

1 **DICKINSON WRIGHT PLLC**
Carolyn J. Johnsen (#011894)
2 cjohnsen@dickinsonwright.com
Robert A. Shull (#003467)
3 rshull@dickinsonwright.com
1850 North Central Avenue, Suite 1400
4 Phoenix, Arizona 85004
Phone: (602) 285-5000
5 Fax: (844) 670- 6009

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

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

11 In re

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

14 Debtor.

Chapter 11

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

**AMENDED DISCLOSURE STATEMENT
IN SUPPORT OF OFFICIAL
COMMITTEE OF UNSECURED
CREDITORS' AMENDED CHAPTER 11
PLAN LIQUIDATION**

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17 The Official Committee of Unsecured Creditors (the “**Committee**”) provides this
18 *Amended Disclosure Statement in Support of Amended Chapter 11 Plan of Liquidation* (the
19 “**Disclosure Statement**”) to the known creditors, shareholders, and parties in interest of
20 Star Mountain Resources, Inc. (the “**Debtor**”) pursuant to Section 1125 of the Bankruptcy
21 Code, for the purpose of voting on Chapter 11 Plan of Liquidation (the “**Plan**”), attached
22 hereto as **Exhibit A**. The Committee is the “**Plan Proponent**.”

23 **Note:** Unless otherwise defined herein, the terms defined in Article II of the Plan
24 shall have the same meanings when used in this Disclosure Statement. In addition, unless
25 otherwise defined herein or in the Plan, terms used in this Disclosure Statement shall have
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1 the same meaning as in the Bankruptcy Code or the Bankruptcy Rules.

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3 **I. INTRODUCTION**

4 Debtor filed its voluntary Chapter 11 bankruptcy petition on February 21, 2018. The
5 Debtor has been unable in three attempts over a lengthy period of time to propose a
6 confirmable plan. Its most recent effort to reorganize the company was denied by the
7 Bankruptcy Court because the Debtor **could not** demonstrate that it had an actual business
8 plan or the financing to accomplish one. The Court even found that the Debtor had not
9 shown it was acting in good faith to propose such a bare plan.

10 Therefore, the Committee has filed this Plan to liquidate the Debtor's assets and
11 provide for an orderly payment of such liquidation proceeds to Creditors and Current
12 Shareholders holding Allowed Claims and Interests

13 **NOTE: On May 8, 2019, the Debtor and the Committee filed a Plan Support**
14 **Agreement [Doc. 333] in which the Debtor agreed to support the Committee's Plan.**

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16 **II. SUMMARY OF THE DEBTOR'S BUSINESS**

17 **A. Description of the Debtor's Business Operations**

18 The Debtor was formed as a result of a reverse merger for the purpose of acquiring
19 mineral-related assets including claims, leases and producing mines. In November 2015,
20 the Debtor acquired the Balmat Mining Assets that it subsequently sold to Titan on
21 December 30, 2016. Since that time, the Debtor has conducted no business operations or
22 made any acquisitions.

23 **B. Assets and Liabilities of the Debtor**

24 1. Assets. On December 30, 2016, the Debtor sold its sole significant
25 asset, the Balmat Mining Assets to Titan. At present, according to the Debtor, its tangible
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1 liquid assets consist primarily of the Titan Promissory Note with a balance owed of
2 approximately \$1.025 million and the Titan Stock. It also owns a Management Liability
3 and Company Reimbursement Insurance Policy (“**D&O Policy**”) and certain intellectual
4 property consisting of various reports. Perhaps, the Debtor’s most important asset may be
5 the Causes of Action against parties involved in the sale of the Balmat Mining Assets
6 including current and former officers and directors.
7

8 2. Liabilities. The Debtor’s liabilities consist of unsecured claims.
9 Creditors have filed proofs of claim in the approximate amount of \$40 million and other
10 claims are listed in the Schedules as undisputed. However, several of the claims are subject
11 to objections filed in the Bankruptcy Court. As described herein, the Plan Trustee will
12 evaluate the claims and pursue, settle or dismiss the objections.
13

14 **C. Management**

15 The Debtor’s current management consists of Joseph Marchal, Chief Executive
16 Officer and a member of the Board of Directors; Mark Osterberg, President and Chief
17 Operating Officer; Donna Moore, Interim Chief Financial Officer; and Edward Brogan, a
18 member of the Board of Directors.

19 **III. EVENTS PRECIPITATING THE CHAPTER 11 FILING**

20 **A. Litigation.**

21 According to the Debtor, it filed Chapter 11 primarily because of the pre-Petition
22 Date litigation filed against the Debtor and others in multiple courts, as described below.
23 The Aviano Litigation is pending in a state court in Colorado, and the SGS Litigation is
24 pending in Colorado District Court. Both of these lawsuits involve the Balmat Mining
25 Assets, the Aviano Litigation relating mostly to the Debtor’s acquisition of the holding
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1 company that owned the Balmat Mining Assets, and the SGS Litigation arising from the
2 sale of the Balmat Mining Assets to Titan. Both lawsuits against the Debtor are stayed
3 pursuant to Section 362 of the Bankruptcy Code.
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5 **B. The Balmat Mining Assets Acquisition and Sale**

6 In November 2015, the Debtor acquired Northern Zinc, LLC (“Northern Zinc”), the
7 owner of the entity that owned the Balmat Mining Assets. On December 31, 2016, The
8 Debtor sold the Balmat Mining Assets to Titan. Prior to the sale, the Debtor filed a Form
9 15 with the Securities and Exchange Commission on November 10, 2016 to voluntarily
10 deregister its common stock under the Securities Exchange Act of 1934, as amended.

11 **C. The Shareholder Demand**

12 On October 13, 2017, Aviano along with other minority shareholders of the Debtor
13 put the Debtor on notice of their demand that the Debtor take action on behalf of the Debtor
14 against its directors and officers to remedy purported breaches of fiduciary duties, gross
15 mismanagement, insider self-dealing and violations of Nevada Revised Statutes Sec.
16 78.138(7) and Sec. 78.565. The shareholder demand stems in part and among other things,
17 from matters related to the Debtor’s sale of the Balmat Mining Assets to Titan.
18

19 **IV. EVENTS DURING THE CHAPTER 11 CASES**

20 The following are the most significant events that have occurred in the Chapter 11
21 Case to date:

22 **A. Employment of Debtor’s Professionals**

23 The Court entered Orders approving the Debtor’s employment of restructuring
24 counsel, Fennemore Craig, P.C. (Doc. No. 17), and special corporate counsel, Legal &
25 Compliance LLC (Doc. No. 21).
26

1 **B. Appointment of a Creditors' Committee**

2 The UST appointed the Committee, consisting of Michael Nelson Christiansen,
3 Lanesborough, LLC and Aviano Financial Group (Doc. Nos. 42 and 50). The Court
4 approved the retention of Dickinson Wright, PLLC as attorneys for the Committee (Doc.
5 No. 46).

6 **C. Motion for Stay Relief**

7 SGS Acquisition Company, Ltd. filed a Motion for Stay Relief on April 2, 2018
8 (Doc. No. 33), seeking authority to proceed with the SGS Litigation. The Debtor objected
9 to the Motion at Doc. No. 41, and the Bankruptcy Court scheduled a preliminary hearing
10 on the Motion for June 26, 2018. The Bankruptcy Court denied the Motion for Stay Relief
11 by Order entered July 18, 2018. *See* Doc. No. 101.

12 **D. Motion to Assume Executory Contract with Upeva, Inc**

13 The Debtor filed a Motion to assume its business consulting and financial
14 management services contract with Upeva, Inc. (Doc. No. 28) (the "Upeva Motion"). The
15 Committee and the Office of the United States Trustee (the "UST") objected to the Upeva
16 Motion (Doc. No. 38) and it was subsequently withdrawn.

