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6 *Attorneys for the Official Committee of*
7 *Unsecured Creditors*

8 **IN THE UNITED STATES BANKRUPTCY COURT**
9 **FOR THE DISTRICT OF ARIZONA**

10 In re

11 STAR MOUNTAIN RESOURCES,
INC. *f/d/b/a* Jameson Stanford
12 Resources Corp., *f/d/b/a*
MyOtherCountryClub.com,

13 Debtor.
14

Chapter 11

Case No: 2:18-bk-01594-DPC

15 **OFFICIAL COMMITTEE OF UNSECURED CREDITORS' AMENDED**
16 **CHAPTER 11 PLAN OF LIQUIDATION**

17 **ARTICLE I**

18 **INTRODUCTION**

19 The OFFICIAL COMMITTEE OF UNSECURED CREDITORS (the
20 “**Committee**”) submits the following Amended Chapter 11 Plan of Liquidation (the “**Plan**”)
21 that will govern the distribution of the assets of Star Mountain Resources, Inc. (the
22 “**Debtor**”). The Committee is the “**Plan Proponent**” of the Plan within the meaning of
23 Bankruptcy Code Section 1129. Reference is made to the “*Amended Disclosure Statement*
24 *in Support of Official Committee of Unsecured Creditors’ Amended Chapter 11 Plan of*
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1 *Liquidation* (the “**Disclosure Statement**”) for, among other things, (i) a discussion of
2 Debtor’s history and property and its failure to confirm a plan of reorganization after three
3 attempts over a lengthy period of time, and (ii) a summary and analysis of the Committee’s
4 Plan. All Holders of Claims or Interests entitled to vote to accept or reject the Plan are
5 encouraged to review the Disclosure Statement and the Plan before voting to accept or reject
6 the Plan. To the extent that the Plan is inconsistent with the Disclosure Statement, the Plan
7 will govern.
8

9 OVERVIEW

10 The Plan provides for payment to creditors and current shareholders through a Plan
11 Trust established to liquidate the Debtor’s current assets and distribute the proceeds to
12 Holders of Allowed Claims and Interests. The Debtor’s corporate entity will be maintained
13 under the sole auspices of a Plan Trustee for a period of time sufficient for the Plan Trustee
14 to complete the liquidation process, including any and all litigation.
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16 ALL CREDITORS AND INTEREST HOLDERS ARE ENCOURAGED TO
17 CONSULT THE DISCLOSURE STATEMENT THAT ACCOMPANIES THE PLAN
18 BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. AS ORDERED BY THE
19 BANKRUPTCY COURT, BALLOTS TO ACCEPT OR REJECT THE PLAN MUST BE
20 CAST BY **JUNE 24, 2019 at 5:00 P.M.** PHOENIX TIME (PDT) WHICH MEANS THAT
21 BALLOTS MUST BE RECEIVED BY COUNSEL FOR THE COMMITTEE AS
22 PROVIDED IN THE BALLOT ACCOMPANYING THE PLAN. AMONG OTHER
23 INFORMATION, THE DISCLOSURE STATEMENT CONTAINS INFORMATION
24 CONCERNING THE DEBTOR, THE HISTORICAL BACKGROUND OF THE
25 CHAPTER 11 CASE AND THE PREPETITION PERIOD, FINANCIAL ISSUES WITH
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1 REGARD TO THE DEBTOR, LEGAL CLAIMS FILED , NOTICED OR ALLEGED OR
2 OTHERWISE AGAINST THE DEBTOR, AND A SUMMARY AND ANALYSIS OF
3 THE PLAN. NO SOLICITATION MATERIALS, OTHER THAN THE DISCLOSURE
4 STATEMENT AND RELATED MATERIALS TRANSMITTED THEREWITH, HAVE
5 BEEN CIRCULATED BY THE COMMITTEE, APPROVED BY THE BANKRUPTCY
6 COURT OR AUTHORIZED PURSUANT TO THE BANKRUPTCY CODE FOR USE IN
7 SOLICITING ACCEPTANCES OR REJECTIONS OF THE PLAN.
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9 **ARTICLE II**

10 **DEFINITIONS, RULES OF INTERPRETATION,**

11 **AND COMPUTATION OF TIME**

12 **A. Scope of Definitions; Rules of Construction**

13 For purposes of this Plan, except as expressly provided or unless the context
14 otherwise requires, all capitalized terms not otherwise defined shall have the meanings
15 hereinafter stated, or if not stated, then as commonly used. Any term used in this Plan that
16 is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules
17 (hereinafter defined), shall have the meaning ascribed to that term in the Bankruptcy Code
18 or the Bankruptcy Rules. Whenever the context requires, such terms shall include the plural
19 as well as the singular number. The masculine gender shall include the feminine, and the
20 feminine gender shall include the masculine. Moreover, for purposes of the Plan, the
21 singular and plural uses of such defined terms and the conjunctive and disjunctive uses
22 thereof will be fungible and interchangeable, unless the context otherwise requires.
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1 The defined terms stated in Article II also are substantive terms of the Plan; and
2 Article II will be deemed incorporated throughout the rest of the Plan to convey the
3 substantive provisions included in the defined terms.
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5 **B. Definitions**

6 1. “Administrative Claim” means any Claim under Sections 503(b) and
7 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary
8 expenses of preserving the Assets of the Debtor, any actual and necessary expenses of
9 operating the business of the Debtor, all compensation and reimbursement of expenses
10 allowed by the Bankruptcy Court under Section 330 or 503 of the Bankruptcy Code, and
11 any fees and charges assessed against the Debtor under Section 1930 of Chapter 123 of Title
12 28 of the United States Code, all as may arise prior to the Confirmation Date.

