believe that they, in general, did observe appropriate corporate formalities and separateness during the prepetition period, as a

practical matter, the Debtors' business was operated as an integrated enterprise that made it difficult in most instances for creditors to identify the specific Debtor entity with which they were interacting. This entanglement of the Debtors' affairs has continued on a postpetition basis and, the Debtors believe, any effort to unscramble their assets and liabilities at this point would entail expense and delay, as well as a risk of arbitrariness, that would far outweigh any benefit of such an exercise. Finally, the Plan provides substantial benefits to creditors, available only to the extent that substantive consolidation provided for in the Plan occurs. Accordingly, the Debtors believe that the Plan's substantive consolidation structure is beneficial to creditors.

i. Prior to the Commencement of the Chapter 11 Cases, the Debtors Conducted Their Affairs as a Single, Integrated Enterprise

The Debtors believe it is evident that the Debtors' creditors, both secured and unsecured, perceived the Debtors to be a single enterprise prior to the commencement of these Chapter 11 Cases and would have relied on that perception in interacting with the Debtors. The factors supporting that conclusion include, without limitation, the following:

- The Debtors historically conducted substantially all of their business activities only under the "GenCanna" name. Notably, the records of the Kentucky Secretary of State reflected no fictitious, d/b/a or other alias names for any Debtor entity, except for "46&2" as of the date this Disclosure Statement was prepared. "Forty Six + Two" was the name of the retail store for hemp-derived products located in Winchester, Kentucky that the Company briefly operated prior to the commencement of these Chapter 11 Cases.

- In general, the Debtors relied upon, and provided third-parties with, only consolidated financial statements. One example of this is evident in the financial statements that the Debtors supplied as Schedule 1.01(D) to the Prepetition Credit Agreement that they entered into with MGG and other entities on or about June 24, 2019. *See Notice of Filing of Preliminary Evidence of Perfection of Liens* [Docket No. 64, Ex. A].

- The Debtors maintained an integrated cash management system, with two bank accounts in GCG Parent's name at Kentucky Bank serving as the primary collections and disbursement accounts for payroll and operational transactions.

- The ownership structure of the three Debtors also supports substantive consolidation. GCG Opco was and is a wholly-owned subsidiary of GCG Parent. KY Hemp, in turn, as of its Petition Date, was a 100% owned subsidiary of GCG Opco. Colby, a non-Debtor, is the only direct or indirect subsidiary of GCG Parent not wholly-owned by it.

- The officers, directors and other senior managing agents of GCG Parent and GCG Opco were substantially overlapping as of the Order for Relief Date and prior thereto. As reported in the Debtors' Schedules, on or within one year prior to GCG Opco's Order for Relief Date, at least eleven (11) individuals held overlapping roles as officers and/or directors at GCG Parent and GCG Opco, including: James Alt; Steve Bevan; Gary Broadbent; Robert A. Felipe; Alex B. Green; Christopher J. Macaluso; Matty Magone-Miranda; Leland O'Connor; Marc Passalacqua; Mark Stegeman; and Christopher E. Stubbs. KY Hemp was a member managed entity and, thus, did not have separate officers or directors during this period.

- Inter-Debtor guarantees are present. Most notably, pursuant to the terms of the Prepetition Loan Documents, under which GCG Opco was the Borrower, the Prepetition Obligations

were guaranteed in their entirety by GCG Parent, which also pledged substantially all of its assets as collateral for the Prepetition Obligations. Similarly, in connection with the Convertible Debentures earlier issued by GCG Parent to MariMed, GCG Opco executed a guaranty of GCG Parent's obligations for the Convertible Debentures and pledged certain of its assets as security for those obligations.

- Numerous creditors, including certain of the Debtors' former employees and officers, have filed proofs of Claim against both GCG Opco and GCG Parent or have not clearly identified which of the two Debtors against which their Claims are being asserted. For example, Roberto A. Felipe, a former officer of the Debtors, has asserted in a proof of Claim filed against GCG Opco that, although his employment agreement was with GCG Parent, he was paid by GCG Opco for services thereunder. *See* Roberto Felipe, Claim No. 122, Ex. A, n.1. *See also, e.g.,* Mark A. Stegeman, Claim No. 163, Ex. A (asserting his employment relationship was with both GCG Parent and GCG Opco even though his employment agreement identified only GCG Parent as the counterparty thereto).

- As is not uncommon with start-up and other fast-growing companies and, particularly within the industry in which the Debtors operated, the Debtors were not always precise in documenting transactions with related parties who may have made assets available for the Debtors to hold or use in one capacity or another in operating their business. Such practices have made it challenging in certain instances for the Debtors to identify which Debtor has an interest in a given asset, the nature of that interest, and/or what liabilities might be associated with a given asset. For example, earlier in the Chapter 11 Cases the Debtors became involved in contested motion practice with Financial Asset Management, LLC ("FAM"), an entity controlled by a former officer of the Debtors. FAM claimed that a CO2 extraction system unit that the Debtors had in their possession since December 2018 was not owned by the Debtors but was really still FAM's property. Review of the record revealed that the equipment at issue had been initially acquired by FAM in April 2018, where upon FAM immediately invoiced GCG Parent for the alleged purchase price of the equipment. Compounding the confusing record, the equipment at issue, instead of being immediately delivered to the Debtors at their Kentucky facilities, was delivered and held for several months at a location in Grass Valley, Oregon, where the Debtors were involved in a nascent, and ultimately abandoned, joint venture with a third party. Even in February 2019, an invoice related to this equipment was addressed to GCG Parent instead of GCG Opco. Ultimately, in this particular instance, it was not necessary to unscramble this confusing record because the Debtors and the FAM Entities reached a settlement that the Bankruptcy Court approved by order entered August 20, 2020 [Docket No. 1281] (the "FAM Settlement"). But, the Debtors do not expect to be so fortunate if they have to attempt the unscrambling of their assets and liabilities on a global basis.

ii. Impracticality of Separate Entity Plans

Substantive consolidation will avoid the onerous costs and substantial delay that would result from attempting to confirm individual plans of liquidation for each of the Debtors, which separate plans of liquidation will be prone to inaccuracies that may prejudice certain creditors. Separate plans for each entity will inevitably rest on certain assumptions; for instance, as the Debtors were not managed operationally on an individual entity basis, it is difficult to allocate value and operational costs and benefits on a legal entity basis. In addition, many financial obligations of the Debtors are based on the Debtors as a whole or other combinations of entities that make allocation to legal entities difficult, fact-intensive and subject to challenge. Seeking to overcome the inherent limitations of separate plans of liquidation for each of the Debtors would entail the Debtors' dedication of enormous resources and

significant time to the project – and it cannot be assured, even after such an endeavor, that such plan of liquidation would be free of such assumptions, or free of potential prejudice to certain creditors resulting from such assumptions.

The facts and circumstances relating to the Debtors' Chapter 11 Cases that make separate plans for each of the Debtors impracticable include, but are not limited to the following:

- Although the Debtors have filed separate operating reports during the Chapter 11 Cases, the balance sheets, income statements, schedules of postpetition liabilities, bank account reporting, schedules of postpetition payments to professionals, schedules of postpetition payments to prepetition creditors and schedules of unpaid postpetition liabilities all have been prepared and reported on a consolidated bases. *See* GCG Opco, Case No. 20-50133 [Docket Nos. 648, 887, 965 & 1128]; GCG Parent, Case No. 20-50211 [Docket Nos. 26, 27, 29 & 32]; and KY Hemp, Case No. 20-50212 [Docket Nos. 22, 23, 25 & 27].

- The Debtors' motions and the interim and final orders, as applicable, entered by the Bankruptcy Court that have authorized the Debtors to pay or satisfy certain prepetition claims did not require allocation of such payments on a per-Debtor basis and the resulting payments made on account of such prepetition claims have not been separately allocated. *See* Docket Nos. 46, 47, 52, 53, 91, 98, 118, 119, 198, 199 & 290.

- Professionals for the Debtors and the UCC have been retained and compensated on a consolidated basis by all three Debtors without any requirement for allocation of professionals' fees and expenses to any specific Debtor. *See* Docket Nos. 394, 468, 883, 1129, 1130 & 1133.

- The DIP Loan Facility, DIP Loan Documents and the DIP Orders make all three Debtors obligors for DIP Obligations and encumber all three Debtors' assets, if any, without any requirement to allocate DIP Obligations among the Debtors. *See* Docket Nos. 82, 207, 436 & 474. Further, the Initial Budget and all subsequent Approved Budgets (as defined in the Final DIP Order) have been prepared on a consolidated basis for the Debtors.

Considering the foregoing, the assumptions that the Debtors would necessarily adopt to confirm separate plans of liquidation would likely be the focus of protracted and lengthy litigation. The attendant delay from such litigation could threaten the Debtors' consummation of the plans of liquidation in a timely manner. Even if the Estates were exposed to such a risk and cost, there would still be no assurances that the information contained therein would be accurate on an entity-by-entity basis (if even available at such time). The Debtors believe that substantive consolidation is warranted in these Chapter 11 Cases because of the connection of assets and liabilities of the Debtors.

iii. Lack of Harm to Any Party in Interest

The debtors believe that substantive consolidation is being employed in connection with the Plan only in a defensive manner to protect parties in interest from the potential adverse consequences of the prepetition and postpetition commingling of the Debtors' assets and liabilities. Otherwise stated, the Debtors believe and will be prepared to demonstrate at the Confirmation Hearing that no non-consenting creditor is materially harmed by the substantive consolidation contemplated by the Plan.

According to its Schedules, Debtor KY Hemp had few assets as of its Petition Date. However, KY Hemp, also had very few independent creditors, all of whom were scheduled as holding Claims that were contingent, disputed or unliquidated. Only one entity that appeared as a potential creditor on KY

Hemp's Schedules actually filed a proof of Claim by the General Bar Date or Government Claim Deadline, as applicable. This entity, Hemp Kentucky Growers, LLC ("HKG"), instead of filing a proof of Claim against KY Hemp, filed proofs of Claim only against Debtors GCG Parent and GCG Opco in reliance upon guarantees allegedly issued by those Debtors in connection with an October 2016 transaction in which KY Hemp agreed to redeem all of HKG's interest in KY Hemp. The remaining two proofs of Claim filed against KY Hemp were filed by Financial Asset Management LLC and are either duplicative of Claims that such Entities have filed against other Debtors or have been resolved pursuant to the FAM Settlement. Accordingly, creditors of Debtors GCG Parent and GCG Opco are no worse off by reason of the Plan's substantive consolidation with KY Hemp.

Similarly, according to its Schedules, Debtor GCG Parent had few assets as of its Petition Date other than its equity interest in Debtor GCG Opco, certain internet domain names and websites, and certain licenses and certifications. But, as with Debtor KY Hemp, Debtor GCG Parent has few creditors that have not also either been scheduled with, or Filed Claims against Debtor GCG Opco. Based on the Debtors' review of the Claims Register maintained by the Claims and Noticing Agent as of August 14, 2020, in addition to the amount scheduled for the Prepetition Secured Parties on account of the Prepetition Obligations arising under the Prepetition Loan Facility, there were just eight unique Claims either Filed against GCG Parent or scheduled for GCG Parent other than as contingent, unliquidated or disputed and not subsequently superseded by a Filed proof of Claim. The aggregate asserted face amount of these Claims was just over $3 million. By comparison, Debtors project that the aggregate face amount of Unsecured Claims potentially allowable against Debtor GCG Opco will exceed $120 million. Given the relatively modest Distributions that Holders of Allowed Unsecured Claims are expected to receive under the Plan relative to the aggregate size of the claims pool, the Debtors believe that the inclusion of a small number and amount of additional Unsecured Claims from Debtor GCG Parent is unlikely to have a meaningful adverse impact on recoveries to Holders of Unsecured Claims at any other Debtor.

iv. Summary

Given the significant roadblocks to the proposal of separate, confirmable plans of liquidation, the Debtors reviewed their organizational, operational, and financial history in order to determine the substantive consolidation structure that best meets the application of the existing case law governing substantive consolidation. This Plan is a result of that thorough analysis, which revealed that significant creditors conducted business (including extending credit) to the Debtors as consolidated entities, while other creditors extended credit to a single entity. The factors supporting substantive consolidation are satisfied. The *Owens Corning* court and courts in this Circuit applying the *Owens Corning* approach have specifically found that entanglement among affiliated debtors provides a basis for substantive consolidation, when, as here, creditors disregarded entity separateness and separating debtor entities would harm creditors.

4.03.2.c: The Effects of Substantive Consolidation

Substantive consolidation of the estates of multiple debtors in a bankruptcy case effectively combines the assets and liabilities of the multiple debtors for certain purposes. The effect of substantive consolidation is the pooling of the assets of, and claims against, consolidated debtors, satisfying liabilities from a common fund and combining the creditors of consolidated debtors without duplication for purposes of voting on the plan.

The Plan serves as a motion of the Debtors seeking entry of a Bankruptcy Court order approving the substantive consolidation of the Debtors and their Estates. ~~Unless an~~If no written objections to the deemed substantive consolidation ~~is made in writing by any creditor affected by the Plan on or before the date and time~~requested in the Plan are timely filed by the deadline fixed by the Bankruptcy Court for the

filing of objections to the Confirmation of the Plan, theor if such objections are overruled by the Bankruptcy Court, the deemed substantive consolidation proposed by the Plan may be approved by the Bankruptcy Court at the Confirmation Hearing.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to sections 105(a) and 1123(a)(5)(C) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of the Estates of the Debtors for the purposes of Confirmation and Consummation of the Plan, including, without limitation, for purposes of voting, Confirmation, and Distributions on Allowed Claims.