17 **E. Motion to Set Proof of Claims Bar Date**

18 By Order dated May 24, 2018, the Court approved the Debtor's request to set a bar
19 date for filing proofs of claim and established July 9, 2018 as the deadline to file claims.
20 (Doc. No. 59).

21 **F. Rule 2004 Document Requests and Examinations**

22 The UST obtained a number of Orders pursuant to Federal Bankruptcy Rule 2004,
23 requiring the production of documents from and examination of principals of the Debtor
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1 and from former officers and directors of the Debtor. The UST conducted the examinations
2 of Mr. Marchal, Mr. Osterberg, Mr. Brogan and Ms. Moore.

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4 **G. Motions to Appoint a Trustee**

5 At a status hearing held soon after the Petition Date, the Committee made a speaking
6 motion to appoint a trustee on ground that the Debtor was not operating under the direction
7 of a fiduciary. The Court denied the Committee's request, but it gave the Committee
8 permission to file a formal motion. On July 13, 2018, the Committee filed its *Motion for*
9 *the Appointment of a Chapter 11 Trustee* (Doc. No. 82) setting forth the need to have an
10 independent third party to review the conduct of the Debtor's current and former principals
11 and advisors with respect to the precipitous sale of the Balmat Mining Assets.

12 The Court conducted a 5-day trial commencing on August 1, 2018. At the
13 conclusion of the trial, the Court delayed its ruling pending the parties' discussions about
14 coverage under the D&O Policy funding and a possible filing of a joint plan of
15 reorganization. After negotiations failed, the Court denied the Committee's motion;
16 however, the Court did appoint an Examiner to commence an investigation into the Debtor's
17 pre-petition actions.

18
19 On April 17, 2019, the UST filed a *Motion to Appoint Chapter 11 Trustee* (Doc. No.
20 308). The motion is pending to allow the Plan to go forward.

21 **H. Motions Regarding Exclusivity**

22 The Committee filed a Motion to terminate the Debtor's exclusive right to file a plan
23 on July 18, 2018 (Doc. No. 97). At a hearing held on July 20, 2018, the Court denied the
24 Motion as premature. On August 20, 2018, the Debtor filed a Motion to Extend Exclusivity
25 (Doc. No. 159). At a hearing held September 5, 2018, the Court denied the Debtor's Motion
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1 and terminated exclusivity, thus giving the Committee the opportunity to file its Plan.
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4 **I. Appointment of Examiner**

5 Based on discussions regarding the D&O Policy and the Litigation Insurance Fund,
6 the Debtor and the Committee entered into a Stipulated Order (Doc. No. 179) directing the
7 appointment of an examiner to investigate the Causes of Action and to file a lawsuit as
8 necessary. Upon application of the UST, the Court appointed Jared Parker as the examiner.
9 (Doc. No. 186).

10 **J. Debtor's Failed Plans**

11 After stating to the Court at numerous hearings that the Debtor would file a
12 liquidating plan, the Debtor filed its first Plan of Reorganization on June 21, 2018 (Doc.
13 79). This initial plan proposed to preserve the Debtor entity but presented no future business
14 operations. After objections by the Committee, the UST and the SEC, the Debtor did not
15 move forward with that plan. Instead, it filed a second plan on August 31, 2018 (Doc. No.
16 167) that proposed the development of the Debtor as a so-called “junior mining company.”
17 No financial projections or proposed financing was provided and the Debtor did not proceed
18 with that plan either.
19

20 After the trial on the Committee's trustee motion and the appointment of the
21 Examiner, counsel for the Debtor and Committee began work on a joint plan. On October
22 10, 2018, the Debtor and the Committee filed a *Joint Plan of Reorganization* (the “**Joint**
23 **Plan**”) (Doc. 202) proposing that the Debtor maintain its corporate structure and proceed
24 with exploration of various business opportunities – in essence the Debtor's portion of the
25 Plan—but, all of the Debtor's current assets would be transferred to a trust and liquidated
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1 for the benefit of creditors and shareholders – in essence the Committee’s portion of the
2 Plan.

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4 Both the UST and the SEC objected to the Debtor’s portion of the Joint Plan
5 principally because the Debtor 1) had failed to provide a description of its business
6 operations including revised corporate documents; 2) had provided for the potential
7 trafficking of a “shell” corporation; 3) had provided for indemnification of Insiders; and 4)
8 had provided inequitable, unfair treatment for minority shareholder. The UST and the SEC
9 did not object to the Committee’s portion of the Joint Plan providing for the liquidation of
10 assets.

11 At the conclusion of the Debtor’s presentation of evidence on its portion of the Joint
12 Plan, the Court denied confirmation finding that the Debtor had not met its burden to
13 demonstrate that its portion of the plan was filed in good faith, that its business proposal
14 was feasible, or that its portion was fair and equitable to creditors and shareholders.

15 At the present time, the Debtor has not filed a new plan or indicated that it intends
16 to file one.

17
18 **V. CLASSIFICATION AND TREATMENT OF CLAIMS.**

19 **A. No Classification of Administrative Claims**

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

24 **Treatment of Administrative Claims.** Unless previously approved and paid,
25 Allowed Administrative Claims will be paid, in full satisfaction of the Claim: (a) one cash
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1 payment in the Allowed amount of the Claim on the Effective Date or as soon thereafter as
2 possible or after the claim is allowed if subject to Court approval; (b) in the ordinary course
3 of business as the Claim matures; or (c) upon other less favorable terms as may be agreed
4 upon by the holder of the Claim, or as ordered by the Bankruptcy Court. Payments will be
5 made by the Plan Trustee from the Plan Trust Fund.
6

7 **B. Classification and Treatment of Claims and Interests That Are**
8 **Classified**

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

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

13 Class 1 consists of the Allowed Claims of general unsecured creditors, except those
14 classified in Class 2. On the Effective Date, in full and final satisfaction of any Claim against
15 the Debtor, the Holder of an Allowed Claim in this Class shall receive a beneficial interest
16 in the Plan Trust and shall be paid its Pro-Rata share of the Plan Trust Fund in accordance
17 with the Plan Trust Agreement after full payment of Allowed Administrative Claims. In the
18 event sufficient funds are available to pay all Allowed Claims in this Class, the Plan Trustee
19 will pay interest at a rate of 3 percent (3%) per annum. Class 1 is Impaired and is entitled to
20 vote on the Plan.
21

22 2. **Class 2 – Unsecured Insider Claims.**

23 Class 2 consists of the Allowed Unsecured Claims of Edward Brogan and Joseph
24 Marchal. The Claims in this Class shall be deemed disallowed pending the resolution of any
25 Cause of Action or Claim Objection filed against a Holder of a Claim in this Class. If such
26 Claim is Allowed, in full and final satisfaction of such Claim, the Holder shall receive a

1 beneficial interest in the Plan Trust and shall be paid its Pro-Rata share of the Plan Trust
2 Fund in accordance with the Plan Trust Agreement and the Final Order allowing such Claim
3 (that may provide for the subordination of such Claim), after full payment of Allowed
4 Administrative Claims. In the event sufficient funds are available to pay all Allowed Claims
5 in this Class, the Plan Trustee will pay interest at a rate of 3 percent (3%) per annum. Class
6 2 is Impaired and is entitled to vote on the Plan.
7

8 3. **Class 3 – Preferred Equity Interests in the Debtor**

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

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

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4 5. **Class 5 – Common Equity Interests in the Debtor.**

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

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

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

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23 NOTE: The fact that a Claim or Interest has been separately classified as set forth
24 above is not an adjudication or conclusion that any such Claim or Interest may or may not
25 be subordinated or be subject to setoff or recoupment.
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VI. 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 (attached in substantially final form hereto as **Exhibit B**) 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; 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 not be required to obtain any approvals from the Court, any court or governmental body and/or provide any notices under any applicable laws to implement the terms of the Plan in

1 accordance with the Plan and the Plan Trust Agreement except as expressly set forth in the
2 Plan and the Plan Trust Agreement.