13 2. “Allowed” with respect to a Claim means (i) a Proof of Claim that has
14 been filed with the Bankruptcy Court within the applicable period of limitation fixed by the
15 Fed. R. Bankr. P. 3003 or otherwise established by the Bankruptcy Court; or (ii) Scheduled
16 in the list of Creditors prepared and filed with the Bankruptcy Court pursuant to Fed. R.
17 Bankr. P. 1007(b) and not listed as disputed, contingent, or unliquidated as to amount, and
18 in either case, as to which no objection to the allowance thereof has been filed within any
19 applicable period of limitation fixed by Fed. R. Bankr. P. 3007, the Plan, an order of the
20 Bankruptcy Court, or as to which any such objection has been determined by an order of
21 judgment which is no longer subject to appeal and as to which no appeal is pending. An
22 Allowed Claim shall not include non- matured or post-petition interest, unless otherwise
23 provided in the Plan. An Allowed Interest means an Interest as to which no objection to
24 the allowance thereof has been filed within any applicable period of limitation fixed under
25 the Bankruptcy Code or Bankruptcy Rules.
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3. “Asset(s)” means any asset, property or interest therein of the Estate as
20 provided for under Section 541 of the Bankruptcy Code and that which has been acquired
21 after the Petition Date including, without limitation, all assets disclosed and undisclosed,
22 known or unknown, or that may be discovered; Cash on hand and all deposits; the Titan
23 Note and any remaining required payment thereunder; the Titan Stock; any subsidiaries or
24 affiliated entities; any insurance policies; all intellectual property and mining reports and
25 data; and all existing or potential claims and causes of action, whether previously identified,
26 noticed, brought/filed or otherwise, including without limitation all rights and entitlements
to the return of previously transferred or sold assets without authority, including the Balmat
Mining Assets and related assets and equipment.

1 4. “Aviano” means Aviano Financial Group LLC, a Delaware limited
2 liability company.

3 5. “Aviano Litigation” means the lawsuit commenced by Aviano against
4 the Debtor in the District Court, City and County of Denver, Colorado, pending as Case No.
5 2017cv030605, together with all claims raised in the counterclaims and third-party
6 complaint filed by the Debtor against Bernard Guarnera, David Linsley, Lanesborough,
7 LLC, and others.

8 6. “Ballots” means each of the ballots distributed with the Disclosure
9 Statement to Holders of Impaired Claims entitled to vote on this Plan, for the purpose of
10 indicating an acceptance or rejection of this Plan.

11 7. “Balmat Mining Assets” means Balmat Holding Corporation
12 (“Balmat”) and its wholly owned subsidiary, St. Lawrence Zinc Company, LLC, (“SLZ”) the owner of the mining property located in upstate New York known as the Balmat Zinc Mine and the Balmat Zinc Mine and related assets and equipment, all of which were transferred or sold by the Debtor to Titan, as referenced herein.

13 8. “Bankruptcy Case” means the bankruptcy case for the Debtor pending
14 before the Bankruptcy Court under Case No. 2:18-bk-1594-DPC.

15 9. “Bankruptcy Code” means Title 11 of the United States Code, 11
16 U.S.C. §§ et seq., and as such Title has been, or may be, amended from time to time.

17 10. “Bankruptcy Court” means the United States Bankruptcy Court for the
18 District of Arizona.

19 11. “Bankruptcy Rules” means, collectively, the Federal Rules of
20 Bankruptcy Procedure and the Official Bankruptcy Forms, as amended, the Federal Rules of Civil Procedure, as amended and as applicable to the Chapter 11 Cases or proceedings herein, and the Local Rules of Bankruptcy Procedure for the District of Arizona, as applicable to the Chapter 11 Cases or proceedings therein.

21 12. “Bar Date” means July 9, 2018, the last day for filing a proof of claim
22 in the bankruptcy.

23 13. “Business Day” means any day, other than a Saturday, Sunday or a
24 “legal holiday” (as such term is defined by Bankruptcy Rule 9006(a)).

25 14. “Cash” means legal tender of the United States or equivalents thereof.
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1 15. “Causes of Action” means any and all claims, actions, proceedings,
2 causes of action, suits, accounts, controversies, agreements, promises, rights to legal
3 remedies, rights to equitable remedies, rights to payment and claims (as defined in
4 Bankruptcy Code § 101(5)), whether known, unknown, reduced to judgment, not reduced
5 to judgment, liquidated, unliquidated, fixed, contingent, matured, non-matured, disputed,
6 undisputed, secured or unsecured whether identified, filed or prosecuted to date or not and
7 whether asserted or assertable directly or derivatively, in law, equity or otherwise. Any
8 lawsuit commenced pursuant to Bankruptcy Code §§ 544, 547, 548, 549, 550, 551 and/or
9 553 is included within this definition.

10 16. “Chapter 11 Case” means the bankruptcy case for the Debtor pending
11 before the Bankruptcy Court under Case No. 2:18-bk-1594-DPC.

12 17. “Claim” means any claim against the Debtor, whether or not identified,
13 noticed, brought/filed or otherwise asserted, as defined in Section 101(5) of the Bankruptcy
14 Code.

15 18. “Claim and Interest Objection Deadline” means ninety (90) days after
16 the Effective Date of the Plan, as such date may be extended by order of the Bankruptcy
17 Court, which is the last day for filing objections to Claims and Interests as provided in
18 Article V of the Plan.

19 19. “Class” means a category of Claims or Interests, as described in Article
20 III below.

21 20. “Committee” means the Official Committee of Unsecured Creditors
22 appointed in the Chapter 11 Case pursuant to section 1102 of the Bankruptcy Code.

23 21. “Confirmation” means the entry of the Confirmation Order on the
24 docket of the Bankruptcy Court.

25 22. “Confirmation Date” means the date on which the Bankruptcy Court
26 enters the Confirmation Order on its docket, within the meaning of Bankruptcy Rules 5003
and 9021.

 23. “Confirmation Hearing” means the hearing held by the Bankruptcy
Court regarding Confirmation of the Plan, as such hearing may be continued from time to
time.

 24. “Confirmation Order” means the order of the Bankruptcy Court
confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

 25. “Creditor” means any Person who holds a Claim against the Debtor.

1 26. “Current Officer(s) and Director(s)” means Joseph Marchal, Edward
2 Brogan and Mark Osterberg.

3 27. “Current Shareholders” means the holders of Existing Preferred Stock
4 and/or Existing Common Stock in the Debtor which rights and interests have not otherwise
5 been terminated by Final Order.