On and after the Effective Date, pursuant to the Plan and Confirmation Order, (i) all assets and liabilities of the Debtors shall be treated as though they were merged solely for purposes of implementation and consummation of the Plan; (ii) no Distribution or other payments shall be made under the Plan on account of any Intercompany Claims; (iii) for all purposes associated with confirmation of the Plan, including, without limitation, for purposes of tallying votes on the Plan, the Estates of the Debtors shall be deemed to be one consolidated Estate; (iv) each and every Claim filed or to be filed in the Chapter 11 Cases of the Debtors shall be deemed filed against the substantively consolidated Debtors, and shall be Claims against and obligations of the substantively consolidated Debtors; (v) to the extent any holder of a Claim filed substantially similar claims against more than one of the Debtors based upon the same transaction, act or omission, such Creditor shall be deemed to have one (1) Claim against the dDebtor GCG Opco (Case No. 20-50133) for voting and purposes of implementing Distributions, and duplicative Claims Filed or Scheduled in the Chapter 11 Case of any other Debtor shall be deemed disallowed and expunged from the Claims Register maintained in the Chapter 11 Cases; (vi) to the extent any holder of a Claim filed more than one (1) Claim against one or more of the Debtors based upon different transactions, acts or omissions, such claims shall be aggregated, and such creditor shall be deemed to have only one (1) Claim in the aggregate amount of the filed claims for voting and purposes of implementing Distributions; and (vii) any guaranty by one or more of the Debtors of the obligations of another Debtor will be eliminated and any claim filed against one or more of the Debtors based upon any guaranty shall be deemed disallowed and expunged from the Claims Register maintained in the Chapter 11 Cases. Substantive consolidation pursuant to the Plan and the Confirmation Order and/or other Final Order of the Bankruptcy Court, shall not affect: (w) the legal and organizational structure of the Debtors; (x) guarantees, liens, and security interests that are required to be maintained (i) under the Bankruptcy Code, or (ii) pursuant to the Plan; (y) distributions from any Insurance Policies or proceeds of such policies or rights to coverage under any such Insurance Policies; or (z) the dissolution of any of the Debtors after the Effective Date in accordance with the authority and discretion of the Plan Administrator as provided in the Plan and Wind-Down Trust Agreement.

4.03.2.d: Reservation of Rights

The Debtors reserve the right at any time up to the conclusion of the Confirmation Hearing to withdraw their request for substantive consolidation of these Chapter 11 Cases, to seek Confirmation of the Plan as if there were no substantive consolidation, and to seek Confirmation of the Plan with respect to one Debtor even if Confirmation with respect to the other Debtors is denied; *provided, however*, that in the event that the Debtors do opt to pursue Confirmation of the Plan for the Debtors and their Estates on a non-consolidated or partially-consolidated basis, all rights of the UCC and other parties in interest that may be adversely affected thereby to object to Confirmation on such terms are fully reserved. Further, nothing in this Section 4.03.2 of the Disclosure Statement is intended to, or shall, (a) constitute an admission with respect to any Claim or Retained Cause of Action, (b) in any way prejudice the ability of the Debtors or the Plan Administrator, as applicable, to object to any Claim or pursue any Cause of

Action, or (c) otherwise prejudice any rights or objections of the Debtors, MGG, the UCC or any other Entity in connection with the Debtors' request for substantive consolidation.

~~As set forth in the UCC Position Statement, the UCC disputes certain aspects of the Debtors' narrative concerning the matters addressed in this Section 4.03.2.~~

Section 4.03.3~~:~~ The Plan Administrator and the Wind-Down Trust

The Plan Administrator shall be jointly selected by the Debtors and the UCC in accordance with the procedures agreed to by the Mediation Settling Parties in the Mediation, Settlement Term Sheet, in which case, the Plan Administrator's identity, affiliation and general compensation terms shall be disclosed in the Plan Supplement; *provided, however*, that absent agreement of the Debtors and the UCC, the Plan Administrator shall be selected by the ~~Debtors, in consultation with the UCC and MGG, and shall be identified~~Bankruptcy Court from among the candidate names submitted by the Debtors ~~in~~and the UCC, with the identity and affiliation of the Plan ~~Supplement~~Administrator to be disclosed at the Confirmation Hearing or as soon thereafter as is practicable. At the Confirmation Hearing, the Bankruptcy Court shall consider and, if appropriate, ratify the selection of the Plan Administrator. Following the Effective Date, the Plan Administrator shall also be, and shall enjoy the powers of, the Debtors' authorized representative pursuant to Section 1123 of the Bankruptcy Code and other applicable law for all purposes, including, without limitation, all Retained Causes of Action. No further proof of such power shall be necessary or required.

On the Effective Date~~,~~: (a) the Plan Administrator shall sign the Wind-Down Trust Agreement and, in ~~its~~such capacity ~~as the Plan Administrator~~, accept all Wind-Down Trust Assets on behalf of the Beneficiaries thereof~~, and~~; (b) the Plan Administrator, subject to the direction of the Advisory Committee, shall be authorized to obtain, collect, seek the turnover of, liquidate, and ~~collect all of~~/or abandon the Wind-Down Trust Assets ~~not in its possession or control and to prosecute~~, including the Retained Causes of Action, in accordance with the terms of the Plan, the Wind-Down Trust Agreement and the Confirmation Order. The Wind-Down Trust will then be created and effective without any further action by the Bankruptcy Court or any Person as of the Effective Date. The Wind-Down Trust shall be established for the primary purpose of prosecuting the Retained Causes of Action, collecting and liquidating the Wind-Down Trust Assets, collecting and monetizing the Estate Recoveries and making Distributions in accordance with this Plan and the Wind-Down Trust Agreement, with no objective to continue or engage in the conduct of a trade or business, except only in the event and to the extent necessary to, and consistent with, the liquidating purpose of the Wind-Down Trust.

The Wind-Down Trust ~~shall be vested with all powers and authority set forth in the Plan and~~Assets shall be assigned, transferred, and vested in the Wind-Down Trust ~~Agreement. For the purpose of assisting the Plan Administrator in administering the Wind-Down Trust and otherwise implementing the Plan, the Advisory Committee shall be created on~~upon the Effective Date~~. The Advisory Committee shall exercise such rights and duties as are set forth in~~ free and clear of all Claims and Liens; *provided, however*, that, subject to the terms of the Plan ~~and in~~, the Wind-Down Trust Agreement~~.~~, and the Confirmation Order, as applicable and at the direction of the Advisory Committee, the Plan Administrator may abandon or otherwise not accept any assets of the Debtors or their Estates that if accepted into the Wind-Down Trust would be Wind-Down Trust Assets that the Plan Administrator believes, in good faith, to have no value to, or will be unduly burdensome to the Wind-Down Trust.

The Plan Administrator shall have, and enjoy the powers of, the Debtors' exclusive authorized representative for all purposes ~~and~~ in connection with the Wind-Down Trust and the Wind-Down Trust Assets. The Plan Administrator, subject to direction by the Advisory Committee, in accordance with the

terms of the Plan, the Wind-Down Trust Agreement and the Confirmation Order, shall have the power and authority to perform the acts described in the Wind-Down Trust Agreement (subject to approval by the Bankruptcy Court where applicable) and the MGG Settlement Agreement, in addition to any powers granted by law or conferred to it by any other provision of the Plan.

Section 4.03.4 Dissolution of the Debtors; Deemed Resignations

Immediately after the Effective Date, the Plan Administrator shall be authorized to take, in his, her or its sole and absolute discretion, all actions reasonably necessary to dissolve one or more of the Debtors under applicable laws, including under the laws of the jurisdictions in which they may be organized or registered, and to pay all reasonable costs and expenses in connection with such dissolutions, including the costs of preparing or filing any necessary paperwork or documentation. Upon the completion of final Distributions, any Debtors that have not been previously dissolved shall be deemed dissolved for all purposes without the necessity for other or further actions to be taken by or on behalf of the Debtors, and the Plan Administrator shall be authorized to file any certificate of cancellation or other documents as may be necessary or desirable to terminate the legal existence of the Debtors.

Additionally, immediately following the Distribution of all of the Debtors' and the Estates' property under the terms of this Plan, on the Effective Date, the Debtors' members, directors, managers, and officers and any remaining employees shall be deemed to have resigned their respective positions.

Section 4.03.5 Cancellation of Existing Securities and Agreements

Except as otherwise specifically provided for in the Plan, on the Effective Date, the DIP Loan Documents, the Prepetition Loan Documents, and any other certificate, Security, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors or giving rise to any Claim against or Interest in the Debtors, shall be canceled, and the Debtors shall not have any obligations thereunder and shall be released therefrom.

Section 4.03.6 Corporate Action

Upon the Effective Date, all actions contemplated under the Plan, regardless of whether taken before, on, or after the Effective Date, shall be deemed authorized and approved in all respects, including selection of the Plan Administrator, and all other actions contemplated under the Plan (whether to occur before, on, or after the Effective Date). All matters provided for in the Plan or deemed necessary or desirable by the Debtors, before, on, or after the Effective Date involving the corporate structure of the Debtors or the Wind-Down Trust, and any corporate action required by the Debtors or the Wind-Down Trust in connection with the Plan or corporate structure of the Debtors or the Wind-Down Trust shall be deemed to have occurred and shall be in effect on the Effective Date, without any requirement of further action by the security holders, directors, managers, or officers of the Debtors or the Plan Administrator. Before, on, or after the Effective Date, the appropriate officers of the Debtors or, the Plan Administrator, as applicable, shall be authorized to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Debtors or the Wind-Down Trust, to the extent not previously authorized by the Bankruptcy Court. The authorizations and approvals contemplated by the Plan shall be effective notwithstanding any requirements under non-bankruptcy law.

Section 4.03.7 Effectuating Documents; Further Transactions

~~On~~Subject to the terms of the Plan, the Wind-Down Trust Agreement and the Confirmation Order, on and after the Effective Date, the Plan Administrator may issue, execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and the instruments issued pursuant to the Plan in the name of and on behalf of the Wind-Down Trust, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

Section 4.03.8 Exemptions from Certain Taxes and Fees

Pursuant to, and to the fullest extent permitted by, section 1146(a) of the Bankruptcy Code, any transfers from the Debtors to the Wind-Down Trust or to any other Person, pursuant to, in contemplation of, or in connection with the Plan (including any transfer pursuant to: (a) the Distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors; or (b) the making, delivery or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan) shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, sales and use tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local government officials or agents shall, and shall be directed to, forgo the collection of any such tax, recordation fee or government assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee or government assessment. The Bankruptcy Court shall retain specific jurisdiction with respect to these matters.

Section 4.03.9 Privileges as to Certain Causes of Action

Effective as of the Effective Date, all Privileges of the Debtors relating to the Wind-Down Assets shall be deemed transferred, assigned, and delivered to the Wind-Down Trust, without waiver or release, and shall vest with the Wind-Down Trust. The Plan Administrator shall hold and be the beneficiary of all such Privileges and is entitled to assert such Privileges. No such Privilege shall be waived by disclosures to the Plan Administrator of the Debtors' documents, information, or communications subject to attorney-client privileges, work product protections or other immunities (including those related to common interest or joint defense with third parties), or protections from disclosure held by the Debtors. The Debtors' Privileges relating to the Wind-Down Trust Assets will remain subject to the rights of third parties under applicable law, including any rights arising from the common interest doctrine, the joint defense doctrine, joint attorney-client representation, or any agreement. Nothing contained herein or in the Confirmation Order, nor any Professional's compliance herewith and therewith, shall constitute a breach of any Privileges of the Debtors. Notwithstanding the foregoing and for the avoidance of doubt, the Privileges transferred to the Wind-Down Trust do not include any privileges of the current and former individual directors or officers of the Debtors, and all of the rights of such directors and officers with respect to such privileged materials, including any materials that may be subject to joint privilege with the Debtors, are hereby preserved.

Section 4.03.10 Preservation of Retained Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to the Plan, (i) the Plan Administrator shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Retained Causes of Action, in each case whether arising before or after the Petition Date, including, but not limited to, any actions specifically enumerated in the Schedule of

Retained Causes of Action and notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan.

~~The~~Subject only to the limitations to the authority as between the Plan Administrator set forth in the Plan and in the Wind-Down Trust Agreement, the Plan Administrator (i) may pursue ~~such~~ Retained Causes of Action, as appropriate, in accordance with the best interests of the Wind-Down Trust~~. The Plan Administrator~~, (ii) shall retain and may exclusively enforce any and all such Retained Causes of Action~~. The Plan Administrator~~, and (iii) shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any ~~such~~ Retained Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Retained Cause of Action against it as any indication that the Plan Administrator will not pursue any and all available Retained Causes of Action against it, except as otherwise expressly provided in the Plan. Unless any such Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Final Order, the Plan Administrator expressly reserves all such Retained Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Retained Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

Section 4.04 Settlement, Release, Injunction and Related Provisions

Section 4.04.1 Settlement, Compromise and Release of Claims and Interests

Pursuant to, and to the maximum extent provided by, section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the Distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, compromise, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims ~~resolved or compromised after the Effective Date by the Plan Administrator~~or Claims against multiple Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by current or former employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim or Proof of Interest based upon such debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. The Confirmation Order shall be a judicial determination of the settlement, compromise, and release of all Claims and Interests subject to the occurrence of the Effective Date.

Section 4.04.2 Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall be fully released, and all of the rights, title and interest of any Holder of such mortgages, deeds of trust, Liens, pledges or other security interests shall revert to the Wind-Down Trust and its successors and assigns.