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

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

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

17
18 **D. Debtor's Corporate Existence and Governance**

19 On the Effective Date, all instruments evidencing or creating any indebtedness or
20 obligation of the Debtor, except such instruments that are authorized or issued under this
21 Plan, shall be canceled and extinguished. On the Effective Date, all Current Officers and
22 Directors shall be terminated and any purported action taken by them under the color or
23 authority of the Debtor on or after the Effective Date shall be null and void. Additionally,
24 as of the Effective Date, all Equity Interests shall be deemed cancelled and extinguished
25 without any further action of any party; **provided**, however, that the Debtor shall issue one
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1 (1) share of common stock to the Plan Trust. The holders of, or parties to, the cancelled
2 notes, membership interests, share certificates, and other agreements and instruments shall
3 have no rights arising from or relating to such notes, share certificates, and other agreements
4 and instruments or the cancellation thereof, except the rights provided pursuant to this Plan.
5 From and after the Effective Date, the Plan Trustee shall serve as the Emerged Debtor's
6 sole officer and director. The Plan Trustee shall take such actions as may be necessary to
7 maintain the corporate existence after the Effective Date.
8

9 For the avoidance of doubt, the Plan Trustee will not take any actions to "monetize"
10 the existing corporate shell and the entity will be collapsed and dissolved as set forth herein
11 and in sub-section G below.

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

13 Immediately after the Effective Date, the Debtor shall transfer all of its books, files,
14 and records to the Plan Trustee and shall cause all of its Insiders and Representatives to
15 transfer all of their books, files and records related to the Debtor to the Plan Trustee
16 including in all instances any and all attorney-client privileged and work product
17 documents, correspondence, and communications whether electronic or hard copy form.
18 Immediately after the Effective Date, the Examiner shall transfer all of his files related to
19 the Debtor to the Plan Trustee.
20

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

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

25 **G. Dissolution of Debtor**

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

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

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

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 **I. Exemption from Transfer Taxes**

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

24 **J. Exemption from Securities Laws**

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

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10 **VII. OBJECTIONS TO CLAIMS**

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

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

15 **B. Filing of Objections and Causes of Actions**

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

23 **C. Plan Distributions and Disbursing Agent**

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

9 **D. Amendment of Claims**

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

12 **VIII. RETENTION OF JURISDICTION**

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

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

19 (b) To hear and determine any motion, adversary proceeding, application,
20 contested matter or other litigated matter pending on or commenced after the Confirmation
21 Date;

22 (c) To hear and determine all matters with respect to the allowance,
23 disallowance, liquidation, classification, priority or estimation of any Claim;

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

2 (e) To hear and determine all applications for compensation and
3 reimbursement of professional claims;
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5 (f) To hear and determine any application to modify the Plan in
6 accordance with Section 1127 of the Bankruptcy Code, to remedy any defect or omission
7 or reconcile any inconsistency in the Plan, the Disclosure Statement or any order of the
8 Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary
9 to carry out the purposes and effects thereof;

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

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

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

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

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

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

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

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

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

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

19 (q) To enforce all orders, judgments, injunctions, releases, exculpations,
20 indemnifications and rulings entered in connection with the Debtor's Chapter 11 Case with
21 respect to any Person;

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

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- 1 (s) To hear any other matter not inconsistent with the Bankruptcy Code;
2 and
3
4 (t) To enter a final decree closing the Chapter 11 Case.

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

9 **IX. EFFECT OF CONFIRMATION**

10 **A. Vesting of Assets**

11 Upon the Effective Date, pursuant to Sections 1141(b) and (c) of the Bankruptcy
12 Code, the Assets shall vest in the Plan Trust, free and clear of all Claims, Liens,
13 encumbrances, charges, and other interests, except as otherwise expressly provided in the
14 Plan.

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

16 All Causes of Action shall vest in the Plan Trust and are specifically preserved. The
17 Plan Trust through its Plan Trustee shall have standing to bring and maintain any and all
18 Causes of Action and to hire other professionals for same as deemed necessary and
19 appropriate. At the present time, the following potential defendants have been identified:
20 All current and former officers and directors of the Debtor, the law firm of Legal and
21 Compliance, LLC, Summit Capital, Upeva, Gregg Johnson, Donna Moore, Practical Mining,
22 Wayne Rich, Titan and any other Person with, by or through which any of the foregoing
23 potential defendants may have acted in relation to any Causes of Action. Causes of Action
24 may include but are not limited to payment of preferences, breach of fiduciary duty, fraud,
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1 gross mismanagement, self-dealing, breaches and violations related to corporate governance
2 and securities laws, and avoidance actions such as fraudulent conveyances and preferences.
3

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

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

11 **C. Transfer of Causes of Action**

12 In accordance with Bankruptcy Code § 1123(b)(3), the Causes of Action will
13 be retained and reserved for the Plan Trust, and will be administered by the Plan Trustee,
14 who is designated as the post-confirmation estate's representative under Bankruptcy Code
15 §1123(b)(3)(B) for purposes of the Causes of Action.

16 **D. Binding Effect**

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

20 **E. Dissolution of Committee**

21 On the Effective Date, (a) the Committee shall dissolve and its members shall be
22 released of their respective duties, responsibilities and obligations in connection with the
23 Chapter 11 Case or the Plan; and (b) the retention or employment of the Committee's
24 respective professionals and agents shall be terminated, other than with respect to filing the
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1 Committee's final fee application.

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3 **F. Setoff and Recoupment**

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

15 **X. INFORMATION REGARDING THE DISCLOSURE**
16 **STATEMENT AND CONFIRMATION**

17 **A. Information Regarding the Disclosure Statement**

18 This Disclosure Statement has been prepared in connection with the
19 solicitation of acceptances of the Plan.

20 1. Purpose of Disclosure Statement. The Committee is providing this
21 Disclosure Statement to all of the Debtor's known Creditors and Current Shareholders in
22 order to allow them to make an informed decision in exercising their right to vote on the
23 Plan, which is described below. Section 1125(b) of the Bankruptcy Code prohibits the
24 solicitation of acceptances or rejections of a plan of reorganization or liquidation unless that
25 plan is accompanied by a copy of a disclosure statement that has been approved by the
26

1 Bankruptcy Court. Once approved, the Disclosure Statement and the Plan will be
2 distributed to Creditors and Current Shareholders for voting. Approval of the Disclosure
3 Statement by the Bankruptcy Court does not constitute approval of the Plan by the
4 Bankruptcy Court or a determination that the Disclosure Statement is accurate in all
5 respects.
6

7 2. Source of Information in Disclosure Statement. Unless otherwise noted,
8 those portions of the Plan and this Disclosure Statement providing factual information
9 concerning the Debtor and its assets and liabilities have been prepared from information
10 submitted by the Debtor, its advisors and its retained professionals. Because Holders of
11 Allowed Claims and Interests against the Debtor's Estate will not be paid from the Debtor's
12 ongoing operations, this Disclosure Statement does not provide financial projections of
13 future operations. **The Committee has not reviewed the sources of information**
14 **described in this sub-section and makes no representations as to the accuracy of any**
15 **such information.**
16

17 3. Disclaimers. This Disclosure Statement contains information that may
18 influence your decision to accept or reject the Plan. Please read this document with care.
19 This Disclosure Statement and the Plan will classify all Claims and Interests into Classes.
20 The treatment of each Class will be set forth in this Disclosure Statement and in the Plan.
21 You should carefully examine the treatment of the Class(es) to which your Claim or Interest
22 will be assigned.