6 28. “Debtor” means Star Mountain Resources, Inc., which is the subject of
7 this Chapter 11 Case.

8 29. “Disallowed” means a Claim or Interest or any portion thereof that: (a)
9 has been disallowed or expunged by the provisions of this Plan or a Final Order; (b) has
10 been withdrawn, in whole or in part, by the holder thereof or by agreement with the Debtor;
11 or (c) as to which no proof of Claim has been timely filed or is deemed timely filed with the
12 Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order.

13 30. “Disclosure Statement” means the disclosure statement with respect to
14 the Plan, including all exhibits, appendices, schedules and annexes attached thereto,
15 approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code, as it
16 may be altered, amended, supplemented or modified from time to time, and distributed in
17 accordance with Sections 1125 and 1126 of the Bankruptcy Code and Bankruptcy Rule
18 3018.

19 31. “Disputed Claim” means any Claim not otherwise Allowed or paid
20 pursuant to the Plan or an order of the Bankruptcy Court: (a) which has been or hereafter is
21 listed on the Schedules as unliquidated, contingent, or disputed, and which has not been
22 resolved by written agreement of the parties or an order of the Bankruptcy Court; (b) proof
23 of which was required to be filed by order of the Bankruptcy Court but as to which a proof
24 of Claim or Interest was not timely or properly filed; (c) that is disputed in accordance with
25 the provisions of this Plan; or (d) as to which the Debtor or other party in interest has
26 interposed a timely objection or request for estimation in accordance with the Bankruptcy
Code, the Bankruptcy Rules and any order of the Bankruptcy Court, or is otherwise disputed
by the Debtor in accordance with applicable law, which objection, request for estimation or
dispute has not been withdrawn or determined by a Final Order.

 32. “Disputed Claims Reserve” means the reserve of Cash established and
maintained by the Plan Trustee to pay Disputed Claims upon allowance by the Bankruptcy
Court.

 33. “Distribution” means any payment of Cash or property required under
the Plan.

1 34. “Effective Date” means the date on which the Bankruptcy Court enters
2 the Confirmation Order.

3 35. “Equity Interest” means all issued, unissued, authorized or outstanding
4 shares of common stock or preferred stock of the Debtor, together with any warrants,
5 options or contractual rights to purchase or acquire any such securities at any time, and all
rights arising with respect thereto.

6 36. “Emerged Debtor” means the former Debtor entity after the Effective
7 Date that will be wholly owned by the Plan Trust.

8 37. “Estate” means the estate of the Debtor in the Chapter 11 Case, created
9 pursuant to Section 541 of the Bankruptcy Code.

10 38. “Examiner” means Jared Parker, Esq. who was appointed as an
11 examiner in the Case pursuant to Section 1104 of the Bankruptcy Code.

12 39. “Existing Common Stock” means shares of common stock in the Debtor
13 authorized and issued as of the Record Date. The issuance of such stock may be the subject
14 of litigation.

15 40. “Existing Preferred Stock” means preferred stock in the Debtor
16 authorized and issued as of the Record Date. The issuance of such stock may be the subject
17 of litigation.

18 41. “Final Order” means an order of the Bankruptcy Court that not having
19 been reversed, modified, or amended and not being stayed, and the time to appeal from
20 which or to seek review or rehearing of which having expired, and no such appeal, review,
21 certiorari or rehearing is pending, has become conclusive of all matters adjudicated thereby
22 and in full force and effect.

23 42. “Final Decree” means an order entered by the Bankruptcy Court closing
24 the Chapter 11 Case after substantial consummation of the Plan.

25 43. “Final Distribution” means the last Distribution to be made pursuant to
26 the Plan Trust Agreement

 44. “Holder” means the beneficial holder of any Claim or Interest.

 45. “Impaired” means a Claim or Interest that is impaired within the
meaning of Section 1124 of the Bankruptcy Code.

1 46. “Insider” has the meaning ascribed to such term in Section 101(31) of
2 the Bankruptcy Code.

3 47. “Interest” means any Equity Interest.

4 48. “Litigation Insurance Fund” means the maximum of \$250,000 funded
5 by the Debtor’s insurance company to pay for investigative costs related to the Causes of
6 Action.

7 49. “Person” means an individual, partnership, limited liability company,
8 trust, incorporated or unincorporated association, joint venture, joint stock company,
9 government (or an agreed or political subdivision thereof) or other entity of any kind.

10 50. “Petition Date” means February 21, 2018.

11 51. “Plan” means this Official Committee of Unsecured Creditors Chapter
12 11 Plan of Liquidation and all exhibits annexed hereto or referenced herein, as the same
13 may be amended, modified or supplemented from time to time.

14 52. “Plan Trust” means the grantor trust established on the Effective Date
15 pursuant to the Plan Trust Agreement.

16 53. “Plan Trust Assets” means the Assets transferred to the Plan Trust on
17 the Effective Date.

18 54. “Plan Trust Agreement” means the document executed by the Plan
19 Trustee and the Debtor on the Effective Date establishing the Plan Trust.

20 55. “Plan Trust Fund” means the Debtor’s Cash transferred to the Plan
21 Trust on the Effective Date and all proceeds derived from the liquidation of the Assets.

22 56. “Plan Trustee” means Jared G. Parker.

23 57. “Pro Rata” means, at any time, the proportion that the amount of a
24 Claim or Interest in a particular Class bears to the aggregate amount of all Claims in such
25 Class, unless the Plan provides otherwise.

26 58. “Proof of Claim” means a proof of Claim filed in the Claims register of
the Bankruptcy Court in the Chapter 11 Case.

 59. “Professional” means a Person: (a) employed pursuant to a Bankruptcy
Court order in accordance with sections 327 and 1103 of the Bankruptcy Code and to be
compensated for services rendered prior to or on the Confirmation Date, pursuant to sections

1 327, 328, 329, 330 and 331 of the Bankruptcy Code or (b) awarded compensation and
2 reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy
Code.