Section 4.04.3 Debtor Release

Effective as of the Effective Date, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, including the service of the Released Parties to facilitate the administration of the Chapter 11 Cases, to maximize the value of the Estates and to implement the restructuring and orderly liquidation contemplated by the Plan, the adequacy of which is hereby confirmed, on and after the Effective Date each Released Party is deemed released by each and all of the Debtors, their Estates, and the Wind-Down Trust, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of any of the Debtors, their Estates, or the Wind-Down Trust, as applicable, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, their Estates, or the Wind-Down Trust, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Prepetition Loan Documents, the Prepetition Facility, the Convertible Debenture Financings, the DIP Loan Documents, the Sale Transaction, entry into the Asset Purchase Agreement, entry into the DIP Loan Documents, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Disclosure Statement, DIP Loan Facility, the Sale Transaction, the Asset Purchase Agreement, the Plan, the Plan Supplement, or any contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the DIP Loan Facility, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the pursuit of the Sale Transaction, the administration and implementation of the Plan, including the issuance or Distribution of securities pursuant to the Plan, or the Distribution or payment of property under the Plan or any other related agreement (including, for the avoidance of doubt, providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion), or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any liabilities or obligations of the Purchaser or any other Entity arising under the Asset Purchase Agreement, the Sale Order, or any other Sale Document, in each

case that have survived the Sale Closing, (2) any claim or Cause of Action transferred or assigned to Purchaser under the Asset Purchase Agreement or any other Sale Document, (3) any Retained Cause of Action identified on the Schedule of Retained Causes of Action as against a Person identified therein as the target of such Retained Cause of Action, (4) any liabilities or obligations of the MGG ~~or the Purchaser~~Parties under the MGG Settlement Agreement~~, or~~ (5) any post-Effective Date obligations of any Entity arising under or relating to the Plan, or any document, instrument, or agreement (including any documents set forth in the Plan Supplement, as applicable) executed to implement the Plan, or (6) any Lookback D&O with respect to any Lookback D&O Action that is commenced by the Plan Administrator on or before the Lookback D&O Action Deadline.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each Debtor Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties, (2) a good-faith settlement and compromise of such Claims; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors, their respective Estates, or the Wind-Down Trust asserting any claim, Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

Section 4.04.4Third-Party Release

Effective as of the Effective Date, in exchange for good and valuable consideration, including the service of the Released Parties to facilitate the administration of the Chapter 11 Cases, to maximize the value of the Estates and to implement the restructuring and orderly liquidating contemplated by the Plan, the adequacy of which is hereby confirmed, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, on and after the Effective Date each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released each Released Party from any and all claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the DIP Loan Documents, the Prepetition Loan Documents, Prepetition Facility, the Convertible Debenture Financings, the Sale Transaction, entry into the Asset Purchase Agreement or any other Sale Document, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Disclosure Statement, the DIP Loan Facility, the Sale Transaction, the Asset Purchase Agreement, any other Sale Document, the Plan, the Plan Supplement, or any contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the DIP Loan Facility, the Sale Transaction or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the pursuit of the Sale Transaction, the administration and implementation of the Plan, including the issuance or Distribution of securities pursuant to the Plan, or the Distribution or payment of property under the Plan or any other

related agreement (including, for the avoidance of doubt, providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion), or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (1) any liabilities or obligations of the Purchaser or any other Entity arising under the Asset Purchase Agreement, the Sale Order, or any other Sale Document, in each case that have survived the Sale Closing, (2) any claim or Cause of Action transferred or assigned to Purchaser under the Asset Purchase Agreement or any other Sale Document, (3) any Retained Cause of Action identified on the Schedule of Retained Causes of Action as against a Person identified therein as the target of such Retained Cause of Action, (4) any liabilities or obligations of MGG or the Purchaser under the MGG Settlement Agreement, ~~or~~ (5) any post-Effective Date obligations of any Entity arising under or relating to the Plan, or any document, instrument, or agreement (including any documents set forth in the Plan Supplement, as applicable) executed to implement the Plan, or (6) any Lookback D&O with respect to any Lookback D&O Action that is commenced by the Plan Administrator on or before the Lookback D&O Action Deadline.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each Third-Party Release is: (1) in exchange for the good and valuable consideration provided by the Released Parties, (2) a good-faith settlement and compromise of such Claims; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors, their respective Estates, or the Wind-Down Trust asserting any claim, Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

Section 4.04.5Exculpation

Effective as of the Effective Date, to the fullest extent permissible under applicable law and without affecting or limiting either the Debtor Release or the Third-Party Release, and except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby exculpated from, any Cause of Action ~~for any claim~~arising from or relat~~ed~~ing to any act or omission occurring on or after January 24, 2020, based on the negotiation, execution, and implementation of any transactions approved by the Bankruptcy Court in the Chapter 11 Cases, including the Asset Purchase Agreement, the DIP Loan Documents, the Disclosure Statement, the Plan, the Plan Supplement, the Confirmation Order, or any contract, instrument, release, or other agreement or document contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order, or created or entered into in connection with the Asset Purchase Agreement, the DIP Loan Documents, the Disclosure Statement, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the pursuit of the Sale Transaction, the administration and implementation of the Plan, including the issuance of any securities pursuant to the Plan or the Distribution or payment of property under the Plan or any other related agreement, and the implementation of any transaction contemplated by the Plan (including, for the avoidance of doubt, providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document,

or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion), or any other postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors, except for claims related to any act or omission that is determined by Final Order to have constituted actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes on, and Distribution or payment of consideration pursuant to, the Plan and, therefore, are not, and on account of such Distributions and payments shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such Distributions and other payments made pursuant to the Plan. Notwithstanding anything to the contrary in the foregoing, the Plan does not release (1) any liabilities or obligations of the Purchaser or any other Entity arising under the Asset Purchase Agreement, the Sale Order, or any other Sale Document, in each case that have survived the Sale Closing, (2) any claim or Cause of Action transferred or assigned to Purchaser under the Asset Purchase Agreement or any other Sale Document, (3) any Retained Cause of Action identified on the Schedule of Retained Causes of Action as against a Person identified therein as the target of such Retained Cause of Action, (4) any liabilities or obligations of any MGG ~~or the Purchaser~~Party under the MGG Settlement Agreement, or (5) any post-Effective Date obligations of any Entity arising under or relating to the Plan, or any document, instrument, or agreement (including any documents set forth in the Plan Supplement, as applicable) executed to implement the Plan.

Section 4.04.6Injunction

Effective as of the Effective Date, to the fullest extent permissible under sections 524 and 1141 of the Bankruptcy Code and other applicable law, and except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims or Interests that have been released pursuant to the Plan, released pursuant to the Debtor Release, the Third-Party Release, or another provision of the Plan, or are subject to exculpation pursuant to the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Wind-Down Trust, the Exculpated Parties, or the Released Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind, against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan.

Upon entry of the Confirmation Order, all Holders of Claims and Interests and their respective current and former employees, agents, officers, directors, principals, and direct and indirect affiliates shall be enjoined from taking any actions to interfere with the implementation or Consummation of the Plan. Each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, Distributions under or pursuant to the Plan, shall be deemed to have consented to the injunction provisions set forth in the Plan.

Section 4.04.7 Protection Against Discriminatory Treatment

To the maximum extent provided by section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Debtors, the Wind-Down Trust or Plan Administrator, as applicable, or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Debtors, the Wind-Down Trust or the Plan Administrator, as applicable, or another Entity with whom the Debtors, the Wind-Down Trust or the Plan Administrator, as applicable, has been associated, solely because a Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is subject to compromise or administration in the Chapter 11 Cases.

Section 4.04.8 Document Retention

On and after the Effective Date, the Plan Administrator may maintain documents in accordance with the Debtors' standard document retention policy, as may be altered, amended, modified, or supplemented by the Plan Administrator.

Section 4.04.9 Term of Injunction or Stays

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect on and following the Effective Date in accordance with their terms.

Section 4.04.10 Subordination Rights

The classification and manner of satisfying all Claims and Interests under the Plan take into consideration all subordination rights, whether arising under general principles of equitable subordination, contract, section 510(c) of the Bankruptcy Code, or otherwise, that a Holder of a Claim or Interest may have against other Claim or Interest Holders with respect to any Distribution made pursuant to the Plan. Except as provided in the Plan, all subordination rights that a Holder of a Claim may have with respect to any Distribution to be made pursuant to the Plan shall be terminated, and all actions related to the enforcement of such subordination rights shall be permanently enjoined.

Pursuant to Bankruptcy Rule 9019 and in consideration for the Distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all claims or controversies relating to the subordination rights that a Holder of a Claim may have with respect to any Allowed Claim, any Distribution to be made pursuant to the Plan on account of any Allowed Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies

and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtors, the Estates, their respective property, and Holders of Claims and Interests and is fair, equitable, and reasonable.

~~Section 4.04.11: UCC's Objections to Debtor Releases and Third-Party Releases~~

~~At the request of the UCC, the Debtors acknowledge that the UCC objects to the Debtor Releases and Third-Party Releases contained in the Plan. Further information concerning the UCC's objections to the foregoing release provisions is contained in the UCC Position Statement.~~

Section 4.05 Conditions Precedent to the Effective Date

Section 4.05.1 Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of the Plan:

a. The Bankruptcy Court shall have entered the Confirmation Order, and such order shall ~~not have been stayed, modified, or vacated on appeal~~be a Final Order;

b. The Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan;

c. The Professional Fee Escrow Account shall have been established and funded with the Professional Fee Escrow Amount;

d. Except for the occurrence of the Effective Date itself, all actions necessary to the appointment of the Plan Administrator and the establishment of the Wind-Down Trust shall have occurred; and

e. The MGG Settlement shall have been approved by Final Order.

Section 4.05.2 Waiver of Conditions

The conditions to Consummation set forth in the Plan may be waived ~~by the Debtors~~ as follows: (i) the condition to Consummation set forth in Article IX.A.1 of the Plan may be waived by the Debtors, after consultation with the UCC, but only if the condition to Consummation set forth in Article IX.A.5 of the Plan has also been satisfied or waived in accordance with the terms of the MGG Settlement Agreement; (ii) the conditions to Consummation set forth in Articles IX.A.2 through IX.A.4 of the Plan, may be waived by the Debtors, after consultation with the UCC; and (iii) the condition to Consummation set forth in Article IX.A.5 of the Plan may be waived by the Debtors after consultation with the UCC, but only with the consent of MGG. Such waivers of the conditions to Consummation shall be effective without notice, leave, or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate the Plan.

Section 4.05.3 Substantial Consummation

The "substantial consummation" of the Plan, as defined in section 1101(2) of the Bankruptcy Code, with respect to any of the Debtors, shall be deemed to occur on the Effective Date.

Section 4.05.4 Effect of Failure of Conditions

If the Effective Date of the Plan does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by the Debtors, any Holders, or any other Entity; (2) prejudice in any manner the rights of the Debtors, any Holders, or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any Holders, or any other Entity in any respect.

SECTION 5: STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

The following is a brief summary of the confirmation process. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult their own advisors with respect to the summary provided in the Disclosure Statement.

Section 5.01 The Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires a bankruptcy court, after notice, to conduct a hearing to consider confirmation of a chapter 11 plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of the Plan. **The Bankruptcy Court has scheduled the Confirmation Hearing for ~~[~~November 9, 2020, at ~~__:__0__.m~~1:00 p.m. (prevailing Eastern Time)~~]~~.** The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or the filing of a notice of such adjournment served in accordance with the Disclosure Statement Orders. Any objection to the Plan must: (1) be in writing; (2) conform to the Bankruptcy Rules and the Local Rules for the United States Bankruptcy Court for the Eastern District of Kentucky; (3) state the name, address, phone number, and e-mail address of the objecting party and the amount and nature of the Claim or Interest of such entity, if any; (4) state with particularity the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and (5) be filed with the Bankruptcy Court and served so that it is actually received by the notice parties as required by the Disclosure Statement Orders no later than the deadline for filing objections to the Plan set forth in the Disclosure Statement Orders. **Unless an objection to the Plan is timely served and filed, it may not be considered by the Bankruptcy Court**.

Section 5.02 Confirmation Standards

Section 5.02.1 Requirements for Confirmation of the Plan

Among the requirements for Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code are: (1) the Plan is accepted by all Impaired Classes of Claims or Interests, or if rejected by an Impaired Class, the Plan "does not discriminate unfairly" and is "fair and equitable" as to the rejecting Impaired Class; (2) the Plan is feasible; and (3) the Plan is in the "best interests" of holders of Claims or Interests.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies all of the requirements of section 1129 of the Bankruptcy Code. The Debtors believe that: (1) the Plan satisfies, or will satisfy, all of the necessary statutory requirements of chapter 11 for plan confirmation; (2) the Debtors have complied, or will have complied, with all of the necessary requirements of chapter 11 for plan confirmation; and (3) the Plan has been proposed in good faith.

Section 5.02.2 The Debtors' Releases, Third-Party Releases, Exculpation and Injunction Provisions

Article VIII.C of the Plan provides for releases of certain claims and Causes of Action the Debtors may hold against the Released Parties (the "Debtor Release").

The Debtor Release, however, is subject to several qualifications as set forth in Article VIII.C of the Plan. Specifically, the Debtor Release does not release (1) any liabilities or obligations of the Purchaser or any other Entity arising under the Asset Purchase Agreement, the Sale Order, or any other Sale Document, in each case that have survived the Sale Closing, (2) any claim or Cause of Action transferred or assigned to Purchaser under the Asset Purchase Agreement or any other Sale Document, (3) any Retained Cause of Action identified on the Schedule of Retained Causes of Action as against a Person identified therein as the target of such Retained Cause of Action, (4) any liabilities or obligations of the MGG Parties under the MGG Settlement Agreement, (5) any post-Effective Date obligations of any Entity arising under or relating to the Plan, or any document, instrument, or agreement (including any documents set forth in the Plan Supplement, as applicable) executed to implement the Plan, or (6) any Lookback D&O with respect to any Lookback D&O Action that is commenced by the Plan Administrator on or before the Lookback D&O Action Deadline. Accordingly, no Debtor Potentially Released Parties are released until at least 121 days after the Effective Date (and will not be released as to Lookback D&O Actions commenced by the Plan Administrator prior to the Lookback D&O Action Deadline).