23 Any financial information contained in this Disclosure Statement has not been
24 subjected to an audit by an independent certified public accountant and it has not been
25 reviewed by the Committee. THE INFORMATION CONTAINED IN THIS
26

1 DISCLOSURE STATEMENT IS PROVIDED FOR PURPOSES OF SOLICITING
2 ACCEPTANCES OF THE PLAN, AND MAY NOT BE RELIED UPON FOR ANY
3 PURPOSE OTHER THAN TO DECIDE HOW TO VOTE ON THE PLAN. NO PERSON
4 MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER
5 THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS
6 DISCLOSURE STATEMENT REGARDING THE PLAN OR THE SOLICITATION OF
7 ACCEPTANCES OF THE PLAN.
8

9 ALL HOLDERS OF CLAIMS OR INTERESTS IN THE DEBTOR ARE
10 ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN
11 THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN
12 SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT
13 ARE QUALIFIED BY THE PLAN. THE STATEMENTS CONTAINED IN THIS
14 DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND
15 THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED
16 HEREIN WILL BE CORRECT IN THE FUTURE. IN THE EVENT OF ANY CONFLICT
17 BETWEEN THE DESCRIPTIONS SET FORTH IN THIS DISCLOSURE STATEMENT
18 AND THE TERMS OF THE PLAN, THE TERMS OF THE PLAN SHALL GOVERN.
19

20 THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE
21 WITH BANKRUPTCY CODE § 1125 AND BANKRUPTCY RULE 3016(b) AND NOT
22 NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES
23 LAWS OR OTHER NON-BANKRUPTCY LAW. THIS DISCLOSURE STATEMENT
24 HAS BEEN NEITHER APPROVED NOR DISAPPROVED BY THE SEC, NOR HAS
25 THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE
26

1 STATEMENTS CONTAINED HEREIN.

2 THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE
3 CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY RAISED IN ANY
4 CONTESTED MATTER, ADVERSARY PROCEEDING, OR OTHER ACTION, OR AS
5 A STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN
6 SETTLEMENT NEGOTIATION. THIS DISCLOSURE STATEMENT SHALL NOT BE
7 ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR SHALL IT BE
8 CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL
9 EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY
10 INTERESTS IN, THE DEBTOR.
11

12 COURT APPROVAL OF THIS DISCLOSURE STATEMENT AND THE
13 ACCOMPANYING PLAN, INCLUDING EXHIBITS, IF ANY, IS NOT A
14 CERTIFICATION OF THE ACCURACY OF THE CONTENTS THEREOF.
15 FURTHERMORE, BANKRUPTCY COURT APPROVAL OF THESE DOCUMENTS
16 DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S OPINION AS TO
17 WHETHER THE PLAN SHOULD BE APPROVED, DISAPPROVED, CONFIRMED,
18 OR REJECTED.
19

20 **B. Information Regarding the Plan and Voting**

21 1. Voting Procedure. The Plan divides the Creditors and Interest Holders
22 into separate classes. Pursuant to Section 1126 of the Bankruptcy Code, only Holders of
23 Claims in Classes that are impaired by the Plan may vote on the Plan. Generally, this
24 includes Creditors who, under the Plan, will receive less than payment in full of their claims
25 on the Effective Date of the Plan. Holders of Claims or Interests not impaired by the Plan
26

1 are deemed to have accepted the Plan and do not have the right to vote on the Plan.
2 Administrative Claims are not generally classified for purposes of voting or receiving
3 Distributions under the Plan. In the Bankruptcy Case, Holders of Claims or Interests in all
4 Classes are entitled to vote to accept or reject the Plan: This Disclosure Statement is being
5 distributed for informational purposes to all Creditors, Interest Holders and parties-in-
6 interests without regard to their right to vote. If you are entitled to vote to accept or reject
7 the Plan, a Ballot is enclosed for the purpose of voting.
8

9 All Creditors and Interest Holders entitled to vote on the Plan must cast their vote by
10 completing, dating and signing the ballot which has been mailed to them with this
11 Disclosure Statement. The ballot contains instructions concerning the deadline for
12 submitting the ballot and to what address the ballot should be mailed.

13 2. Confirmation Hearing And Objections. A party in interest may object
14 to confirmation of the Plan and appear at the Confirmation Hearing to pursue such
15 objection. The deadline and instructions for filing and serving any objection to
16 confirmation of the Plan are set forth on the Order Approving Disclosure Statement that
17 has been mailed to all Creditors, Interest Holders and parties-in-interest, together with a
18 Ballot, the Disclosure Statement and Plan.
19

20 The Bankruptcy Court will confirm the Plan if the requirements of Section 1129 of
21 the Bankruptcy Code are satisfied. The Bankruptcy Court must determine whether the Plan
22 has been accepted by each impaired Class entitled to vote on the Plan. Impaired classes
23 entitled to vote on the Plan are those Classes of Claims whose legal, equitable or contractual
24 rights are altered, as defined under Section 1124 of the Bankruptcy Code. An impaired Class
25 of Claims is deemed to have accepted the Plan if at least two-thirds in amount of those
26

1 Claims who vote and more than one-half in number of those Claims who vote have accepted
2 the Plan. An impaired Class of Interests is deemed to have accepted the Plan if the Plan has
3 been accepted by at least two-thirds in amount of the Allowed Interests who vote on the
4 Plan. Only the votes of those creditors or interested parties whose ballots are timely
5 received will be counted in determining whether a class has accepted the Plan.
6

7 Even if each Class does not accept the Plan, the Plan can be confirmed under Section
8 1129(b) of the Bankruptcy Code, so long as one impaired Class of Creditors accepts the
9 Plan. This is referred to as the "cram down" provision. The failure of each Class to accept
10 the Plan could result in a conversion of the Bankruptcy Case to a Chapter 7.

11 To confirm the Plan, the Bankruptcy Court must hold a hearing to determine whether
12 the Plan meets the requirements of Section 1129 of the Bankruptcy Code. The Confirmation
13 Hearing will be conducted in the courtroom of the Honorable Daniel P. Collins, United
14 States Bankruptcy Court for the District of Arizona, 230 North First Avenue, Courtroom
15 603, Phoenix, Arizona 85003 and is set on the date and time provided in the Order
16 Approving Disclosure Statement.
17

18 **C. Acceptance of the Plan**

19 This Disclosure Statement is provided in connection with the solicitation of
20 acceptances of the Plan. The Bankruptcy Code defines acceptance of a plan of
21 reorganization by a class of claims as acceptance by holders of at least two-thirds in dollar
22 amount, and more than one-half in number, of the allowed claims of that class that have
23 actually voted or are deemed to have voted to accept or reject a plan. The Bankruptcy Code
24 defines acceptance of a plan of reorganization by a class of interests as acceptance by at
25 least two-thirds in amount of the allowed interests of that class that have actually voted or
26

1 are deemed to have voted to accept or reject a plan.

2
3 If one or more Impaired Classes rejects the Plan, the Debtor may, in its discretion,
4 nevertheless seek confirmation of the Plan if the Debtor believes that it will be able to meet
5 the requirements of section 1129(b) of the Bankruptcy Code for confirmation of the Plan,
6 despite the lack of acceptance by all Impaired Classes.

7 **D. Confirmation**

8 Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice,
9 to hold a Confirmation Hearing. Notice of the Confirmation Hearing regarding the Plan
10 has been provided to all known holders of Claims and Interests or their respective
11 representatives along with this Disclosure Statement. The Confirmation Hearing may be
12 adjourned from time to time by the Bankruptcy Court without further notice except for an
13 announcement of the adjourned date made at the Confirmation Hearing or any subsequent
14 adjourned Confirmation Hearing.