3 60. “Professional Fee Claim” means a Claim: (a) for compensation and/or
4 reimbursement of expenses pursuant to Sections 327, 328, 330 or 331 of the Bankruptcy
5 Code of a professional person retained by order of the Bankruptcy Court; and (b) of any
6 professional or other party-in-interest seeking compensation or reimbursement of expenses
in connection with the Chapter 11 Cases pursuant to Section 503(b) of the Bankruptcy Code.

7 61. “Record Date” means the date of the filing of this Plan.

8 62. “Representative” means, with respect to any entity, any successor,
9 predecessor, officer, director, partner, employee, agent, attorney, advisor, investment
10 banker, financial advisor, accountant or other Professional of such entity, and committee of
11 which such entity is a member, in each case in such capacity, serving on or after the Petition
Date.

12 63. “Schedules” means the schedules of assets and liabilities and the
13 statements of financial affairs filed by the Debtor in the Chapter 11 Case pursuant to Section
14 521 of the Bankruptcy Code and Bankruptcy Rule 1007(b) as such schedules or statements
may be amended or supplemented from time to time in accordance with Rule 1009 of the
Federal Rules of Bankruptcy Procedure or orders of the Bankruptcy Court.

15 64. “SEC” means the United States Securities and Exchange Commission.

16 65. “SGS Litigation” means the lawsuit commenced by SGS against
17 Bernard Guarnera, David Linsley, and others including the Debtor in the United States
18 District Court for the District of Colorado, pending as Case No. 1:16-cv-2486, together with
19 all claims, counterclaims, cross-claims and third-party claims raised in that case. The SGS
Litigation has been stayed as to the Debtor.

20 66. “Titan” means Titan Mining Corporation, a British Columbia
21 corporation, Titan Mining (US) Corporation, a Delaware Corporation, and their officers,
22 directors, affiliates, agents and representatives at the present time or at all times relevant to
any claims and/or actions filed or to be filed in relation to this matter.

23 67. “Titan Common Stock” means the 2,968,900 shares of common stock
24 of Titan paid to the Debtor as partial consideration for the purchase of the Balmat Mining
25 Assets.
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1 68. "Titan Promissory Note" means the promissory note in the original
2 principal amount of \$3,000,000 with Titan as payor and the Debtor as payee.

3 69. "Unsecured Claim" means any Claim that is not secured by a security
4 interest in or lien upon an Asset of the Debtor.

5 70. "UST" means the Office of the United States Trustee.

6 **C. Rules of Interpretation**

7 1. Captions and Headings. Captions and headings to Articles and Sections of
8 the Plan are inserted for convenience of reference only, and are not intended to be a part of
9 or to affect the interpretation of the Plan.

10 2. Rules of Construction. The rules of construction set forth in Section 102 of
11 the Bankruptcy Code and in the Bankruptcy Rules shall apply.

12 3. Computation of Time. In computing any period of time prescribed or allowed
13 by the Plan, the provisions of Fed. R. Bankr. P. 9006(a) shall apply.

14 **ARTICLE III**

15 **CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS**

16 **A. No Classification and Treatment of Administrative Claims**

17 As provided in Section 1123(a)(1) of the Bankruptcy Code, Administrative Claims
18 shall not be classified for purposes of voting on or receiving distributions under the Plan.
19 All such Claims shall be treated separately as unclassified Claims on the terms set forth
20 herein.

21 **Treatment of Administrative Claims** Unless previously approved and paid,
22 Allowed Administrative Claims will be paid, in full satisfaction of the Claim: (a) one cash
23 payment in the Allowed amount of the Claim on the Effective Date or as soon thereafter as
24 possible or after the claim is Allowed if subject to Court approval; (b) in the ordinary course
25 of business as the Claim matures; or (c) upon other less favorable terms as may be agreed
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1 upon by the holder of the Claim, or as ordered by the Bankruptcy Court. Payments will be
2 made by the Plan Trustee from the Plan Trust Fund.

3
4 **B. Classification and Treatment of Claims and Interests That Are Classified**

5 For purposes of voting, distributions, and all confirmation matters, except as
6 otherwise provided herein all Allowed Claims and Interests shall be classified and treated as
7 follows.

8 1. **Class 1 – General Unsecured Creditors**

9 Class 1 consists of the Allowed Claims of general unsecured creditors, except those
10 classified in Class 2. On the Effective Date, in full and final satisfaction of any Claim against
11 the Debtor, the Holder of an Allowed Claim in this Class shall receive a beneficial interest
12 in the Plan Trust and shall be paid its Pro-Rata share of the Plan Trust Fund in accordance
13 with the Plan Trust Agreement after full payment of Allowed Administrative Claims. In the
14 event sufficient funds are available to pay all Allowed Claims in this Class, the Plan Trustee
15 will pay interest at a rate of 3 percent (3%) per annum. Class 1 is Impaired and is entitled to
16 vote on the Plan.

17
18 2. **Class 2 – Unsecured Insider Claims**

19 Class 2 consists of the Allowed Unsecured Claims of Edward Brogan and Joseph
20 Marchal. The Claims in this Class shall be deemed disallowed pending the resolution of any
21 Cause of Action or Claim Objection filed against a Holder of a Claim in this Class. If such
22 Claim is Allowed, in full and final satisfaction of such Claim, the Holder shall receive a
23 beneficial interest in the Plan Trust and shall be paid its Pro-Rata share of the Plan Trust
24 Fund in accordance with the Plan Trust Agreement and the Final Order allowing such Claim,
25 (that may provide for the subordination of such Claim), after full payment of all Allowed
26

1 Administrative Claims. In the event sufficient funds are available to pay all Allowed Claims
2 in this Class, the Plan Trustee will pay interest at a rate of 3 percent (3%) per annum. Class
3 2 is Impaired and is entitled to vote on the Plan.
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5 3. **Class 3 – Preferred Equity Interests in the Debtor**