The "Released Parties" consist of: (a) the Debtors Related Potentially Released Parties; and (b) the Non-Debtor Potentially Released Parties; *provided* that any of the foregoing Persons that opts out of the Third Party Releases pursuant to the procedures approved in the Disclosure Statement Orders shall not be a "Released Party"; *provided further* that notwithstanding anything to the contrary in the Plan, no Non-Released Party shall be a Released Party. The "Debtor Related Potentially Released Parties," in turn, aremeans, individually and collectively: (a) the Debtors; and (b) Gary Broadbent, in his capacity as Chief Wind-Down Officer, General Counsel and Secretary for the Debtors; (c) James Alt, in his capacity as the Debtors' Chief Transformation Officer; (d) Marc Passalacqua, in his capacity as the Debtors' Deputy Chief Transformation Officer; and (e) with respect to each Debtor, such Debtor's current and former officers, directors, managers, employees, and Professionals, in each instance only if such Person served in such capacity on or after January 24, 2020. And, the "Non-Debtor Potentially Released Parties" are: (a) MGG; (b) the Prepetition Secured Parties; (c) the DIP Secured Parties; (d) the Purchaser; (e) with respect to each of the foregoing clauses (a) through (d), such Person's current and former Affiliates, excluding any Affiliate that is a Debtor Related Potentially Released Party; and (f) with respect to each of the foregoing clauses (a) through (e), each such Person's respective Related Persons, excluding in each instance any Person who is a Debtor Related Potentially Released Party.

Article VIII.D of the Plan provides for releases of certain claims and Causes of Action that holders of Claims or Interests may hold against the Released Parties in exchange for the good and valuable consideration and the valuable compromises made by the Released Parties (the "Third-Party Release"). The holders of Claims and Interests who are may be "Releasing Parties" that are releasing certain claims and Causes of Action against non-Debtors under the Third Party Release include: (a) the Prepetition Lenders; (b) the DIP Lenders; (c) the Prepetition Agent; (d) the DIP Agent; (e) MGG; (f) the Purchaser; (g) all Holders of Claims that vote to accept the Plan; (h) all Holders of Claims that are deemed to accept the Plan but do not affirmatively elect to "opt outopt-out" of the Third-Party Release pursuant to the procedures approved in the Disclosure Statement Orders; (ih) all Holders of Claims that vote to accept the plan, vote to reject the Plan or do not vote to accept or reject the Plan but, in eitherany case, do not affirmatively elect to "opt out" of the Third-Party Release pursuant to the "opt out" procedures approved in the Disclosure Statement Orders; (ji) all Holders of Claims or Interests that are deemed to reject the Plan that do not affirmatively elect to "opt out" of the Third-Party Release pursuant to the "opt out procedures approved in the Disclosure Statement Orders; and (kj) with respect to each of

the Debtors and each of the foregoing Entities in clauses (a) through (~~j~~i), each such Entity and its respective Related Persons, each in their capacity as such, individually and collectively.

Article VIII.E of the Plan provides for the exculpation of each Exculpated Party for certain acts or omissions taken in connection with these chapter 11 cases. The released and exculpated claims are limited to those Claims or Causes of Action based on, relating to or arising out of the negotiation, execution, and implementation of any transactions approved by the Bankruptcy Court in the Chapter 11 Cases, including the Asset Purchase Agreement, the DIP Loan Documents, the Disclosure Statement, the Plan, the Plan Supplement, the Confirmation Order, or any contract, instrument, release, or other agreement or document contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order, or created or entered into in connection with the Asset Purchase Agreement, the DIP Loan Documents, the Disclosure Statement, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the pursuit of the Sale Transaction or the administration and implementation of the Plan.

The "Exculpated Parties" are: (a) the Debtors; (b) the UCC and each of the members thereof (solely in their respective capacities as members of the UCC); (c) Gary Broadbent, in his capacity as the Debtors' Chief Wind-Down Officer, General Counsel and Secretary; (d) James Alt, in his capacity as the Debtors' Chief Transformation Officer; (~~d~~e) Marc Passalacqua, in his capacity as the Debtors Deputy Chief Transformation Officer; (e) ~~Huron Consulting Group LLC; (f)~~ the Debtors' respective directors, officers and managers who served in such capacity on or after January 24, 2020; (~~g~~f) the Professionals; (~~h~~g) MGG; (~~i~~h) the Purchaser; (~~j~~i) the Prepetition Secured Parties, in their respective capacities as such; (~~k~~j) the DIP Secured Parties, in their respective capacities as such; and (~~l~~k) with respect to the Persons identified in clauses (a) through (~~k~~j), each of their respective Related Persons. Notwithstanding anything to the contrary in the Plan, no Person that qualifies as a Non-Released Party pursuant to clause (a) or (b) of the definition of "Non-Released Party" shall be an Exculpated Party.

Article VIII.F of the Plan permanently enjoins Entities who have held, hold, or may hold Claims, Interests, or Liens that have been discharged or released pursuant to the Plan or are subject to exculpation pursuant to the Plan from asserting such Claims, Interests, or Liens against the Debtors, the Wind-Down Trust, the Exculpated Parties, and the Released Parties.

The Plan provides that all holders of Claims or Interests who are entitled to vote on the Plan who vote to accept the Plan will be granting the Third-Party Release of any claims or rights they have or may have as against many individuals and Entities. In addition, certain other holders of Claims or Interests identified in the definition of "Releasing Parties" will be granting a release of any claims or rights they have or may have as against many individuals and Entities, unless such holders "opt out" of such release on their Ballot or Election Form, as applicable.

The Third-Party Release includes any and all claims that such holders may have against the Released Parties, which in any way relate to the Debtors, their operations either before or after these chapter 11 cases began, any securities of the Debtors, whether purchased or sold, including sales or purchases which have been rescinded, and any transaction that these Released Parties had with the Debtors.

Debtors are authorized to settle or release their claims in a chapter 11 plan. *See In re Adelphia Commc'ns Corp.*, 368 B.R. 140, 263 n.289, 269 (Bankr. S.D.N.Y. 2007) (debtor may release its own claims); *In re FirstEnergy Solutions Corp.*, No. 18-50757 (AMK) (Bankr. N.D. Ohio, Oct. 16, 2019) (confirming plan of reorganization including a debtor release). Under applicable Sixth Circuit precedent, a trustee in bankruptcy has the authority to seek a settlement of claims available to the debtor, but any proposed settlement is subject to the approval of the bankruptcy court, which enjoys "significant

discretion." *See In re Rankin*, 438 Fed. Appx. 420, 426 (6th Cir. 2011) ("The bankruptcy court has significant discretion to approve such a proposed settlement by virtue of Bankruptcy Rule 9019(a)"). Further, under the Sixth Circuit, a bankruptcy court is likely to approve a plan settlement, analyzed under Bankruptcy Rule 9019, unless the proposed settlement falls below the "lowest point in the range of reasonableness." *In re Junk*, 566 B.R. 897, 912 (Bankr. S.D. Ohio 2017); *Bell & Beckwith*, 87 B.R. 476, 479 (N.D. Ohio 1988).

Additionally, in the Sixth Circuit and certain other jurisdictions, consensual third party releases are permissible. *See Flake v. Schrader-Bridgeport Intern., Inc.*, 538 Fed. Appx. 604, 613 (6th Cir. 2013) (upholding a consensual third party release and explaining that "§ 524(e) . . . limits the effects of a bankruptcy discharge, but does not bar parties from settling their claims, even if that settlement affects the rights of third parties."); *In re Coram Healthcare Corp.*, 315 B.R. 321, 336 (Bankr. D. Del. 2004) ("[A] Plan is a contract that may bind those who vote in favor of it. . . . Therefore, to the extent creditors or shareholders voted in favor of the Trustee's Plan, which provides for the release of claims they may have against the Noteholders, they are bound by that."); *In re Arrowmill Development Corp.*, 211 B.R. 497, 506 (Bankr. D. N.J. 1997) ("When a release of liability of a nondebtor is a consensual provision, however, agreed to by the effected creditor, it is no different from any other settlement or contract and does not implicate 11 U.S.C. § 524(e). . . . These settlements by their voluntary nature, serve the interests of all parties involved by promoting reorganization without unfairly burdening other creditors."); *Matter of Specialty Equipment Companies, Inc.*, 3 F.3d 1043, 1047 (7th Cir. 1993) ("[S]ection 524(e) . . . does not purport to limit or restrain the power of the bankruptcy court to otherwise grant a release to a third party. . . . Accordingly, courts have found releases that are consensual and non-coercive to be in accord with the strictures of the Bankruptcy Code."); *In re Monroe Well Service, Inc.*, 80 B.R. 324, 334-35 (Bankr. E.D. Pa. 1987) (holding that consensual third party releases are not prohibited by the Code); Collier on Bankruptcy (16th 2019) ("[M]any courts, including those that have rejected releases of objecting creditors' third party claims, have suggested that consensual releases are permissible." (citing *In re Arrowmill Dev. Corp.*, 211 B.R. 497 (Bankr. D. N.J. July 24, 1997) (consensual releases can be enforced like any other settlement); *In re West Coast Video Enters., Inc.*, 174 B.R. 906 (Bankr. E.D. Pa. 1994) (creditors can individually affirm release of nondebtor parties); *In re 222 Liberty Assocs.*, 108 B.R. 971, 996 (Bankr. E.D. Pa. 1990) (plans that permit creditor to make individual decision to release claims against nondebtor parties are permissible); *In re Monroe Well Serv., Inc.*, 80 B.R. 324 (Bankr. E.D. Pa. 1987) (consensual release of nondebtor parties that helped to fund plan permitted))).

Finally, exculpation provisions that extend to prepetition conduct and cover non-estate fiduciaries are regularly approved. *See, e.g.*, *Oneida*, 351 B.R. at 94, n.22 (considering an exculpation provision covering a number of prepetition actors with respect to certain prepetition actions, as well as postpetition activity). A bankruptcy court has the power to approve an exculpation provision in a chapter 11 plan because a bankruptcy court cannot confirm a chapter 11 plan unless it finds that the plan has been proposed in good faith. *See* 11 U.S.C. § 1129(a)(3); *In re Michael Day Enterprises, Inc.*, No. 09-55159, 2010 WL 4917611, at *11 (Bankr. N.D. Ohio Aug. 13, 2010) (approving the exculpation provisions contained in the debtors' plan where such provisions viewed by the court as "fair and equitable," "given for valuable consideration," and "in the best interests of the [debtors' estate]."). In approving these provisions, courts consider a number of factors, including whether the beneficiaries of the exculpation have participated in good faith in negotiating the plan and bringing it to fruition, and whether the provision is integral to the plan. *See In re Bearing Point, Inc.*, 435 B.R. 486, 494 (Bankr. S.D.N.Y. 2011) ("Exculpation provisions are included so frequently in chapter 11 plans because stakeholders all too often blame others for failures to get recoveries they desire; seek vengeance against other parties, or simply wish to second guess the decision makers.").

~~At the request of the UCC, the Debtors acknowledge that the UCC objects to the Debtor Releases and Third-Party Releases contained in the Plan. Further information concerning the UCC's objections to the foregoing release provisions is contained in the UCC Position Statement.~~

Section 5.02.3 Best Interests Test

5.02.3.a: Explanation of the Best Interests Test

Pursuant to section 1129(a)(7) of the Bankruptcy Code, Confirmation of the Plan requires that, with respect to each Class of Impaired Claims or Interests, each Holder of a Claim or Interest in such Class either (a) accepts the Plan or (b) receives or retains under the Plan on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain if the Debtors were liquidated on such date under chapter 7 of the Bankruptcy Code (this latter clause is known as the "Best Interests Test").

To determine the probable distribution to Holders of Claims and Interests in each Impaired Class if the Debtors were liquidated under chapter 7 of the Bankruptcy Code, the Bankruptcy Court must determine the dollar amount that would be generated from the liquidation of the Debtors' assets and properties in the context of a chapter 7 liquidation.

The Debtors' chapter 7 liquidation value would consist primarily of the unencumbered and unrestricted cash held by the Debtors at the time of the conversion to a chapter 7 liquidation, the proceeds resulting from the sale of the Debtors' remaining unencumbered assets and properties by a chapter 7 trustee and Causes of Action other than those that are expressly waived, relinquished, exculpated, released, compromised or settled. The gross cash available for distribution would be reduced by the costs and expenses of the chapter 7 liquidation and any additional Administrative Claims that might arise as a result of the chapter 7 cases. Costs and expenses incurred as a result of the chapter 7 liquidation would include, among other things, the fees payable to a trustee in bankruptcy and the fees payable to attorneys and other professionals engaged by such trustee. Additional Administrative Claims could arise by reason of, among other things, the breach or rejection of obligations incurred and leases and executory contracts assumed or entered into by the Debtors during the pendency of these chapter 11 cases. Such Administrative Claims and any other Administrative Claims that might arise in a liquidation case or result from these chapter 11 cases, such as compensation for attorneys, financial advisors and accountants, would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay prepetition Claims.

To determine if the Plan is in the best interests of each Impaired Class, the present value of the distributions from the proceeds of a chapter 7 liquidation of the Debtors' unencumbered assets and properties, after subtracting the amounts attributable to the costs, expenses and Administrative Claims associated with a chapter 7 liquidation, must be compared with the value offered to such Impaired Classes under the Plan. If the hypothetical chapter 7 liquidation distribution to Holders of Claims or Interests in any non-consenting Impaired Class is greater than the distributions to be received by such parties under the Plan, then the Plan is not in the best interests of the Holders of Claims or Interests in such Impaired Class.