15 Section 1128(b) of the Bankruptcy Code provides that any party in interest may
16 object to confirmation of a plan. Any objection to confirmation of the Plan must be in
17 writing, must conform with the Bankruptcy Rules and the Local Rules of the Bankruptcy
18 Court, must set forth the name of the objecting party, the nature and amount of Claims or
19 Interests held or asserted by that party against the Debtor's Estate or property, and the
20 specific basis for the objection. Such objection must be filed with the Bankruptcy Court
21 and served on the Debtor and all those requesting notice on or before the deadline set forth
22 in the notice of Confirmation Hearing.

23
24 At the Confirmation Hearing, the Debtor will request that the Bankruptcy Court
25 determine that the Plan satisfies the requirements of section 1129 of the Bankruptcy Code.
26

1 If the Bankruptcy Court so determines, the Bankruptcy Court will enter an order confirming
2 the Plan.

3
4 **XI. TAX CONSEQUENCES OF PLAN**

5 Nothing contained in the Disclosure Statement or the Plan shall in any way constitute
6 tax advice. The tax consequences of the Plan on particular creditors are uncertain and may
7 vary depending upon particular circumstances. Accordingly, Holders of Claims and
8 Interests are strongly urged to consult their own tax advisors about the federal, state, local,
9 and foreign income and other tax consequences of the Plan, including with respect to tax
10 reporting and record-keeping requirements.

11 **XII. RISK FACTORS**

12 **HOLDERS OF CLAIMS AND INTERESTS SHOULD CONSIDER**
13 **CAREFULLY THE FOLLOWING FACTORS, IN ADDITION TO THE OTHER**
14 **INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, BEFORE**
15 **SUBMITTING A VOTE TO ACCEPT OR REJECT THE PLAN**

16 **A. Confirmation of the Plan is not Assured**

17 Although the Committee believes that the Plan will satisfy all requirements
18 necessary for Confirmation by the Bankruptcy Court, there can be no assurance that the
19 Bankruptcy Court will reach the same conclusion. There can also be no assurance that
20 modifications to the Plan will not be required for Confirmation or that such modifications
21 would not necessitate re-solicitation of votes.

22
23 **B. The Plan May Be Confirmed Without the Approval of All**
24 **Creditors Through “Cramdown”**

25 If one or more Impaired Classes does not accept the Plan, the Bankruptcy Court may
26

1 nonetheless confirm the Plan if 1) all other conditions for Confirmation have been met; 2)
2 at least one Impaired Class has accepted the Plan (without including the vote of any Insider
3 in that Class); and 3) as to each Impaired Class that has not accepted the Plan, the
4 Bankruptcy Court determines that the Plan does not discriminate unfairly and is fair and
5 equitable.
6

7 **C. The Liquidation of the Assets Is Uncertain**

8 It is difficult to predict the timing and success of collection efforts on the Titan Note,
9 the price for which the Titan Common Stock can be liquidated, or whether any Causes of
10 Action will be filed and produce any recovery.

11 **D. The Amounts of Many Claims Must Be Adjudicated**

12 Creditors have asserted Claims against the Debtor in substantial amounts. These
13 claims will need to be adjudicated by the Bankruptcy Court. Allowance of any of these
14 Disputed Claims could significantly affect the percentage payout to creditors.
15

16 **E. The Court May Convert the Case**

17 The Court may appoint a Chapter 11 Trustee or determine that the case should be
18 converted and a Chapter 7 Trustee appointed to liquidate the assets.

19 **XIII. ALTERNATIVES TO THE PLAN**

20 Among the possible consequences if the Plan is rejected or if the Bankruptcy Court
21 does not confirm it are the following: (a) an alternative plan could be proposed and
22 confirmed; or (b) the Chapter 11 Case could be converted to a liquidation case under
23 Chapter 7 of the Bankruptcy Code.

24 **A. Alternative Plans**

25 The Committee has explored various alternative scenarios and believe that the Plan
26

1 enables the Holders of Allowed Claims and Interests to realize the maximum recovery under
2 the circumstances.

3
4 **B. Chapter 7**

5 The Committee believes the structure of the Plan provides the most economical and
6 efficient way to resolve Disputed Claims and Interests, to pursue the Causes of Action and
7 to monetize the Assets. The Plan provides for the same person who has served as
8 Committee counsel to serve as Plan Trustee to accomplish these tasks. This will reduce the
9 additional administrative cost and delay created with a conversion and the appointment of
10 a Chapter 7 trustee.

11 **XIV. RESERVATION OF RIGHTS**

12 The Plan Trustee's right to commence, prosecute and/or continue the prosecution of
13 causes of action shall not be abridged or materially altered in any manner by reason of
14 Confirmation of the Plan. No defendant party to any causes of action shall be entitled to
15 assert any defense based, in whole or in part, upon Confirmation of the Plan, and the Plan's
16 Confirmation shall not have any *res judicata* or collateral estoppel effect upon the
17 commencement, prosecution and/or continuation of any Cause of Action.

18
19 **XV. MISCELLANEOUS PROVISIONS**

20 **A. Binding Effect of Plan**

21 The provisions of this Plan shall bind the Debtor, Creditors, and any Interest Holders,
22 and shall bind any Person asserting a Claim against the Debtor or an Interest in the Debtor,
23 whether or not the Claim or Interest arose before or after the Petition Date or the Effective
24 Date, whether or not the Claim or Interest is impaired, and whether or not the Person has
25 accepted the Plan.

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B. Appeals

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

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

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

D. Governing Law

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

E. Headings

The headings of the Articles, Sections and Subsections of the Plan are inserted for convenience only and shall not limit the interpretation of the Plan.

F. Amendment and Modification of the Plan

The Committee may propose amendments to or modifications of the Plan at any time prior to confirmation of the Plan without the leave of the Bankruptcy Court or as permitted

1 by the Bankruptcy Code or Bankruptcy Rules. After confirmation of the Plan, the Plan
2 Trustee may seek to amend or modify the Plan with the approval of the Bankruptcy Court,
3 so long as it does not materially or adversely affect the interests of Creditors or other parties
4 in interest as set forth herein, to remedy any defect or omission or to reconcile any
5 inconsistencies in the Plan or in the Confirmation Order, in a manner as may be necessary
6 to carry out the purposes and intent of the Plan.
7

8 **G. Effect of Confirmation Order**

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

12 **H. Quarterly Fees**

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

20 **I. Notices**

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

23 **J. Conflicts between Plan and Confirmation Order**

24 In the event the terms of the Plan and the Confirmation Order conflict, the terms of
25 the Confirmation Order shall govern.
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XVI. CONCLUSION AND RECOMMENDATIONS

The Committee has analyzed different scenarios and believe that the Plan provides the most efficient and economical mean of recovery for Holders of Allowed Claims and Interests. Accordingly, the Committee recommends confirmation of the Plan and urges all Holders of Impaired Claims and Interests to vote to accept the Plan, and to indicate that acceptance by returning their signed Ballots to as to be received no later than the voting deadline set forth on the Ballot.

As indicated above the Debtor has agreed to support the Plan.

DATED this 8th day of May, 2019.

THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS

By: /s/ Bernard Guarnera

/s/ Michael Christiansen
Committee Co-chairs

PHOENIX 99998-2606 542308v3

1 **DICKINSON WRIGHT PLLC**
Carolyn J. Johnsen (#011894)
2 cjohnsen@dickinsonwright.com
Robert A. Shull (#003467)
3 rshull@dickinsonwright.com
1850 North Central Avenue, Suite 1400
4 Phoenix, Arizona 85004
Phone: (602) 285-5000
5 Fax: (844) 670- 6009

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

Chapter 11

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

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

13 Debtor.
14

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.
15

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
26

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.
8

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.
4

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.
26

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.
26

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
of litigation.