6 Class 3 consists of the Allowed Interests of the Debtor’s Current Shareholders,
7 except Insiders, holding Existing Preferred Stock. On the Effective Date, in full satisfaction
8 of any Claim against the Debtor, the Holder of an Allowed Interest in this class shall receive
9 a beneficial interest in the Plan Trust and shall be paid its Pro-Rata share of the Plan Trust
10 Fund in accordance with the Plan Trust Agreement and in accordance with the rights
11 attributed to shares of Existing Preferred Stock after full payment of Allowed Class 1 and 2
12 Claims. Class 3 Interests shall be cancelled on the Effective Date. Class 3 is Impaired and
13 entitled to vote on the Plan.
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15 4. **Class 4—Preferred Equity Interests of Insiders**

16 Class 4 consists of the Allowed Interests of the Debtor’s Current Shareholders who
17 are Insiders holding Existing Preferred Stock. The Interests in this Class shall be deemed
18 disallowed pending the resolution of any Cause of Action or Objection filed against a Holder
19 of an Interest in this Class. If such Interest is Allowed, in full satisfaction of any Claim
20 against the Debtor, the Holder shall receive a beneficial interest in the Plan Trust and shall
21 be paid its Pro-Rata share of the Plan Trust Fund in accordance with the Plan Trust
22 Agreement and a Final Order allowing such Interest (that may provide for the subordination
23 of such Interest), after payment in full to Classes 1-2. Class 4 Interests shall be cancelled on
24 the Effective Date.. Class 4 is Impaired and entitled to vote on the Plan.
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26 5. **Class 5 – Common Equity Interests in the Debtor**

1 Class 5 consists of the Allowed Interests of the Debtor's Current Shareholders,
2 except Insiders, holding Existing Common Stock. In full satisfaction of any Claim against
3 the Debtor, the Holder of a Class 5 Allowed Interest shall receive a beneficial interest in the
4 Plan Trust and shall be paid its Pro-Rata share of the Plan Trust Fund in accordance with the
5 Plan Trust Agreement and in accordance with the rights attributed to shares of Existing
6 Common Stock after Classes 1-4 are paid in full. Class 5 Interests shall be cancelled on the
7 Effective Date. Class 5 is Impaired and entitled to vote on the Plan.

9 6. **Class 6 – Common Equity Interests of Insiders**

10 Class 6 consists of the Allowed Interests of the Debtor's Current Shareholders who
11 are Insiders holding Existing Preferred Stock. The Interests in this Class shall be deemed
12 disallowed pending the resolution of any Cause of Action or Objection filed against a Holder
13 of an Interest in this Class. If such Interest is Allowed, in full satisfaction of any Claim
14 against the Debtor, the Holder shall receive a beneficial interest in the Plan Trust and shall
15 be paid its Pro-Rata share of the Plan Trust Fund in accordance with the Plan Trust
16 Agreement and a Final Order allowing such Interest (that may provide for subordination of
17 such Interest), after the full payment of Classes 1-4. Class 6 Interests shall be cancelled on
18 the Effective Date. Class 6 is Impaired and entitled to vote on the Plan.

19 NOTE: The fact that a Claim or Interest has been separately classified as set forth
20 above is not an adjudication or conclusion that any such Claim or Interest may or may not
21 be subordinated or be subject to setoff or recoupment.
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ARTICLE IV

MEANS FOR IMPLEMENTATION OF THE PLAN

A. Creation of Plan Trust and Appointment of Plan Trustee

On the Effective Date, a Plan Trust will be created pursuant to the Plan Trust Agreement (the terms of which are incorporated herein by reference) to liquidate all Plan Trust Assets, to pursue all Causes of Action, and to make all Distributions to Holders of Allowed Claims and Interests as required by the Plan. On the Effective Date, the Assets will be transferred to the Plan Trust, and proceeds thereof will be used to pay Allowed Claims and Interests.

The initial Plan Trustee will be Jared G. Parker, who has served as Examiner during the Bankruptcy Case. The Plan Trustee will be deemed appointed on the Effective Date, without further motion, application, notice, hearing or other order of the Court. Any and all authority, power, and standing shall be transferred to and assumed by the Plan Trustee.

B. Duties and Powers of Plan Trustee

As more fully described in the Plan Trust Agreement, the Plan Trustee shall be appointed by the Court on the Effective Date and shall have the rights and powers of a debtor in possession under Bankruptcy Code section 1107, and such other rights, powers, and duties necessary, appropriate, prudent or advisable to effectuate the provisions of the Plan and the Plan Trust, including but not limited to, objecting to and resolving Claims and Interests; subordinating a Claim or Interest within the requirements of the Code; investigating, pursuing and resolving Causes of Action; invoking the provisions of Bankruptcy Code 108; waiving attorney-client and other privileges as circumstances may warrant; and making Distributions to Creditors and Interest Holders. The Plan Trustee shall

1 not be required to obtain any approvals from the Court, any court or governmental body
2 and/or provide any notices under any applicable laws to implement the terms of the Plan in
3 accordance with the Plan and the Plan Trust Agreement except as expressly set forth in the
4 Plan and the Plan Trust Agreement.
5

6 The Plan Trustee may employ, without order of the Court, such counsel, financial
7 advisors and other professionals selected by the Plan Trustee that are reasonably required
8 to perform the Plan Trustee's responsibilities under the Plan. As he deems prudent and in
9 the best interest of the Trust, the Plan Trustee may employ Dickinson Wright, PLLC
10 ("DW") as special counsel to advise and represent the Trust on specific issues and for
11 specific tasks, excluding however, any litigation on the amount, validity or priority of any
12 claim or interest against the Trust. Nor shall DW prosecute a direct claim against any
13 Insider. Any such prosecution shall be the sole responsibility of the Plan Trustee.
14

15 **C. Compensation of the Plan Trustee and Professionals**

16 The Plan Trustee and the Plan Trustee's professionals shall be compensated from the
17 Plan Trust Assets at hourly rates designated in the Plan Trust Agreement. The fees and
18 costs incurred by the Plan Trustee and his professionals shall be paid pro rata with Allowed
19 Administrative Claims.