5.02.3.b: Liquidation Analysis of the Debtors

Amounts that a Holder of Claims and Interests in Impaired Classes would receive in a hypothetical chapter 7 liquidation are discussed in the liquidation analysis of the Debtors prepared by the

Debtors' management with the assistance of their restructuring advisors, attached to this Disclosure Statement as **Exhibit ~~F~~D** (the "Liquidation Analysis").

As described in the Liquidation Analysis, underlying this analysis is the extensive use of estimates and assumptions that, although considered reasonable by the Debtors' management, are inherently subject to significant business, economic and competitive uncertainties and contingencies beyond the control of the Debtors. The Liquidation Analysis is based on assumptions with regard to liquidation decisions that are subject to change. Actual results may vary materially from the estimates and projections set forth in the Liquidation Analysis.

The Liquidation Analysis was developed solely for purposes of the formulation and negotiation of the Plan and to enable Holders of Claims entitled to vote under the Plan to make an informed judgment about the Plan, and should not be used or relied upon for any other purpose, including the purchase or sale of securities of, or Claims or Interests in, the Debtors or any of their affiliates.

Events and circumstances subsequent to the date on which the Liquidation Analysis was prepared may be different from those assumed, or alternatively, may have been unanticipated, and thus the occurrence of these events may affect financial results in a materially adverse or materially beneficial manner. The Debtors do not intend and do not undertake any obligation to update or otherwise revise the Liquidation Analysis to reflect events or circumstances existing or arising after the date the Liquidation Analysis is initially filed or to reflect the occurrence of unanticipated events. Therefore, the Liquidation Analysis may not be relied upon as a guarantee or other assurance of actual future results.

In deciding whether to vote to accept or reject the Plan, Holders of Claims must make their own determinations as to the reasonableness of any assumptions underlying the Liquidation Analysis and the reliability of the Liquidation Analysis.

~~At the request of the UCC, the Debtors acknowledge that the UCC disputes certain aspects of the Liquidation Analysis. Debtors are informed that the UCC has prepared its own version of a liquidation analysis, which can be found in the UCC Position Statement.~~

5.02.3.c: Application of the Best Interests Test to the Debtors' Plan

Notwithstanding the difficulties in quantifying with precision the recoveries to Holders of Claims and Interests, the Debtors believe that, based on a comparison between the recoveries under the Plan and the Liquidation Analysis, the Debtors' proposed Plan satisfies the requirements of the Best Interests Test. As the Tables set forth in Section 1.03 of this Disclosure Statement indicate, non-consenting members of each Impaired Class will receive more (or no less) under the Plan than they would through a liquidation of the Debtors in a hypothetical chapter 7 case.

Section 5.02.4 Financial Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires, as a condition to confirmation of the Plan, that the Bankruptcy Court find that confirmation is not likely to be followed by the liquidation of the Debtors or the need for further financial reorganization, unless such liquidation or reorganization is contemplated by the Plan.

The ability to make the distributions described in the Plan does not depend on future earnings or operations of the Debtors, but only on the orderly wind down of the Debtors' remaining assets.

Accordingly, the Debtors believe that the Plan is feasible and meets the requirements of section 1129(a)(11) of the Bankruptcy Code.

Section 5.02.5: Acceptance by Impaired Classes

Except as described in Section 5.02.6 below, the Bankruptcy Code requires, as a condition to confirmation of the Plan, that each Impaired Class accept the Plan. A class of claims that is unimpaired under the plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. Under section 1124 of the Bankruptcy Code, a class is impaired under a plan unless (a) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof or (b) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by an impaired class of claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of claims in that class; only those holders that actually vote to accept or reject the plan are counted for purposes of determining whether these dollar and number thresholds are met. Thus, a class of claims will have voted to accept the plan only if two-thirds in amount and a majority in number that actually vote cast their ballots in favor of acceptance. Holders of claims who fail to vote are deemed neither to accept nor to reject the plan.

Section 5.02.6: Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows the Bankruptcy Court to confirm the Plan, provided that the Plan has been accepted by at least one Impaired Class of creditors. Notwithstanding the failure of an Impaired Class to accept the Plan, the Plan will be confirmed in a procedure commonly known as cram-down, so long as the Plan does not "discriminate unfairly" and is "fair and equitable," for the purposes of the Bankruptcy Code, with respect to each Class of Claims or Interests that is Impaired under, and has not accepted, the Plan. Pursuant to Article III.D of the Plan, the Debtors reserve the right to seek confirmation under section 1129(b) of the Bankruptcy Code if necessary.

5.02.6.a: Unfair Discrimination

The Plan does not "discriminate unfairly" for the purposes of section 1129 of the Bankruptcy Code if the Plan gives substantially equivalent treatment to each Class of equal rank; in determining whether a plan discriminates unfairly, courts take into account a number of factors, including the effect of applicable subordination agreements between parties.

5.02.6.b: Fair and Equitable

The condition that the Plan be fair and equitable includes the following requirements as applicable:

(i) With respect to a non-accepting Class of Secured Claims, that: (A) the Holders of such Secured Claims retain the Liens securing such Claims to the extent of the Allowed amount of the Secured Claims, whether the property subject to the liens is retained by the Debtors or transferred to another entity under the Plan and (B) each Holder of a Secured Claim in the Class receive deferred cash payments totaling at least the Allowed amount of such Claim with a present value, as of the Effective

Date, at least equivalent to the value of such Secured Claim Holder's interest in the Debtors' property subject to the Liens.

(ii) With respect to a non-accepting Class of Unsecured Claims, that either: (A) the Plan provide that each Claim Holder in such Class receive or retain, on account of such Claim, property of a value, as of the Effective Date, equal to the Allowed amount of such Claim or (B) no Holder of any Claim or Interest that is junior to the Claims of such Class receive or retain any property under the Plan on account of such junior Claim or Interest.

(iii) With respect to a non-accepting Class of Interests, that either: (A) the Plan provide that each Holder of an Interest in such Class receive or retain under the Plan, on account of such Interest, property of a value, as of the Effective Date, equal to the greater of: (1) the Allowed amount of any fixed liquidation preference to which such Holder is entitled; (2) any fixed redemption price to which such Holder is entitled or (3) the value of such Interest or (B) if the Class does not receive property in the amount required under (A), no Class of Interests junior to the non-accepting Class receive a distribution under the Plan.

5.02.6.c: Confirmation of the Plan Pursuant to Section 1129(b)

The Debtors may seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any Impaired Class presumed to reject the Plan, and reserve the right to do so with respect to any other rejecting Class of Claims, and/or to modify the Plan. Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of confirmation of the Plan by the acceptance of the Plan by at least one Class that is Impaired under the Plan.

The Debtors submit that the Plan does not "discriminate unfairly" for the purposes of section 1129(b) of the Bankruptcy Code because all Classes of equal rank receive substantially equivalent treatment under the Plan.

The Debtors submit that the Plan is "fair and equitable" for the purposes of section 1129(b) of the Bankruptcy Code. As set forth above and in the Plan, the Holders of Claims in Class 1 (Other Priority Claims) are Unimpaired and therefore deemed to have accepted the Plan. The Holders of Claims in Classes 2 (Other Secured Claims) may be technically Impaired under the Plan but are expected to receive payment in full on account of their Allowed Other Secured Claims. The Holders of Claims in Classes 3 (MGG Subordinated Claims) and 4 (Unsecured Claims) are not expected to receive Distributions equal to the Allowed amount of their Claims. Finally, Holders of Claims in Classes 5 (Intercompany Claims) and 6 (Section 510(b) Claims) will receive no Distributions under the Plan. However, no Holders of Claims or Interests junior to these Classes will receive a distribution under the Plan on account of such junior Claims or Interests.

Therefore, the requirements of section 1129(b) of the Bankruptcy Code would be satisfied in the event that the Debtors are required to cram down.

SECTION 6: VOTING PROCEDURES

~~On [_____, 2020], the~~The Bankruptcy Court has entered ~~an~~a series of orders [Docket Nos. 1315, 1391, 1399 and [___]] that, among other things, approv~~ing~~e this Disclosure Statement, approv~~ing~~e procedures for soliciting votes on the Plan, approv~~ing~~e the form of the solicitation documents and various other notices, ~~setting~~set the voting record date, the Voting Deadline and the date of the Confirmation Hearing, and establish~~ing~~ the relevant objection deadlines and procedures associated with

Confirmation of the Plan (such orders, as defined in Appendix 1 to the Plan, the "Disclosure Statement Orders") ~~[Docket No. ___]~~.[24] .[28]

The Disclosure Statement Orders~~, a copy of which (excluding its exhibits) is attached hereto as **Exhibit B**,~~ should be read in conjunction with this Section 6 of this Disclosure Statement.

If you have any questions about: (a) the procedures for voting your Claim or with respect to materials that you have received or (b) the amount of your Claim or Interest, or wish to obtain (at no charge) an additional copy of the Plan, this Disclosure Statement or other solicitation documents, please contact the Balloting Agent as follows:

By U.S. Mail or Courier:	**GenCanna Global USA, Inc.** **c/o Epiq Corporate Restructuring, LLC** **10300 SW Allen Blvd.** **Beaverton, OR 97005**
By e-mail at:	**tabulation@epiqglobal.com with a reference to "GenCanna" in the subject line**
By telephone at:	**1-866-897-6433 (domestic, toll-free) or 1-646-282-2500 (international) and request to speak with a member of the solicitation team.**

The Bankruptcy Court may confirm the Plan only if it determines that the Plan complies with the technical requirements of chapter 11 of the Bankruptcy Code. In addition, the Bankruptcy Court must determine that the Plan has been proposed in good faith and not by any means forbidden by law and, under Bankruptcy Rule 3020(b)(2), it may make such a determination without receiving evidence if no objection is timely filed.

In particular, and as described in more detail below, the Bankruptcy Code requires the Bankruptcy Court to find, among other things, that: (a) the Plan has been accepted by the requisite votes of all Classes of Impaired Claims unless approval will be sought under section 1129(b) of the Bankruptcy Code in spite of the nonacceptance by one or more such Classes; (b) the Plan is "feasible," meaning there is a reasonable probability that the Debtors will be able to perform their obligations under the Plan; and (c) the Plan is in the "best interests" of all Holders of Claims and Interests, meaning that all such Holders will receive at least as much under the Plan as they would receive in a liquidation under chapter 7 of the Bankruptcy Code.

The Bankruptcy Court must find that all conditions mentioned above are met before it can confirm the Plan. Thus, even if all classes of Impaired Claims accept the Plan by the requisite votes, the Bankruptcy Court must still make an independent finding that the Plan satisfies these requirements of the Bankruptcy Code, that the Plan is feasible, and that the Plan is in the best interests of the Holders of Claims against and Interests in the Debtors.

UNLESS THE BALLOT BEING FURNISHED IS TIMELY RECEIVED BY THE ~~NOTICE AND CLAIMS~~BALLOTING AGENT ON OR PRIOR TO ~~[_____~~**OCTOBER 30, 2020 AT**

[24] ~~Capitalized terms not otherwise defined in this Section 6 of the Disclosure Statement or the Plan shall have the meanings ascribed to such terms in the Disclosure Statement Order.~~

[28] Capitalized terms not otherwise defined in this Section 6 of the Disclosure Statement or the Plan shall have the meanings ascribed to such terms in the Disclosure Statement Orders.

5:00 P.M. (PREVAILING EASTERN TIME)~~]~~ TOGETHER WITH ANY OTHER DOCUMENTS REQUIRED TO BE SUBMITTED WITH SUCH BALLOT, THE DEBTORS MAY REJECT SUCH BALLOT AS INVALID AND, ACCORDINGLY, DECLINE TO COUNT IT AS AN ACCEPTANCE OR REJECTION OF THE PLAN. IN NO CASE SHOULD A BALLOT OR ANY OF THE CERTIFICATES BE DELIVERED TO THE DEBTORS OR ANY OF THEIR ADVISORS.

Section 6.01 Parties-in-Interest Entitled to Vote

Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" under a plan unless: (a) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof or (b) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

In general, under section 1126(a) of the Bankruptcy Code, the holder of a claim or interest that is allowed under a plan is entitled to vote to accept or reject the plan if such claim or interest is impaired under the plan. Under section 1126(f) of the Bankruptcy Code, the holder of a claim that is not impaired under a plan is deemed to have accepted the plan, and the plan proponent need not solicit such holder's vote. Under section 1126(g) of the Bankruptcy Code, the holder of an impaired claim or impaired interest that will not receive any distribution under the plan in respect of such claim or interest is deemed to have rejected the plan and is not entitled to vote on the plan. For a detailed description of the treatment of Claims and Equity Interests under the Plan, refer to Section 4 above - Summary of the Plan.

A vote may be disregarded if the Bankruptcy Court determines, pursuant to section 1126(e) of the Bankruptcy Code, that such vote was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code. The Disclosure Statement Orders also ~~sets forth~~approve assumptions and procedures for tabulating Ballots, including Ballots that are not completed fully or correctly.

Section 6.02 Voluntary Releases Under the Plan

The Third-Party Release and related injunction provisions contained in Article VIII of the Plan are described above in Section 4 of this Disclosure Statement.

HOLDERS OF CLAIMS OR INTERESTS WILL EITHER RECEIVE A BALLOT OR ELECTION FORM, IN EACH CASE, TO ALLOW SUCH HOLDER TO ~~OPT OUT~~OPT-OUT OF THE THIRD-PARTY RELEASE CONTAINED IN ARTICLE VIII.D OF THE PLAN BY CLEARLY MARKING THE "OPT-OUT" BOX ON THE BALLOT PROVIDED TO SUCH HOLDER. ASSUMING SUCH BALLOT OR ELECTION FORM, AS APPLICABLE, IS TIMELY RECEIVED AND IN PROPER FORM, HOLDERS OF CLAIMS OR INTERESTS WHO CHECK THE "OPT-OUT" BOX ON THE BALLOT OR ELECTION FORM WILL NOT BE RELEASING PARTIES FOR PURPOSES OF ARTICLE VIII.D OF THE PLAN.