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

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

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

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

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

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

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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
Assets.
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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.
4

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.
14

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.
25

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.
8

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.
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20 NOTE: The fact that a Claim or Interest has been separately classified as set forth
21 above is not an adjudication or conclusion that any such Claim or Interest may or may not
22 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 (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;

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

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

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

12 **G. Effect of Confirmation Order**

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

16 **H. Quarterly Fees**

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

23 **I. Notices**

24 Any notice required or permitted to be provided under the Plan will be in writing and
25
26

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 DATED this 8th day of May, 2019.

16
17 **THE OFFICIAL COMMITTEE OF**
18 **UNSECURED CREDITORS**

19
20 By: /s/ Bernard Guarnera

21
22 /s/ Michael Christiansen

23 Committee Co-chairs

24
25
26 PHOENIX 99998-2606 542255v2

PLAN TRUST AGREEMENT

This Plan Trust Agreement, dated as of _____, 2019 (the “**Trust Agreement**”), is entered into by and among Star Mountain Resources, Inc. (the “**Debtor**” and the “**Emerged Debtor**”) and Jared G. Parker, as Trustee (the “**Plan Trustee**”) of the Star Mountain Plan Trust (the “**Plan Trust**”).

RECITALS

A. On February 21, 2018 (the “**Petition Date**”), the Debtor filed in the United States Bankruptcy Court for the District of Arizona (the “**Court**”) a voluntary petition for relief under chapter 11 of the Bankruptcy Code, Case No. 2:18-bk-01594.

B. On April 18, 2018 (Doc. No. 42) and amended on May 7, 2018 (Doc. No. 50), the United States Trustee appointed the Committee of Unsecured Creditors (“**Committee**”) pursuant to 11 U.S.C. §§ 1102(a) and 1102(b)(2).

C. On or about May 8, 2019, the Committee filed its *Official Committee of Unsecured Creditors’ Amended Chapter 11 Plan of Liquidation* (Doc. No. ___) (the “**Plan**”) and *Amended Disclosure Statement in Support of Official Committee of Unsecured Creditors’ Amended Chapter 11 Plan of Liquidation* (Doc. No. ___) (“**Disclosure Statement**”).

D. The Plan was confirmed by the Court by Order dated _____ (the “**Confirmation Order**”).

E. This Trust Agreement is being executed to establish and provide for the administration of the Plan Trust and the liquidation and distribution of the Plan Trust Assets as described below.

F. The Plan Trust is intended to qualify as a liquidating trust within the meaning of Treasury Regulations Section 301.7701-4(d), to be treated as a “grantor trust” for federal income tax purposes, and to be exempt from the requirements of the Investment Company Act of 1940.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, the parties hereto agree as follows:

DEFINITIONS

The Definitions attached to this Trust Agreement as Exhibit A are those contained in the Plan and referred to in the Disclosure Statement and are incorporated herein. Additional Definitions used in this Trust Agreement are as follows:

“**Plan Trust Beneficiaries**” means the holders of Allowed Administrative Claims, Priority Claims, General Unsecured Claims and Interests.

“**Plan Trust Beneficial Interest**” means a non-transferable and non-assignable beneficial interest in the Plan Trust to be issued to each Plan Trust Beneficiary, which entitles its holder to receive distributions from the Plan Trust as set forth in this Trust Agreement.

“**Plan Trust Administrative Reserve**” means Cash that is allocated and retained by the Plan Trust from the Plan Trust Assets from time to time, in the sole discretion of the Plan Trustee, in an amount necessary to satisfy reasonable costs and expenses of the Plan Trust and other obligations and liabilities incurred, assumed, or reasonably anticipated by the Plan Trust (or to which the Plan Trust Assets are otherwise subject), including without limitation fees and costs incurred in connection with the protection, preservation, liquidation, and distribution of the Plan Trust Assets.

“**Plan Trust Parties**” means the Plan Trustee and the Plan Trust Professionals as defined herein.

“**Plan Trust Professionals**” means counsel, advisors, consultants, and other professionals selected by the Plan Trustee reasonably required to perform the responsibilities of the Plan Trust.

ARTICLE I.

CREATION OF PLAN TRUST

1. Creation of Trust. The Plan Trust shall be deemed to have been created by the Debtor, and the Plan Trustee effective on the Effective Date. The Plan Trust shall bear the name “Star Mountain Plan Trust.”

2. Purpose of Plan Trust.

a. The Plan Trust shall be established for the sole purpose of liquidating and distributing the Plan Trust Assets in accordance with the Plan and Treasury Regulations Section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

b. This Trust Agreement is intended to create a trust and a trust relationship and to be governed and construed in all respects as a trust. The Plan Trust is not intended to be, and shall not be deemed to be or treated as, a general partnership, limited partnership, joint venture, corporation, joint stock company, or association, nor shall the Plan Trustee or the Plan Trust Beneficiaries for any purpose be, or be deemed to be treated in any way whatsoever, liable or responsible hereunder as partners or joint venturers. The relationship of the Plan Trust Beneficiaries to the Plan Trustee shall be solely that of beneficiaries of a trust and shall not be deemed a principal or agency relationship, and their rights shall be limited to those conferred upon them by this Trust Agreement.

c. Under no circumstance shall the Plan Trustee be authorized, or contend he/she is authorized, to incur liability on behalf of the Debtor’s Estate. Any and all expenses and liability incurred by the Plan Trustee in the execution of his/her duties and responsibilities, including without limitation Plan Trustee fees, Trust Professional fees, the cost of Insurance, and adverse judgments shall be the exclusive liability of the Plan Trust and not the liability of Debtor, the Reorganized Debtor, or the Plan Trustee in his/her individual capacity.

3. Transfer of Plan Trust Assets.

a. On the Effective Date, the Plan Trust Assets shall be transferred to and deemed to have been vested in the Plan Trust for the benefit of the Plan Trust Beneficiaries. All such transfers and distributions shall be free and clear of any and all liens, claims, encumbrances and interests (legal, beneficial or otherwise) of all other persons and entities to the maximum extent contemplated by and permissible under section 1141 of the Bankruptcy Code and the Plan. Such transfers shall be exempt from any stamp, real estate transfer, mortgage reporting, sales, use or other similar tax pursuant to section 1146 of the Bankruptcy Code.

b. The Debtor, Emerged Debtor and the Plan Trustee (on behalf of the Plan Trust), as successor in interest to the Debtor's Estate, may (i) execute and deliver any instruments, documents, books, and records (including those maintained in electronic format and original documents as may be needed), and (ii) take, or cause to be taken, all such further action in order to evidence, vest, perfect or effectuate the transfer of the Plan Trust Assets to the Plan Trust and consummate transactions contemplated by and to otherwise carry out the intent of the Plan Trust.

c. Upon specific request of the Plan Trustee, the Debtor shall deliver or cause to be delivered to the Plan Trustee any and all books and records that relate primarily to or that may be reasonably required in connection with the Plan Trust Assets and administration of the Plan Trust whether held by the Debtor or its agents, representatives, advisors, attorneys, accountants and any other professional hired by it. It is understood that any and all privileges, work product and confidentiality agreements held or asserted by the Debtor are hereby waived.

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

5. Agents and Trust Professionals; Employees. The Plan Trust may employ the Plan Trust Professionals without further order from the Bankruptcy Court. The Plan Trust Professionals shall be compensated on such basis as agreed to by the Plan Trustee without further motion, application, notice or other order of the Bankruptcy Court.