20 **D. Debtor's Corporate Existence and Governance**

21 On the Effective Date, all instruments evidencing or creating any indebtedness or
22 obligation of the Debtor, except such instruments that are authorized or issued under this
23 Plan, shall be canceled and extinguished. On the Effective Date, all Current Officers and
24 Directors shall be terminated and any purported action taken by them under the color or
25 authority of the Debtor on or after the Effective Date shall be null and void. Additionally,
26

1 as of the Effective Date, all Equity Interests shall be deemed cancelled and extinguished
2 without any further action of any party; **provided**, however, that the Debtor shall issue one
3 (1) share of common stock to the Plan Trust. The holders of, or parties to, the cancelled
4 notes, membership interests, share certificates, and other agreements and instruments shall
5 have no rights arising from or relating to such notes, share certificates, and other agreements
6 and instruments or the cancellation thereof, except the rights provided pursuant to this Plan.
7 From and after the Effective Date, the Plan Trustee shall serve as the Emerged Debtor's
8 sole officer and director. The Plan Trustee shall take such actions as may be necessary to
9 maintain the corporate existence after the Effective Date.
10

11 **E. Transfer of All Books, Files and Records**

12 Immediately after the Effective Date, the Debtor shall transfer all of its books, files,
13 and records to the Plan Trustee and shall cause all of its Insiders and Representatives to
14 transfer all of their books, files and records related to the Debtor to the Plan Trustee. ,
15 including in all instances any attorney-client privileged and work product documents,
16 correspondence, and communications, whether electronic or in hard copy form.
17 Immediately after the Effective Date, the Examiner shall transfer all of his files related to
18 the Debtor to the Plan Trustee.
19

20 **F. Transfer of Rights, Privileges and Authority**

21 On the Effective Date, the Plan Trustee on behalf of the Plan Trust shall succeed to
22 and have all power, authority, rights, privileges and immunities previously held or asserted
23 by the Debtor and its officers, directors and shareholders.
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2 **G. Dissolution of Debtor**

3 Upon the Final Distribution, the Debtor shall be deemed dissolved for all purposes
4 without the necessity for other or further actions to be taken by or on behalf of the Debtor,
5 and the Plan Trustee shall be authorized to file any certificate of cancellation or other
6 documents as may be necessary or desirable to terminate the legal existence of the Debtor.
7 All Causes of Action are preserved until the Final Distribution.

8 **H. Effectuating Documents and Further Transactions**

9 On the Effective Date, the Plan Trustee is authorized to execute, deliver, file, or
10 record such contracts, instruments, releases, indentures, and other agreements or documents
11 and take such actions as may be necessary or appropriate to effectuate and further evidence
12 the terms and conditions of the Plan. The Debtor is authorized and shall be required to
13 promptly execute and deliver the documents necessary to effectuate the terms of the Plan.

14 Upon transfer of the Plan Trust Assets, the Plan Trust shall succeed to all of the
15 Debtor's right, title and interest in the Plan Trust Assets and the Debtor and the Emerged
16 Debtor will have no further rights or interest in or with respect to the Plan Trust Assets or
17 the Plan Trust.
18

19 **I. Exemption from Transfer Taxes**

20 Pursuant to Section 1146(a) of the Bankruptcy Code, the creation or transfer of any
21 mortgage, deed of trust or other security interest, the making or assignment of any lease or
22 sublease, or the making or delivery of any deed or other instrument of transfer under, in
23 furtherance of or in connection with the Plan, and executed in connection with the
24 liquidation of assets shall not be subject to any stamp tax, real estate tax or similar tax.
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1 **J. Exemption from Securities Laws**

2 The creation of the Plan Trust and the issuance of beneficial interests in accordance
3 thereto, (a) shall be authorized under Bankruptcy Code § 1145 as of the Effective Date
4 without further act or action, except as may be required by the Amended corporate
5 documents, and (b) shall be exempt pursuant to Bankruptcy Code § 1145 from registration
6 under the Securities Act of 1933, as amended (and all rules and regulations promulgated
7 thereunder), and under any state or local law (and all rules and regulations promulgated
8 thereunder) requiring registration for offer or sale of a security or registration or licensing
9 of an issuer of, underwriter of, or broker or dealer in, a security.

11 **ARTICLE V**

12 **A. Deadline for Applications for Administrative Expenses**

13 Applications for Administrative Claims shall be filed no later than 30 days after the
14 Effective Date. If Administrative Claims are not timely filed in accordance with the Plan,
15 they will be forever barred and may not be asserted in any manner.

16 **B. Filing of Objections to Claims and Interests**

17 The Plan Trustee shall have the exclusive right to litigate and resolve currently
18 pending objections to Claims and Interests and the exclusive right to file additional
19 objections to Claims and Interests other than Administrative Claims. All rights and standing
20 to prosecute or dismiss any objections to Claims and Interests shall be transferred to the
21 Plan Trust and the Plan Trustee. All Claims and Interest Objections must be filed within
22 ninety (90) days after the Effective Date or such other time as may be extended upon Order
23 of the Bankruptcy Court.
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2 **C. Plan Distributions and Disbursing Agent**

3 Distributions to Creditors and Interest Holders will be made in accordance with the
4 Plan and the Plan Trust Agreement. No Distributions will be made to any claimant unless
5 that claimant has an Allowed Claim or Allowed Interest. The Plan Trustee will establish a
6 Disputed Claims Reserve in an amount sufficient to pay any unresolved claims in full if and
7 when they are allowed. No interest shall accrue or be paid unless specifically provided in
8 the Plan. The Plan Trustee will serve as the disbursing agent for all Allowed Claims and
9 Allowed Interests. Any Distributions shall be made in the prudent and sole discretion of the
10 Plan Trustee as Assets are liquidated all in accordance with the Plan Trust Agreement.