Section 6.03 Classes under the Plan

Section 6.03.1 Voting Impaired Classes

Classes 2 (Other Secured Claims), 3 (MGG Subordinated Claims) and 4 (General Unsecured Claims) are Impaired under, and entitled to vote to accept or reject, the Plan.

Section 6.03.2 Unimpaired Classes of Claims

Class 1 (Other Priority Claims) is Unimpaired under the Plan and deemed under section 1126(f) of the Bankruptcy Code to have accepted the Plan.

Section 6.03.3 Non-Voting Impaired Classes

Classes 5 (Intercompany Claims), 6 (Section 510(b) Claims) and 7 (Interests) receive no Distributions under the Plan and are deemed under section 1126(g) of the Bankruptcy Code to have rejected the Plan.

Section 6.04 Solicitation Packages for Voting Classes

As set forth in the Disclosure Statement Orders, the Debtors will distribute or cause to be distributed, a solicitation package to each Holder of a Claim entitled to vote on the Plan (a "Solicitation Package"). The Solicitation Packages will contain:

a. a cover letter: (i) describing the contents of the Solicitation Package, the contents of the enclosed USB and instructions for obtaining hard copies of materials provided on USB, and (ii) informing the Holders of the Debtors' recommendation to accept the Plan;

b. a Confirmation Hearing notice;

c. a printed Ballot, together with a pre-addressed, postage prepaid return envelope for submitting such Ballot;

d. the Disclosure Statement (together with all exhibits thereto, including the Plan and all exhibits to the Plan) in electronic format on a USB;

e. the entered Disclosure Statement Orders (without exhibits) in electronic format on a USB; ~~and~~

f. ~~the UCC Position Statement~~ **~~[NTD: Subject to Debtors' review and Bankruptcy Court's approval of same for inclusion in the Solicitation Package. Debtors also reserve the right to further revise~~**a notice summarizing the Voting and Tabulation Procedures (as defined in the Disclosure Statement **~~following their review of the proposed UCC Position Statement.]~~**Orders) (such notice, the "Voting and Tabulation Procedures Notice"); and

~~g~~f. such other materials as the Bankruptcy Court may direct.

Section 6.05 Materials for Non-Voting Claims

Section 6.05.1 Unimpaired Claims Not Eligible to Vote

Under section 1126(f) of the Bankruptcy Code, classes that are not impaired under a plan are deemed to accept the plan. Class 1 is Unimpaired under the Plan and deemed under section 1126(f) of the Bankruptcy Code to accept the Plan. Their votes to accept or reject the Plan will not be solicited. Pursuant to the Disclosure Statement Order, these parties should only receive a notice of the Confirmation Hearing, a notice of non-voting status and an Election Form.

Section 6.05.2 Impaired Classes of Claims and Interests Not Eligible to Vote

Under section 1126(g) of the Bankruptcy Code, classes that are not entitled to receive or retain property under a plan are deemed to reject. Classes 5, 6 and 7 are not receiving any Distributions under the Plan and under section 1126(g) are deemed to reject the Plan. Their votes to accept or reject the Plan will not be solicited. Pursuant to the Disclosure Statement Order, these parties should only receive a notice of Confirmation Hearing, a notice of non-voting status and an Election Form.

Section 6.06 Voting Procedures

THIS DISCUSSION OF THE SOLICITATION AND VOTING PROCESS IS ONLY A SUMMARY. PLEASE REFER TO THE DISCLOSURE STATEMENT ORDERS ~~ATTACHED~~ AND ~~EXHIBIT B TO~~ THIS ~~DISCLOSURE STATEMENT~~ VOTING AND TABULATION PROCEDURES NOTICE FOR A MORE COMPREHENSIVE DESCRIPTION OF THE SOLICITATION AND VOTING PROCESS.

Section 6.06.1 Ballots

In voting for or against the Plan please use only the Ballot or Ballots sent to you with this Disclosure Statement. **If you have any questions regarding the Ballot, did not receive a return envelope with your ballot, did not receive an electronic copy of the Disclosure Statement and the Plan, or need physical copies of the Ballot or other enclosed materials, please contact the Balloting Agent, Epiq Corporate Restructuring, LLC, in writing at GenCanna Global USA, Inc., c/o Epiq Corporate Restructuring, LLC, 10300 SW Allen Blvd., Beaverton, OR 97005, or by email at tabulation@epiqglobal.com with a reference to "GenCanna" in the subject line, or by calling 1-866-897-6433 (domestic, toll-free) or 1-646-282-2500 (international) and request to speak with a member of the solicitation team.**

In most cases, each Ballot enclosed with this Disclosure Statement has been encoded with the amount of your Claim for voting purposes (if your Claim is a Disputed Claim this amount may not be the amount ultimately allowed for purposes of distributions under the Plan) and the Class in which your Claim has been classified. **YOU MUST FOLLOW THE DIRECTIONS CONTAINED ON THE ENCLOSED BALLOT CAREFULLY. IF YOU FAIL TO DO SO, YOUR VOTE MAY NOT BE COUNTED.**

Section 6.06.2 Returning Ballots

The Ballots have been specifically designed for the purpose of soliciting votes on the Plan from Holders of Claims within Classes 2, 3 and 4 who are entitled to a vote with respect thereto. Accordingly, in voting on the Plan, please use only the Ballot sent to you with this Disclosure Statement. Please complete and sign your Ballot and return it to it in accordance with the voting instructions provided with the Ballot.

To be counted, your Ballot or Ballots must be received by [__:00 p.m. (Prevailing Eastern Time), on _____, 2020] using *one* of the following methods:

If by First Class Mail:

GenCanna Global USA, Inc. – Ballot Processing
c/o Epiq Corporate Restructuring, LLC
P.O. Box 4422
Beaverton, OR 97076-4422

If by Overnight Courier or Hand Delivery:

GenCanna Global USA, Inc. – Ballot Processing
c/o Epiq Corporate Restructuring, LLC
10300 SW Allen Boulevard
Beaverton, OR 97005

If by Electronic, Online Submission:

Please visit http://dm.epiq11.com/gencanna. Click on the "E-Ballot" section of the Debtors' website and follow the directions to submit your E-Ballot. If you choose to submit your Ballot via Epiq's E-Ballot system (the "E-Ballot Portal"), you should not also return a paper copy of your Ballot.

ANY BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED. NOR WILL ANY BALLOTS RECEIVED BY TELECOPY, FACSIMILE, OR EMAIL BE ACCEPTED. NO BALLOT OR ELECTION FORM SHOULD BE SENT TO THE DEBTORS OR THE DEBTORS' FINANCIAL OR LEGAL ADVISORS, AGENTS OR REPRESENTATIVES (OTHER THAN THE NOTICE AND CLAIMS AGENT); ANY BALLOTS THAT ARE NOT SUBMITTED TO THE NOTICE AND CLAIMS AGENT WILL NOT BE COUNTED.

The method of delivery of Ballots and Election Forms to be sent to the Balloting Agent is at the election and risk of each Holder of a Claim or an Interest. Except as otherwise provided in the Plan, such delivery will be deemed made only when the original executed Ballot or Election Form is actually received by the Balloting Agent. In all cases, sufficient time should be allowed to ensure timely delivery. Ballots must be signed and legible, and must be clearly marked to either accept or reject the Plan (but not both). If a Ballot or Election Form is signed by a trustee, executor, administrator, guardian, attorney-in-fact, or other person acting in a fiduciary or representative capacity, such person must indicate such capacity when signing the Ballot. Except for Ballots submitted electronically using the E-Ballot Portal, original executed Ballots and Election Forms are required.

Following the Voting Deadline, the Balloting Agent will prepare and file with the Bankruptcy Court a certification of the results of the balloting with respect to the Plan.

Subject to certain restrictions and requirements set forth in Plan or section 1127 of the Bankruptcy Code, the Debtors, or the Plan Administrator, as applicable, may alter, amend or modify the Plan, without additional disclosure pursuant to section 1125 of the Bankruptcy Code. If the Debtors make changes in the terms of the Plan materially adverse to any Holder of Claims or Interests or if the Debtors waive a material condition to the effectiveness of the Plan described in Article IX of the Plan (other than as permitted by Article IX of the Plan), the Debtors will disseminate additional solicitation materials to such affected Class and will extend the solicitation period, in each case to the extent directed by the Bankruptcy Court. After the Confirmation Date and prior to substantial consummation of the Plan, the Debtors may institute proceedings in the Bankruptcy Court pursuant to section 1127(b) of the Bankruptcy Code to remedy any defect or omission or reconcile any inconsistencies in the Plan, this Disclosure Statement or the Confirmation Order with respect to such matters as may be necessary to carry out the purposes of the Plan.

SECTION 7: ADDITIONAL FACTORS TO BE CONSIDERED PRIOR TO VOTING

THE PLAN AND ITS IMPLEMENTATION ARE SUBJECT TO CERTAIN RISKS, INCLUDING, BUT NOT LIMITED TO, THE RISK FACTORS SET FORTH BELOW. HOLDERS OF CLAIMS AND INTERESTS SHOULD READ AND CONSIDER CAREFULLY THE RISK FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND THE DOCUMENTS DELIVERED TOGETHER HEREWITH, REFERRED TO OR INCORPORATED BY REFERENCE HEREIN, PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN OR ITS IMPLEMENTATION.

Section 7.01 Risks Related to These Chapter 11 Cases

Section 7.01.1 General

It is impossible to predict with certainty the amount of time that the Debtors may spend in bankruptcy or to assure parties in interest that the Plan will be confirmed. A delay in the bankruptcy proceedings will also involve additional expense and may divert some of the attention of the Debtors' management away from business operations.

Section 7.01.2 The Debtors Will Be Subject to Risks and Uncertainties Associated with These Chapter 11 Cases

For the duration of these chapter 11 cases, the Debtors' ability to operate, develop and execute a chapter 11 plan, will be subject to the risks and uncertainties associated with chapter 11. These risks include the following: (a) ability to develop, confirm and consummate the Plan; (b) ability to obtain Bankruptcy Court approval with respect to motions filed in the chapter 11 cases from time to time; (c) ability of third parties to seek and obtain Bankruptcy Court approval to terminate or shorten the exclusivity period for the Debtors to propose and confirm a chapter 11 plan, to appoint a chapter 11 trustee, or to convert the chapter 11 cases to chapter 7 proceedings and (d) the actions and decisions of the Debtors' creditors and other third parties who have interests in these chapter 11 cases that may be inconsistent with the Debtors' plans. Because of the risks and uncertainties associated with these chapter 11 cases, the Debtors cannot accurately predict or quantify the ultimate impact of events that occur during these chapter 11 cases that may be inconsistent with the Debtors' plans.

Section 7.01.3 Undue Delay in Confirmation May Result in Additional Costs

If confirmation and consummation of the Plan do not occur expeditiously, these Chapter 11 Cases could result in, among other things, increased costs for professional fees and similar expenses.

Section 7.02 Risks Related to the Plan

Section 7.02.1 Holders of Claims and Interests May Object to the Classification of Claims

Section 1122 of the Bankruptcy Code requires that the Plan classify claims against, and interests in, the Debtors. The Bankruptcy Code also provides that the Plan may place a Claim or Interest in a particular Class only if such Claim or Interest is substantially similar to the other Claims or Interests of such Class. The Debtors believe that all Claims and Interests have been appropriately classified in the Plan.

To the extent that the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed, the Debtors would seek (a) to modify the Plan to provide for whatever

classification might be required for Confirmation and (b) to use the acceptances received from any Holder of Claims or Interests pursuant to this solicitation for the purpose of obtaining the approval of the Class or Classes of which such Holder ultimately is deemed to be a member. Any such reclassification of Claims, although subject to the notice and hearing requirements of the Bankruptcy Code, could materially adversely affect the Class in which such Holder was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required for approval of the Plan. There can be no assurance that the Bankruptcy Court, after finding that a classification was inappropriate and requiring a reclassification, would approve the Plan based upon such reclassification. Except to the extent that modification of classification in the Plan requires re-solicitation, the Debtors will, in accordance with the Bankruptcy Code and the Bankruptcy Rules, seek a determination by the Bankruptcy Court that acceptance of the Plan by any Holder of Claims pursuant to this solicitation will constitute a consent to the Plan's treatment of such Holder, regardless of the Class as to which such Holder is ultimately deemed to be a member.

Section 7.02.2: The Debtors May Fail to Satisfy the Solicitation Requirements Requiring a Re-Solicitation

To satisfy the requirements of Bankruptcy Code section 1126(b) and Bankruptcy Rule 3018(b), the Debtors will be delivering the Solicitation Materials to all Holders of Claims as of the voting record date in the Classes entitled to vote. Accordingly, the Debtors believe that the solicitation is proper under section 1125 of the Bankruptcy Code. The Debtors cannot be certain, however, that the solicitation of acceptances or rejections will be approved by the Bankruptcy Court, and if such approval is not obtained, the Confirmation of the Plan could be denied. If the Bankruptcy Court were to conclude that the Debtors did not satisfy the solicitation requirements, then the Debtors may seek to re-solicit votes to accept or reject the Plan or to solicit votes from one or more Classes that were not previously solicited. The Debtors cannot provide any assurances that such a re-solicitation would be successful. Re-solicitation could delay or jeopardize confirmation of the Plan. Non-confirmation of the Plan could result in protracted Chapter 11 Cases.