6. Insurance. The Plan Trust may maintain customary insurance coverage for the protection of the Plan Trustee as determined by the Plan Trustee.

7. Status of Plan Trust and Plan Trustee. The Plan Trust will be the successor-in-interest to the Debtor with respect to any Causes of Action that were or could have been commenced by the Debtor prior to the Effective Date and shall be deemed substituted for the same as the party in the prosecution or defense of such claims. The Plan Trustee (on behalf of the Plan Trust) will be the representative of the Estate as that term is used in Section 1123(b)(3)(B) of the Bankruptcy Code and will have the rights and powers provided in the Bankruptcy Code. All Causes of Action are preserved and retained and may be enforced by the Plan Trustee on behalf of the Debtor's Estate pursuant to section 1123(b)(3)(B) of the Bankruptcy Code.

8. Fiscal Year. Except for the first and last years of the Plan Trust, the Fiscal Year of the Plan Trust shall be the calendar year. For the first and last years of the Plan Trust, the Fiscal Year of the Plan Trust shall be such portion of the calendar year that the Plan Trust is in existence.

9. Costs and Expenses of the Plan Trust. The Plan Trustee and the Plan Trust Professionals shall be compensated and expenses paid from the liquidation of the Plan Trust Assets. Such compensation and expenses will be subordinated to the payment of Allowed Administrative Claims/

10. Books and Records.

a. The Plan Trustee shall maintain books and records in respect of the Plan Trust for the period commencing on the date hereof through the termination of the Plan Trust, containing such information and in such detail and for such period of time as may be necessary to enable him/her to make full and proper accounting in respect thereof and to comply with applicable provisions of law.

b. The Plan Trustee is authorized without further application to the Bankruptcy Court or notice to any party, to destroy books and records (whether in electronic or paper format) in accordance with Section 3 of Article IX.

ARTICLE II.

DISTRIBUTIONS TO PLAN TRUST BENEFICIARIES

1. Receipt of Plan Trust Beneficial Interests; Incidents of Ownership. On the Effective Date, each Plan Trust Beneficiary as of the Effective Date shall receive a Plan Trust Beneficial Interest in the Plan Trust. The holders of a Disputed Claim or Interest on the Effective Date that subsequently become Allowed, in whole or in part, shall receive a Plan Trust Beneficial Interest in the Plan Trust at such time as, and to the extent, such Disputed Claim or Interest becomes Allowed. The Plan Trust Beneficiaries shall be the sole beneficiaries of the Plan Trust and the Plan Trust Assets, and the Plan Trustee shall retain only such incidents of ownership as are necessary to undertake the actions and transactions authorized in this Trust Agreement, including, but not limited to, those powers set forth in Section 4 of Article IV. hereof.

2. Evidence of Plan Trust Beneficial Interest. Ownership of a Plan Trust Beneficial Interest shall be evidenced by appropriate notation on the books and records maintained for that purpose by the Plan Trustee or an agent of the Plan Trustee, but shall otherwise be uncertificated. Such notation shall be conclusive absent manifest error, and the Plan Trust and the Plan Trustee shall treat each person whose name is recorded on the books and records of the Plan Trust as aforesaid as the owner of the Plan Trust Beneficial Interest indicated therein for all purposes of this Trust Agreement, notwithstanding assertions to the contrary. The notation shall be in such form as the Plan Trustee shall determine, but shall be commensurate with the amount of the Allowed Claims or Interests of the respective Plan Trust Beneficiaries and shall readily permit calculation of the Pro Rata Share of each such Plan Trust Beneficiary. A Plan Trust Beneficiary shall be deemed the "holder of record" of such beneficiary's Plan Trust Beneficial Interest(s) for purposes of all applicable laws, rules and regulations. The Plan Trustee shall, upon the written

request of a Plan Trust Beneficiary, provide reasonably adequate documentary evidence of such beneficiary's Plan Trust Beneficial Interest. The expense of providing such documentation shall be borne by the requesting Plan Trust Beneficiary.

3. Nontransferability of the Plan Trust Beneficial Interests. Plan Trust Beneficial Interests shall not be transferable or assignable except by will, intestate succession, or operation of law; provided, that any transfer or assignment of a Plan Trust Beneficial Interest by will, intestate succession, or operation of law shall not be effective unless and until such transfer or assignment is recorded on the books and records of the Plan Trust maintained for that purpose, as provided in Section 2 of this Article II. Notwithstanding any other provision to the contrary, the Plan Trustee may disregard any purported transfer or assignment of Plan Trust Beneficial Interests by will, intestate succession, or operation of law if appropriate information (as reasonably determined by the Plan Trustee), including applicable tax-related information, is not provided by such purported transferee or assignee to the Plan Trustee. Until such information is provided, any amounts that would have been distributed to the previous Plan Trust Beneficiary shall be held pending the Plan Trustee's receipt of the requisite information from the transferee; provided that, if the transferee fails to comply with such a request within thirty (30) days, such distribution shall be deemed an undelivered distribution; and provided further that, if the Plan Trustee fails to withhold in respect of amounts received or distributable with respect to any such holder-transferee and the Plan Trustee is later held liable for the amount of such withholding, such holder-transferee shall reimburse the Plan Trustee for such liability.

4. Plan Trust Beneficial Interests Not Securities. The Plan Trust Beneficial Interests shall not constitute "securities" and shall not be registered pursuant to the Securities Act of 1933, as amended, or any state securities law. However, if it should be determined that the Plan Trust Beneficial Interests constitute "securities," the exemption provisions of section 1145 of the Bankruptcy Code shall apply to the Plan Trust Beneficial Interests.

5. Rights of Plan Trust Beneficiaries. Each Plan Trust Beneficiary shall be entitled to participate in the rights and benefits due to a Plan Trust Beneficiary hereunder on account of its Plan Trust Beneficial Interest. Each Plan Trust Beneficiary shall take and hold the same. The interest of a Plan Trust Beneficiary is hereby declared and shall be, in all respects, personal property.

6. Interest Beneficial Only. Except as expressly provided hereunder, a Plan Trust Beneficiary shall have no title to, right to, possession of, management of or control of the Plan Trust or the Plan Trust Assets. The ownership of a Plan Trust Beneficial Interest in the Plan Trust shall not entitle any Plan Trust Beneficiary to any title in or to the Plan Trust Assets or to any right to call for a partition or division of such assets or to require an accounting, except as specifically provided herein.

7. Conflicting Claims. If any conflicting claims or demands are made or asserted with respect to a Plan Trust Beneficial Interest, the Plan Trustee shall be entitled, at his/her sole election, to refuse to comply with any such conflicting claims or demands. In so refusing, the Plan Trustee may elect to make no payment or distribution with respect to the Plan Trust Beneficial Interest at issue, or any part thereof, until such conflict is resolved in accordance with this Section 7, and the Plan Trustee shall refer such conflicting claims or demands to the

Bankruptcy Court, which shall have exclusive jurisdiction over resolution of such conflicting claims or demands or his/her refusal to make a payment or distribution with respect to the Plan Trust Beneficial Interest at issue. The Plan Trustee shall not be or become liable to any party for his/her refusal to comply with any of such conflicting claims or demands. The Plan Trustee shall be entitled to refuse to act until either (a) the rights of the adverse claimants have been adjudicated by a Final Order of the Bankruptcy Court or (b) all differences have been resolved by a written agreement among all of such parties and the Plan Trustee, which agreement shall include a complete release of the Plan Trust and the Plan Trustee (the occurrence of either (a) or (b) being referred to as a “**Dispute Resolution**” in this Section 7). Until a Dispute Resolution is reached with respect to such conflicting claims or demands, the Plan Trustee shall hold any payments or distributions from the Plan Trust to be made with respect to the Plan Trust Beneficial Interest at issue. Promptly after a Dispute Resolution is reached, the Plan Trustee shall transfer the payments and distributions in accordance with the terms of such Dispute Resolution.