11 **D. Amendment of Claims**

12 After the Effective Date, a Claim may be amended to decrease, but not to increase,
13 the amount thereof.

14 **ARTICLE VI**

15 **RETENTION OF JURISDICTION**

16 On and after the Effective Date, the Bankruptcy Court shall retain exclusive
17 jurisdiction, to the fullest extent permissible under law, over all matters arising out of and
18 related to the Chapter 11 Case for, among other things, the following purposes:

19 (a) To hear and determine all matters with respect to the assumption or
20 rejection of executory contracts or unexpired leases and the allowance of Claims resulting
21 therefrom;

22 (b) To hear and determine any motion, adversary proceeding, application,
23 contested matter or other litigated matter pending on or commenced after the Confirmation
24 Date;
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1 (c) To hear and determine all matters with respect to the allowance,
2 disallowance, liquidation, classification, priority or estimation of any Claim;

3 (d) To ensure that distributions to holders of Allowed Claims are
4 accomplished as provided in the Plan;

5 (e) To hear and determine all applications for compensation and
6 reimbursement of professional claims;

7 (f) To hear and determine any application to modify the Plan in
8 accordance with Section 1127 of the Bankruptcy Code, to remedy any defect or omission
9 or reconcile any inconsistency in the Plan, the Disclosure Statement or any order of the
10 Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary
11 to carry out the purposes and effects thereof;

12 (g) To hear and determine disputes arising in connection with the
13 interpretation, implementation or enforcement of the Plan, the Confirmation Order, any
14 transactions or payments contemplated by the Plan or any agreement, instrument or other
15 document governing or relating to any of the foregoing;

16 (h) To issue injunctions, enter and implement other orders and take such
17 other actions as may be necessary or appropriate to restrain interference by any person with
18 the consummation, implementation or enforcement of the Plan, the Confirmation Order or
19 any other order of the Bankruptcy Court;

20 (i) To issue orders as may be necessary to construe, enforce, implement,
21 execute, and consummate the Plan;

22 (j) To enter, implement or enforce orders as may be appropriate in the
23 event the Confirmation Order is for any reason stayed, reversed, revoked, modified or
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1 vacated;

2 (k) To hear and determine matters concerning state, local and federal taxes
3 in accordance with sections 346, 505 and 1146 of the Bankruptcy Code (including the
4 expedited determination of tax under section 505(b) of the Bankruptcy Code);
5

6 (l) To hear and determine any other matters related to the Plan and not
7 inconsistent with the Bankruptcy Code;

8 (m) To determine any other matters that may arise in connection with or
9 are related to the Plan, the Disclosure Statement, the Confirmation Order, any of the Plan
10 documents or any other contract, instrument, release or other agreement or document related
11 to the Plan and the Disclosure Statement;

12 (n) To recover all Property of the Debtor's Estate, wherever located and
13 whether vesting in the Plan Trust pursuant to the Plan, including without limitation all
14 entities or assets improperly transferred or sold;

15 (o) To hear and determine all disputes involving the existence, nature or
16 scope of the Debtor's discharge, including any dispute relating to any liability arising out
17 of the termination of employment or the termination of any employee or retiree benefit
18 program, regardless of whether such termination occurred prior to or after the Effective
19 Date;
20

21 (p) To hear and determine any rights, Claims or Causes of Action held by
22 or accruing to the Debtor or the Plan Trust pursuant to the Plan, Bankruptcy Code or
23 pursuant to any federal or state statute or legal theory;

24 (q) To enforce all orders, judgments, injunctions, releases, exculpations,
25 indemnifications and rulings entered in connection with the Debtor's Chapter 11 Case with
26

1 respect to any Person;

2 (r) To hear and determine any disputes arising in connection with the
3 interpretation, implementation or enforcement of any post-petition agreements;

4 (s) To hear any other matter not inconsistent with the Bankruptcy Code;
5 and
6

7 (t) To enter a final decree closing the Chapter 11 Case.

8 **The Plan Trust and the Plan Trustee shall be deemed to have and be vested with**
9 **the full authority and standing to continue, institute, prosecute, and defend such**
10 **objections, matters, claims, actions, or Causes of Action which may or could have been**
11 **commenced prior to the Effective Date or identified or brought subsequent thereto.**

12 **ARTICLE VII**

13 **EFFECT OF CONFIRMATION**

14 **A. Vesting of Assets**

15 Upon the Effective Date, pursuant to Sections 1141(b) and (c) of the Bankruptcy
16 Code, the Assets shall vest in the Plan Trust, free and clear of all Claims, liens,
17 encumbrances, charges, and other interests, except as otherwise expressly provided in the
18 Plan.
19

20 **B. Preservation and Pursuit of Causes of Action**

21 All Causes of Action shall vest in the Plan Trust and are specifically preserved. The
22 Plan Trust through its Plan Trustee shall have standing to bring and maintain any and all
23 Causes of Action and to hire other professionals for same as deemed necessary and
24 appropriate. At the present time, the following potential defendants have been identified:
25 All current and former officers and directors of the Debtor, the law firm of Legal and
26

1 Compliance, LLC, Summit Capital, Upeva, Gregg Johnson, Donna Moore, Wayne Rich,
2 Practical Mining, Donald Taylor, Titan and any other Person with, by or through which any
3 of the foregoing potential defendants may have acted in relation to any Causes of Action.
4 Causes of Action may include but are not limited to preference payments, breach of fiduciary
5 duty, fraud, fraud in the inducement, failure of consideration, gross mismanagement, self-
6 dealing, breaches and violations related to corporate governance and securities laws, and
7 avoidance actions such as fraudulent conveyances and preferences.
8

9 Investigations of the Causes of Action are ongoing. Accordingly, no Person may
10 rely on the fact that the Plan and Disclosure Statement do not identify a particular Person or
11 Cause of Action.

12 Nothing contained in the Plan or the Confirmation Order shall be deemed to be a
13 waiver or relinquishment of any rights or Causes of Action that the Plan Trust may have or
14 choose to assert under any provision of the Bankruptcy Code or any applicable non-
15 bankruptcy law.
16

17 **C. Transfer of Causes of Action**

18 In accordance with Bankruptcy Code § 1123(b)(3), the Causes of Action will be
19 retained and reserved for the Plan Trust, and will be administered by the Plan Trustee, who
20 is designated as the post-confirmation estate's representative under Bankruptcy Code
21 §1123(b)(3)(B) for purposes of the Causes of Action.