Section 7.02.3: Litigation Involving the Debtors May Interfere with, Delay or Prevent the Debtors from Obtaining Confirmation of the Plan or Otherwise Adversely Impact the Debtors, their Estates, the Wind-Down Trust, the Wind-Down Trust Assets and/or projected Distributions

As disclosed in the Debtors' Schedules and Statements, certain legal actions, administrative proceedings, court actions, executions and/or government audits involving the Debtors and/or their interests in property were pending when the Chapter 11 Cases were commenced (collectively, "Litigation Matters"), some of which may remain unresolved. In addition, certain Litigation Matters involving the Debtors and/or their interests in property have been commenced since the Petition Date and may remain unresolved, or may be commenced after the preparation of this Disclosure Statement. The outcomes of such pending or future Litigation Matters are uncertain and, if any such outcomes are adverse to the Debtors or their interests in property, may, among other potential consequences, interfere with, delay or prevent the Debtors from, among other things, obtaining Confirmation of the Plan or Consummating the Plan, and/or may adversely impact the Debtors, their Estates, the Wind-Down Trust, the Wind-Down Trust Assets and/or projected Distributions.

In particular, the Debtors note that on June 25, 2020, two shareholders of GCG Parent, MariMed and MNF Partners, LLC (the "Violating Shareholders"), delivered correspondence to the Debtors, together with certain shareholder consents, purporting to exercise rights pursuant to GCG Parent's governance documents (a) to remove Steven Pully, Matty Mangone-Miranda, and Steve Bevan from the Board of Directors for GCG Parent and to elect and appoint Rene Gulliver as a replacement for Mr. Pully, (b) to appoint Robert N. Fireman (Chairman, President and Chief Executive Officer of MariMed)

as the Chairman of GCG Parent's Board and (c) to appoint Rene Gulliver as President and Chief Executive Officer of GCG Parent. In addition, the alleged newly constituted Board of Directors of GCG Parent, purporting to act on behalf of GCG Parent as the sole shareholder of GCG Opco, attempted through the execution and delivery of a unanimous consent document to (w) remove Steven Pully, Matty Mangone-Miranda, and Steve Bevan from the Board of Directors of GCG Opco, (x) to elect and appointed Rene Gulliver as a replacement for Mr. Pully on GCG Opco's Board of Directors, (y) to appoint of Robert N. Fireman as Chairman of the Board of GCG Opco, and (z) to appoint Rene Gulliver as President and Chief Executive Officer of GCG Opco. The Violating Shareholders' attempted corporate governance actions at GCG Parent and GCG Opco provided further that Mr. Fireman of MariMed and Mr. Michael N. Falcone of MNF Partners LLC would stay on in their respective roles as Directors on the Boards of GCG Parent and GCG Opco. Thus, had the Violating Shareholders' tactics been successful, they would have constituted the Boards of GCG Parent and GCG Opco, as well as senior officer leadership positions for each Debtor, to consolidate control with the Violating Shareholders and their handpicked agents.

One day after learning of the Violating Shareholders' actions, the Debtors filed a motion [Docket No. 1011] (the "Enforcement Motion") seeking an order of the Bankruptcy Court (a) enforcing that certain Voting Agreement, dated as of July 2019, which the Violating Shareholders (both of which were signatories thereto) had ignored in, among other things, purporting to remove Messrs. Bevan, Mangone-Miranda and Pully from GCG Parent's Board, (b) enforcing the automatic stay against the Violating Shareholders, (c) voiding the actions of the Violating Shareholders taken in violation of the automatic stay, and (d) granting related relief. On June 29, 2020, MariMed filed an objection and response to the Enforcement Motion [Docket No. 1013]. Later that same day, the Bankruptcy Court held a hearing on the dispute, at the conclusion of which it took the matter under advisement.

On July 2, 2020, the Bankruptcy Court issued a Memorandum Opinion and Order [Docket No. 1030] (the "Memorandum Opinion" or "Mem. Op."), in which the Bankruptcy Court held that the undisputed record showed "a clear violation of the automatic stay by [the Violating Shareholders'] attempted removal and replacement of certain members of the board of directors" of Debtors GCG Parent and GCG Opco. Mem. Op. 1. The Bankruptcy Court also held that the actions taken by the Violating Shareholders and their newly appointed directors were void. *Id.* In connection with granting the Enforcement Motion, the Bankruptcy Court authorized the Debtors to pursue recovery of their professional fees and costs incurred in connection with Enforcement Motion and otherwise addressing the actions taken by the Violating Shareholders in derogation of the automatic stay. *Id.* at 12.

On July 16, 2020, MariMed and MariMed Hemp filed a notice of appeal [Docket No. 1081] from the Memorandum Order to the Bankruptcy Appellate Panel for the United States Court of Appeals for the Sixth Circuit (the "Sixth Cir. BAP"), which has been captioned as *In re: GenCanna Global USA, Inc., et al.*, Bankr. App. Panel No. 20-8022 (the "Appeal"). As of the filing of this Disclosure Statement, the Appeal remains pending before the Sixth Cir. BAP and in its early stages. Although the Debtors strongly believe that this dispute was correctly decided by the Bankruptcy Court and that the Appeal is without merit, the Debtors can offer no assurances as to the outcome of the Appeal or later proceedings, if any.

In the event that the Violating Shareholders' Appeal is successful and the purported corporate governance actions taken at GCG Parent and GCG Opco by the Violating Shareholders are reinstated, the resulting impact on governance and management matters for the Debtors may result in the Debtors' inability to proceed with Confirmation of the Plan, the Consummation of the Plan, and other circumstances for the Debtors and/or their Estates.

Section 7.02.4 The Bankruptcy Court May Not Grant the Debtors' Request for Nonconsensual Confirmation

In the event that any impaired class of claims or interests does not accept a Chapter 11 plan, a bankruptcy court may nevertheless confirm 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 class. The Debtors believe that the Plan satisfies these requirements and the Debtors 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 reach this conclusion. In addition, the pursuit of nonconsensual Confirmation of the Plan may result in, among other things, increased expenses and the expiration of any commitment to provide support for the Plan, financially or otherwise.

Section 7.02.5 The Results of an Actual Chapter 7 Liquidation May Be Different from the Liquidation Analysis

Conversion to chapter 7 liquidation would, in the view of the Debtors, produce a less favorable outcome for Holders of Claims and Interests than would the Plan. However, underlying the Liquidation Analysis is the extensive use of estimates and assumptions that, although considered reasonable by the Debtors' management, are inherently subject to significant business, economic and competitive uncertainties and contingencies beyond the control of the Debtors. The Liquidation Analysis is based on assumptions with regard to liquidation decisions that are subject to change. Actual results may vary materially from the estimates and projections set forth in the Liquidation Analysis. Events and circumstances subsequent to the date on which the Liquidation Analysis was prepared may be different from those assumed, or alternatively, may have been unanticipated.

~~At the request of the UCC, the Debtors acknowledge that, as set forth in the UCC Position Statement, the UCC disagrees with the Debtors' conclusion that conversion to chapter 7 would produce a less favorable outcome for the Holders of Claims and Interests than would the Plan.~~

Section 7.02.6 Plan Releases May Not Be Approved

There can be no assurance that the Plan releases, as provided in Article VIII of the Plan, will be granted. Failure of the Bankruptcy Court to grant such relief may result in a plan of reorganization that differs from the Plan or the Plan not being confirmed.

Section 7.02.7 The Plan May Not Be Confirmed

The Debtors can make no assurances that they will receive the requisite acceptances to confirm the Plan. Even if the Debtors receive the requisite acceptances, there is no assurance that the Bankruptcy Court will confirm the Plan.

Even if the Bankruptcy Court determines that this Disclosure Statement and the balloting procedures and results are appropriate, the Bankruptcy Court may still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation have not been met. Moreover, there can be no assurance that modifications to the Plan will not be required for Confirmation or that such modifications will not necessitate the re-solicitation of votes. If the Plan is not confirmed, it is unclear what distributions Holders of Claims or Interests would ultimately receive with respect to their Claims or Interests in a subsequent plan of reorganization or liquidation. For example, to the extent that payments on such Claims are required to be made on the Effective Date to confirm the Plan, there is a risk that the

Debtors will not be able to pay in full in cash all Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Professional Fee Claims, Allowed Other Priority Claims or Allowed Other Secured Claims on the Effective Date.

Section 7.02.8 The Plan May Not Become Effective

Although the Debtors believe that the Effective Date of the Plan will occur soon after the Confirmation Date, there can be no assurance as to the occurrence of the Effective Date. As of the date of this Disclosure Statement, there can be no assurance that any or all of the conditions precedent to the effectiveness of the Plan will be met or that the other conditions to consummation, if any, will be satisfied or sufficiently waived. Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Plan will be consummated.

Section 7.02.9 The Amounts of Available Distributions, If Any, May Vary

While the Debtors have attempted to project what they believe are likely Distributions, if any, to be made to parties holding Allowed Claims, there can be no certainty that the projections will be accurate and that Holders will receive the Distributions described in the Plan. The projections will necessarily be affected by, among other things, recoveries generated in connection with the liquidation of all of the Debtors' remaining assets, the outcome of objections to Claims, and the cost and expenses of such actions and generally administering and winding down the Debtors' Estates and/or the Wind-Down Trust, as applicable. Further, projected recoveries under the Plan may be adversely affected if Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Professional Fee Claims, Allowed Other Priority Claims or Allowed Other Secured Claims are higher than anticipated.

Section 7.03 Additional Risks

Section 7.03.1 Claims Could Be More Than Projected

There can be no assurance that the estimated Allowed amount of Claims in certain Classes will not be significantly more than projected, which, in turn, could cause the value of distributions to be reduced substantially. Inevitably, some assumptions will not materialize, and unanticipated events and circumstances may affect the ultimate results. Therefore, the actual amount of Allowed Claims may vary from the assumptions underlying the projected recoveries discussed in this Disclosure Statement, and the variation may be material.

Section 7.03.2 The Debtors Have No Duty to Update

The statements contained in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Debtors have no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

Section 7.03.3 No Representations Outside the Disclosure Statement Are Authorized

No representations concerning or related to the Debtors, these Chapter 11 Cases, once commenced, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your

acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement should not be relied upon by you in arriving at your decision.

Section 7.03.4 Forward-Looking Statements Are Not Assured, and Actual Results May Vary

This Disclosure Statement contains forward-looking statements. These forward-looking statements include factors that could cause actual results to differ materially such as: those factors described in Section 7 of this Disclosure Statement; the Debtors' ability to obtain Bankruptcy Court approval with respect to motions, applications and other requests for relief in these Chapter 11 Cases; the effects of the Bankruptcy Court rulings in these Chapter 11 Cases and the outcome of the case in general; the length of time the Debtors will remain in these Chapter 11 Cases; the pursuit by the Debtors' various Claim and Interest Holders and other constituents of their respective interests in these Chapter 11 Cases; risks associated with third-party motions in these Chapter 11 Cases, which may interfere with the ability to consummate the Plan; the increased administrative and restructuring costs related to these Chapter 11 Cases; and the payments of Claims and the amount of expenses projected to recognize recoveries and reconcile such Claims.

Section 7.03.5 No Legal or Tax Advice Is Provided to You by This Disclosure Statement

The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each Holder of Claims and Interests against the Debtors should consult his, her or its own legal counsel and accountants as to legal, tax and other matters concerning such Holder's Claims and Interests. This Disclosure Statement is not legal advice to you and 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.

Section 7.03.6 Governmental Laws, Regulations and Actions Could Adversely Affect the Debtors

The Debtors are subject to various federal, state and local laws, orders and regulations. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal fines and penalties or the imposition of injunctive relief.

Future compliance with laws and regulations, including environmental, production, transportation, sales, rate and tax rules and regulations, and any changes to such laws or regulations, may reduce the Debtors' profitability and have a material adverse effect on their financial position, liquidity and cash flows. Such laws and regulations may require more stringent and costly measures.

Section 7.03.7 No Admissions Are Made

Nothing contained herein or in the Plan will constitute an admission of, or will be deemed evidence of, the tax or other legal effects of the Plan on the Debtors or Holders of Claims or Interests.

SECTION 8: CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following is a summary of certain U.S. federal income tax consequences of the Plan to certain Holders of Claims and the Wind-Down Trust. This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations thereunder and administrative and judicial interpretations and practice, all as in effect on the date of the Disclosure Statement and all of which are subject to change, with possible retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of

the tax consequences described below. No opinion of counsel has been, or will be, obtained and the Debtors do not intend to seek a ruling from the Internal Revenue Service (the "IRS") as to any of the tax consequences of the Plan discussed below. There can be no assurance that the IRS will not challenge, or that a court would not sustain, a different position than any position discussed herein.

This summary addresses certain U.S. federal income tax consequences only to certain Holders of Claims that are entitled to vote and it does not address the U.S. federal income tax consequences to the Debtors, the Holders of Interests or to Holders of Claims that are not entitled to vote on the Plan. Furthermore, this summary does not apply to Holders of Claims that are not U.S. Persons (as such term is defined in the Code) or that are otherwise subject to special treatment under U.S. federal income tax law (including, without limitation, banks, governmental authorities or agencies, financial institutions, insurance companies, pass-through entities, tax-exempt organizations, brokers and dealers in securities, mutual funds, small business investment companies and regulated investment companies). The following discussion assumes that a Holder of Allowed Claims holds only a single Class of Claims and that such Claims are held as "capital assets" within the meaning of section 1221 of the Code. Moreover, this summary does not purport to cover all aspects of U.S. federal income taxation that may be relevant to a particular Holder in light of such Holder's particular facts and circumstances. Additionally, this summary does not discuss any tax consequences that may arise under any laws other than U.S. federal income tax law, including under state, local or foreign tax law, or any estate, gift, or other non-income tax consequences.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

Section 8.01 Federal Income Tax Consequences to Certain Holders of Claims

A Holder of Claims will generally be subject to United States federal income tax if such Holder is:

- a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for United Stated federal income tax purposes) organized under the laws of the United States or a state or subdivision thereof;
- an estate whose income is subject to United States federal income tax regardless of its source;
- a trust, if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust;
- an individual present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met; or

- a Holder in respect of which the gain is effectively connected with the Holder's conduct of a trade or business in the United States (or, if certain tax treaties apply, is attributable to a permanent establishment in the United States).

If a partnership or other entity or arrangement taxable as a partnership for U.S. federal income tax purposes holds a Claim, the tax treatment of a partner in such a partnership generally will depend upon the status of the partner and the activities of the partnership. If you are such a partnership holding any such Claim, you should consult your tax advisor.

Holders should generally recognize gain or loss to the extent that the amount realized under the Plan in respect to their Claims exceeds (or is exceeded by) their respective tax bases in their Claims. The Federal income tax consequences of the Plan to a Holder of an Allowed Claim, and the character and amount of income, will depend upon several factors, including but not limited to: (1) the manner in which a Holder acquired a Claim; (2) the length of time the Claim has been held; (3) whether the Claim was acquired at a discount; (4) whether the Holder has taken a bad debt deduction with respect to the Claim (or any portion thereof) in the current or prior years; (5) whether the Holder has previously included accrued or unpaid interest with respect to the Claim; (6) the method of tax accounting of the Holder; (7) whether the Holder receives distributions under the Plan in more than one taxable year; (8) whether the Holder is a nonresident of the United States for tax purposes or falls into a class of taxpayers as to which special rules apply; (9) whether a Claim is considered a "security" for federal tax income purposes; (10) the nature and origin of the Claim; and (11) whether a Claim constitutes a claim for principal or interest. Therefore, Holders should consult their own tax advisors for information that may be relevant to their particular situations and circumstances and the particular tax consequences to such creditors as a result thereof.

Section 8.01.1 Accrued Interest

A Holder of an Allowed Claim generally will recognize ordinary income to the extent that such Holder receives Cash or property that is allocable to accrued but unpaid interest that such Holder has not yet included in its income. If an Allowed Claim includes interest, and if the Holder receives less than the amount of the Allowed Claim pursuant to the Plan, the Holder must allocate the Plan consideration between principal and interest. The Plan provides that all distributions to a Holder of an Allowed Claim will apply first to the principal amount of such Claim until such principal amount is paid in full and then to any interest accrued but unpaid. There is no assurance, however, that the IRS will respect this treatment. Holders of Allowed Claims are urged to consult their own tax advisors in this regard. If the Plan consideration allocable to interest with respect to an Allowed Claim is less than the amount that the Holder has previously included as interest income, the previously included but unpaid interest may be deducted, generally as a loss.

Section 8.01.2 Market Discount

If a Holder of an Allowed Claim purchased the Claim for an amount that is less than its stated redemption price at maturity, the amount of the difference may be treated as "market discount" for U.S. federal income tax purposes, unless the difference is less than a specified *de minimis* amount. Under the market discount rules, in general, the Holder is required to treat any gain on the sale, exchange, retirement or other disposition of the Allowed Claim as ordinary income to the extent of the market discount that the Holder has not previously included in income and which is treated as having accrued on the Allowed Claim at the time of its payment or disposition.

Section 8.01.3 Medicare Surtax

Subject to certain limitations and exceptions, Holders who are individuals, estates or trusts may be required to pay a 3.8% Medicare surtax on all or part of that Holder's "net investment income," which includes, among other items, dividends on stock and interest (including original issue discount) on debt, and capital gains from the sale or other taxable disposition of stock or debt. Holders should consult their own tax advisors regarding the effect, if any, of this surtax on their receipt of distributions pursuant to the Plan.

Section 8.01.4 Limitation of Capital Losses

Holders who recognize capital losses as a result of the distributions under the Plan will generally be subject to limits on their use of capital losses. For non-corporate Holders, capital losses may be used to offset any capital gain (without regard to holding periods) plus ordinary income to the extent of the lesser of (a) $3,000 ($1,500 for married individuals filing separate returns) or (b) the excess of the capital losses over the capital gains. Holders who have more capital losses than can be used in a tax year may be allowed to carry over the excess capital losses for use in succeeding tax years. For corporate Holder, losses from the sale or exchange of capital assets may be used to offset capital gains. Corporate Holder may only carry over unused capital for five years following the capital loss year, but are allowed to carry back unused capital losses to the three years succeeding the capital loss year.

ACCORDINGLY, THERE ARE MANY FACTORS THAT WILL DETERMINE THE TAX CONSEQUENCES TO EACH CREDITOR. FURTHER, THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. THEREFORE, IT IS IMPORTANT THAT EACH CREDITOR OBTAIN HIS, HER OR ITS OWN PROFESSIONAL TAX ADVICE REGARDING THE TAX CONSEQUENCES TO SUCH CREDITOR AS A RESULT OF THE PLAN.

Section 8.02 Federal Income Tax Treatment of the Wind-Down Trust

Pursuant to the Plan, the Debtors will transfer the Wind-Down Trust Assets to the Wind-Down Trust and the Wind-Down Trust will become obligated to make Distributions in accordance with the Plan. For all U.S. federal income tax purposes, the Debtors expect that all parties (including, without limitation, the Debtors, the Beneficiaries, and the Plan Administrator) will treat the transfer of the assets to the Wind-Down Trust in accordance with the terms of the Plan. Pursuant to the Plan, the Wind-Down Trust Assets will be treated, for U.S. federal income tax purposes, as having been transferred, subject to any obligations relating to those assets, directly to the Beneficiaries of the Wind-Down Trust (with each Beneficiary receiving an undivided interest in such assets in accordance with its economic interests in such assets), followed by a transfer by the Beneficiaries of such assets (subject to any obligations to Holders of Disputed Claims) to the Wind-Down Trust. Accordingly, all parties shall treat the Wind-Down Trust as a grantor trust of which the Beneficiaries are the owners and grantors, and treat such Beneficiaries as the direct owners of an undivided interest in the Wind-Down Trust Assets, consistent with their economic interests therein, for all U.S. federal income tax purposes. The valuation ascribed to the Wind Down Trust Assets shall be used consistently by the Plan Administrator and the Beneficiaries for all U.S. federal income tax purposes.

The Wind-Down Trust is intended to qualify as a "liquidating trust" (as defined in Treasury Regulations Section 301.7701-4(d)) for U.S. federal income tax purposes. In general, a liquidating trust is not a separate taxable entity, but rather is treated for U.S. federal income tax purposes as a "grantor trust" (i.e., the liquidating trust beneficiaries are deemed to own the assets of the trust, and all of the trust's income and loss is taxed directly to the liquidating trust beneficiaries). Accordingly, because a grantor trust is treated as a pass-through entity for U.S. federal income tax purposes, assuming that the Wind-Down Trust is indeed properly treated as a "liquidating trust" as defined in Treasury Regulation

Section 301.7701-4(d) and will therefore be taxed as a grantor trust, then no tax should be imposed on the Wind-Down Trust itself with respect to the income earned or gain recognized by the Wind-Down Trust. Instead, the Beneficiaries should be taxed on their allocable shares of such net income or gain in each taxable year (determined in accordance with the Wind-Down Trust Agreement). Thus, a Beneficiary may incur a U.S. federal income tax liability with respect to its allocable share of the Wind-Down Trust's income even if the Wind-Down Trust does not make a concurrent Distribution to the Beneficiary.

Although the Wind-Down Trust will be structured with the intention of classifying as a liquidating trust for U.S. federal income tax purposes, it is possible that the IRS could require a different characterization of the Wind-Down Trust, which could result in different and possibly greater tax liability to the Wind-Down Trust and/or the Beneficiaries. No ruling has been or will be requested from the IRS concerning the tax status of the Wind-Down Trust and there can be no assurance that the IRS would not take a contrary position. If the IRS were to challenge successfully the classification of the Wind-Down Trust, the U.S. federal income tax consequences to the Wind-Down Trust could vary from those discussed herein (including the potential for imposition of tax on the net income of the Wind-Down Trust at the entity level, rather than at the level of the Beneficiaries).

Subject to any receipt of definitive guidance from the IRS to the contrary, the Debtors expect that the Plan Administrator will likely treat the assets comprising the Disputed Claims Reserve for U.S. federal income tax purposes as a "disputed ownership fund" governed by Treasury Regulation Section 1.468B-9, and will treat it consistently for state and local tax purposes to the extent permitted by applicable law. Under such treatment, a separate U.S. federal income tax return will be filed with the IRS for the Disputed Claims Reserve, and the Disputed Claims Reserve will be subject to tax annually on a separate basis. The Debtors expect that the Plan Administrator will in this regard cause appropriate federal, state and local tax returns to be filed and pay tax accordingly out of the assets of the Disputed Claims Reserve, and such tax will be treated as reducing the amount that is distributable to Holders of Allowed Unsecured Claims.

The Debtors expect that the Plan Administrator will file tax returns with the IRS for the Wind-Down Trust as a grantor trust in accordance with Treasury Regulation Section 1.671-4(a). The Plan Administrator will also send to each Beneficiary a separate statement setting forth the Beneficiary's allocable share of items of income, gain, loss, deduction or credit and will instruct the Beneficiary to report such items on such Beneficiary's federal income tax return.

Section 8.03 Information Reporting and Backup Withholding

Certain payments, including payments under the Plan, are generally subject to information reporting. In addition, payment of interest, dividends, and certain other payments are generally subject to federal backup withholding unless the payee of such payment furnishes such payee's correct taxpayer identification number (social security number or employer identification number) to the payor or the payee comes within certain exempt categories and demonstrates this fact. The Plan Administrator may be required to withhold the applicable percentage of any payments made to a holder who does not provide his taxpayer identification number. Backup withholding is not an additional tax, but an advance payment of tax that may be refunded by the Internal Revenue Service to the extent such withholding results in an overpayment of tax by the taxpayer.

THE FOREGOING IS INTENDED TO BE ONLY A SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FEDERAL, STATE AND LOCAL INCOME AND OTHER TAX CONSEQUENCES OF THE

PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. SUCH CONSEQUENCES MAY ALSO VARY BASED ON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR INTEREST. ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH HIS, HER OR ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE AND LOCAL INCOME AND OTHER TAX CONSEQUENCES UNDER THE PLAN.

SECTION 9: ALTERNATIVES TO CONFIRMATION OF THE PLAN

The Debtors believe that the Plan affords Holders of Claims and Interests the potential for the greatest recovery on those Claims and Interests and is therefore in the best interests of such Holders. If the Plan is not confirmed, the only alternative near-future outcomes for the Debtors is the liquidation of the Debtors under chapter 7 of the Bankruptcy Code.

If the Plan is not confirmed, these Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code. In a chapter 7 case, a trustee or trustees would be appointed to liquidate the assets of the Debtors. It is impossible to predict with precision how the proceeds of the liquidation would be distributed among Holders of Claims against the Debtors.

The Debtors believe, however, that creditors would receive less value in the event that the Debtors are liquidated under chapter 7. In addition, the Debtors believe that, in a liquidation under chapter 7, the value of the Debtors' estates will be substantially eroded before creditors receive any distribution, as a result of additional administrative expenses involved in the appointment of a trustee or trustees and attorneys, accountants and other professionals to assist such trustees. The assets available for distribution to creditors will be reduced by such additional expenses and by claims, some of which will be entitled to priority.

The Liquidation Analysis, prepared by the Debtors with their restructuring advisors, is premised upon a hypothetical liquidation in a chapter 7 case. In the Liquidation Analysis, the Debtors have taken into account the nature, status, and underlying value of their assets, the ultimate estimated realizable value of their assets, and the extent to which such assets are subject to liens and security interests. The likely form of any liquidation would be the wind-down and sale of individual assets.

Based on this analysis, it is likely that a chapter 7 liquidation of the Debtors' assets would produce less value for distribution to creditors than that recoverable under the Plan. Therefore, the Debtors submit that the projected recoveries available to Holders of Claims and Holders of Interests in a chapter 7 liquidation are likely to be lower (or at least no better) than those available under the Plan.

~~At the request of the UCC, the Debtors acknowledge that, as set forth in the UCC Position Statement, the UCC disagrees with the Debtors' conclusion that conversion to chapter 7 would produce a less favorable outcome for the Holders of Claims and Interests than would the Plan.~~

SECTION 10: ~~DEBTORS'~~ RECOMMENDATIONS

In the opinion of the Debtors and the UCC, the Plan is preferable to the alternatives described herein. **Therefore, the Debtors and the UCC recommend that Holders of Claims entitled to vote on the Plan vote to accept it.**

Respectfully submitted, as of the date first set forth above,

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f/k/a GENCANNA GLOBAL USA, INC.

By: */s/ DRAFT*
Name: James Alt
Title: Chief Transformation Officer

By: */s/ DRAFT*
Name: Gary Broadbent
Title: Chief Wind-Down Officer, General Counsel and Secretary

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Counsel for the Debtors

Exhibit A

[Debtors' Second Amended Joint Plan of Liquidation]

Exhibit B

~~[Disclosure Statement Order]~~

~~Exhibit C~~

[Organizational Chart]

Exhibit ~~D~~C

[~~MGG Settlement Motion &~~ MGG Settlement Agreement]

Exhibit ~~E~~D

~~[Committee 9019 Objection]~~

~~**Exhibit F**~~

[Liquidation Analysis]

Summary report: **Litera® Change-Pro for Word 10.11.1.0 Document comparison done on 10/9/2020 10:37:37 AM**	
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Intelligent Table Comparison: Active	
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