22 **D. Binding Effect**

23 The rights, benefits and obligations of any Person named or referred to in this Plan
24 will be binding upon, and will inure to the benefit of, the heir, executor, administrator,
25 successor or assign of such Person.
26

1 **E. Dissolution of Committee**

2 On the Effective Date, (a) the Committee shall dissolve and its members shall be
3 released of their respective duties, responsibilities and obligations in connection with the
4 Chapter 11 Case or the Plan; and (b) the retention or employment of the Committee's
5 respective professionals and agents shall be terminated, other than with respect to filing the
6 final fee applications by Committee professionals or members or objecting to other asserted
7 Administrative Claims.
8

9 **F. Setoff and Recoupment**

10 The Plan Trust may, but shall not be required to, set off or recoup against any Claim
11 and any distribution to be made on account of that Claim, any and all claims, rights, and
12 Causes of Action of any nature that the Plan Trust may have against the holder of that Claim
13 pursuant to the Bankruptcy Code or applicable non-bankruptcy law; provided, however, that
14 neither the failure to effect a set off or recoupment nor the allowance of any Claim under the
15 Plan shall constitute a waiver, abandonment, or release by the Plan Trust of any of those
16 claims, rights, and Causes of Action that the Plan Trust may have against the holder of the
17 Claim. To the extent the Plan Trust fails to setoff or recoup against a holder and seek to
18 collect a claim from that holder after a distribution to the holder pursuant to the Plan, the
19 Plan Trust shall be entitled to full recovery on its claim against that holder of a Claim.
20

21 **ARTICLE VIII**

22 **MISCELLANEOUS PROVISIONS**

23 **A. Binding Effect of Plan**

24 The provisions of this Plan shall bind the Debtor, Creditors, and any Interest Holders,
25 and shall bind any Person asserting a Claim against the Debtor or an Interest in the Debtor,
26

1 whether or not the Claim or Interest arose before or after the Petition Date or the Effective
2 Date, whether or not the Claim or Interest is impaired, and whether or not the Person has
3 accepted the Plan.
4

5 **B. Appeals**

6 In the event of an appeal of the Confirmation Order or any other kind of review or
7 challenge to the Confirmation Order, and provided that no stay of the effectiveness of the
8 Confirmation Order has been entered, the Bankruptcy Court will retain jurisdiction to
9 implement and enforce the Confirmation Order and the Plan according to their terms,
10 including, but not limited to, jurisdiction to enter such orders regarding the Plan or the
11 performance thereof to implement the Plan. During the pendency of an appeal, any
12 applicable statute of limitations for any Cause of Action shall be tolled.

13 **C. Modification and Amendment of Exhibits, Schedules, and Appendices**

14 The Committee may modify or amend the terms of any document or agreement that
15 is an exhibit, schedule or appendix to the Plan or Disclosure Statement without the need for
16 re-solicitation of votes with respect to the Plan; provided, however, that the modification or
17 amendment does not materially adversely affect the rights of any Person provided in the
18 Plan.
19

20 **D. Governing Law**

21 Except to the extent the Bankruptcy Code or Bankruptcy Rules are applicable, the
22 rights and obligations arising under the Plan shall be governed by and construed and enforced
23 in accordance with the laws of the State of Arizona.

24 **E. Headings**

25 The headings of the Articles, Sections and Subsections of the Plan are inserted for
26

1 convenience only and shall not limit the interpretation of the Plan.

2 **F. Amendment and Modification of the Plan**

3 The Committee may propose amendments to or modifications of the Plan at any time
4 prior to confirmation of the Plan without the leave of the Bankruptcy Court or as permitted
5 by the Bankruptcy Code or Bankruptcy Rules. After confirmation of the Plan, the Plan
6 Trustee may seek to amend or modify the Plan with the approval of the Bankruptcy Court,
7 so long as it does not materially or adversely affect the interests of Creditors or other parties
8 in interest as set forth herein, to remedy any defect or omission or to reconcile any
9 inconsistencies in the Plan or in the Confirmation Order, in a manner as may be necessary
10 to carry out the purposes and intent of the Plan.

11 **G. Effect of Confirmation Order**

12 The Confirmation Order will include a provision that the Confirmation Order shall
13 be immediately effective and enforceable upon its entry and shall not be subject to any stay
14 under Bankruptcy Rule 3020(e) or otherwise.

15 **H. Quarterly Fees**

16 The quarterly fees required by 28 U.S.C. § 1930(a)(6) will be paid by the Plan
17 Trustee to, and reports will be filed with, the Office of the United States Trustee until
18 application is made for entry of a final decree. Application for a final decree can be made
19 by the Plan Trustee when the Plan has been fully administered, which for purposes of the
20 Plan shall mean when the Plan has been substantially consummated, as that term is defined
21 in Section 1101(2) of the Bankruptcy Code.

22 **I. Notices**

23 Any notice required or permitted to be provided under the Plan will be in writing and
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1 served by regular postage-prepaid, first-class mail, hand-delivery, facsimile, or email.

2
3 **J. Conflicts between Plan and Confirmation Order.**

4 In the event the terms of the Plan and the Confirmation Order conflict, the terms of
5 the Confirmation Order shall govern.

6 **K. Reservation of Rights**

7 The Plan Trustee's right to commence, prosecute and/or continue the prosecution of
8 Causes of Action or the objection to or subordination of Claims and Interests shall not be
9 abridged or materially altered in any manner by reason of Confirmation of the Plan. No
10 defendant party to any Cause of Action shall be entitled to assert any defense based, in
11 whole or in part, upon Confirmation of the Plan, and the Plan's Confirmation shall not have
12 any *res judicata* or collateral estoppel effect upon the commencement, prosecution and/or
13 continuation of any Cause of Action or objection to or subordination of Claims and
14 Interests.

15
16 DATED this 8th day of May, 2019.

17
18 **THE OFFICIAL COMMITTEE OF
19 UNSECURED CREDITORS**

20 By: /s/ Bernard Guarnera

21
22 /s/ Michael Christiansen

23 Committee Co-chairs

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25
26 PHOENIX 99998-2606 542255v2