8. Liability to Third Persons. No Plan Trust Beneficiary shall be subject to any personal liability whatsoever, in tort, contract, or otherwise, to any person in connection with the Plan Trust Assets or the affairs of the Plan Trust.

ARTICLE III. **DISTRIBUTIONS OF PLAN TRUST ASSETS**

1. Distributions. The Plan Trustee shall make distributions to Plan Trust Beneficiaries on account of their Plan Trust Beneficial Interests in accordance with such holders’ Pro Rata Share of available Cash, after maintaining the Plan Trust Administrative Reserves and in the sole discretion of the Plan Trustee.

2. Minimum Cash Distributions. The Plan Trustee shall not be required to make any Distribution (other than the final) of Cash less than \$100 to any Plan Trust Beneficiary; provided, however, that if any distribution is not made pursuant to this Section 2, such distribution shall be added to any subsequent distribution to be made on behalf of such Plan Trust Beneficial Interest.

3. Delivery of Distributions. All distributions to any Plan Trust Beneficiary shall be made at the address of such holder (a) as set forth on the Schedules filed with the Court, or (b) on the books and records of the Plan Trustee or his/her agents, as applicable, unless the Plan Trustee has been notified in writing of a change of address, including, without limitation, by the filing of a proof of Claim by such holder that contains an address for such holder different than the address of such holder as set forth on the Schedules.

4. Undeliverable and Unclaimed Distributions. In the event that any distribution to any Plan Trust Beneficiary is returned as undeliverable, the Plan Trustee shall use commercially reasonable efforts to determine the current address of such Plan Trust Beneficiary, but he/she shall not be required to retain an outside investigator to determine the current address of a Plan Trust Beneficiary whose distribution is returned as undeliverable. In any event, any attempted distribution made pursuant to this Trust Agreement that remains unclaimed for a period of thirty (30) days after the last attempted delivery shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and revested in the Plan Trust. The Plan Trustee shall have no

further obligation to make any distribution to such Plan Trust Beneficiary and such claim shall be extinguished and forever barred.

5. Withholding and Reporting Requirements. The Plan Trustee may, but is not directed to, withhold and pay to the appropriate Tax Authority all amounts required to be withheld pursuant to the Tax Code or any provision of any foreign, state or local tax law with respect to any payment or distribution to the Plan Trust Beneficiaries. All such amounts withheld and paid to the appropriate Tax Authority (or placed in escrow pending resolution of the need to withhold) shall be treated as amounts distributed to such holders for all purposes of this Trust Agreement. The Plan Trustee shall be authorized to collect such tax information from the Plan Trust Beneficiaries (including social security numbers or other tax identification numbers) as required in his/her sole discretion to effectuate this Trust Agreement. To receive distributions under this trust, all Plan Trust Beneficiaries shall be required to identify themselves to the Plan Trustee and provide tax information and the specifics of their holdings, to the extent the Plan Trustee deems appropriate (including completing the appropriate Form W-8 or Form W-9, as applicable to each holder). The Plan Trustee may refuse to make a distribution to any Plan Trust Beneficiary that fails to furnish such information in a timely fashion, until such information is delivered; provided, however, that, upon the delivery of such information by a Plan Trust Beneficiary, the Plan Trustee shall make such distribution to which the Plan Trust Beneficiary is entitled, without interest; and provided further that, if the holder fails to comply with such a request within 30 days, such distribution shall be deemed an undeliverable distribution hereunder; and provided further that, if the Plan Trustee fails to withhold in respect of amounts received or distributable with respect to any such holder and the Plan Trustee is later held liable for the amount of such withholding, such holder shall reimburse the Plan Trustee for such liability. Notwithstanding the foregoing, each owner of a Plan Trust Beneficial Interest and recipient of a distribution on account of such Plan Trust Beneficial Interest shall have the sole and exclusive responsibility for any taxes imposed by any governmental unit, including income, withholding and other taxes, on account of such ownership or distribution.

ARTICLE IV. THE PLAN TRUSTEE

1. Appointment and Acceptance of Plan Trustee. The Plan Trustee is hereby appointed as trustee of the Plan Trust and shall be deemed appointed pursuant to section 1123(b)(3)(B) of the Bankruptcy Code. The Plan Trustee hereby accepts such appointment, including the trusteeship of the Plan Trust created by this Trust Agreement, and the grant, assignment, transfer, conveyance and delivery to the Plan Trustee, on behalf, and for the benefit, of the Plan Trust Beneficiaries, by the Debtor of all of its respective right, title and interest in the Plan Trust Assets, upon and subject to the terms and conditions set forth herein. The Plan Trustee may resign and shall be subject to removal and replacement in accordance with Article VI.

2. Fiduciary Duty and Standard of Care.

a. The Plan Trustee's powers are exercisable solely in a fiduciary capacity consistent with, and in furtherance of, the purpose of the Plan Trust, and in accordance with applicable law. The Plan Trustee shall have the authority to bind the Plan Trust within the

limitations set forth herein, but shall for all purposes hereunder be acting in the capacity as Plan Trustee, and not individually.

b. The Plan Trustee shall exercise such rights and powers vested in him/her by this Trust Agreement and use the same degree of care and skill in his/her exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs, in accordance with applicable law. No provision of this Trust Agreement shall be construed to relieve the Plan Trustee from liability for his/her own gross negligence, fraud, or reckless or willful misconduct, except that the Plan Trustee shall not be liable for any action taken in good faith in reliance upon the advice of Trust Professionals retained by the Plan Trustee in accordance with this Trust Agreement.

3. Bond. The Plan Trustee shall serve without a bond.

4. Powers of the Plan Trustee.

a. As more specifically provided below, the Plan Trustee shall have the responsibility for administering the Plan Trust, maintaining all appropriate reserves, receiving Additional Distributions, liquidating the Plan Trust Assets, and making distributions under this Plan Trust Agreement.

b. The Plan Trustee 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 section 108; waiving attorney-client and other privileges as circumstances may warrant; and making Distributions to Creditors and Interest Holders. The Plan Trustee shall be expressly authorized and required to undertake the following actions, in the Plan Trustee's good faith judgment, in the best interests of the Plan Trust Beneficiaries and to maximize net recoveries therefor:

- i. To effectuate the provisions of the Plan pertaining to the collection, liquidation, and distribution of the Plan Trust Assets;
- ii. to hold the Plan Trust Assets for the benefit of the Plan Trust Beneficiaries, whether such beneficiaries' Claims are Allowed on or after the Effective Date;
- iii. to establish and maintain the Plan Trust Administrative Reserves;
- iv. to make all distributions and other necessary payments pursuant to this Trust Agreement;
- vi. in the Plan Trustee's reasonable business judgment to investigate, prosecute, settle, liquidate, dispose of, and/or abandon the Causes of Action and any objections to Claims or Interests;

- vii. to monitor and enforce the implementation of the Trust Agreement;
- viii. to file all tax and regulatory forms, returns, reports, and other documents and financial information required with respect to the Plan Trust;
- x. to hold, manage, and distribute Cash obtained through the exercise of his/her power and authority;
- xi. to maintain and dispose of the books and records transferred to the Plan Trustee in a manner deemed appropriate by the Plan Trustee, as provided in Section 10 of Article I and Section 3 of Article VIII;
- xii. to enter into and exercise rights under contracts that are necessary or desirable to the administration of the Plan Trust and execute any documents or pleadings related to the liquidation of the Plan Trust Assets or other matters related to the Plan Trust;
- xiii. to establish and maintain bank accounts and terminate such accounts;
- xiv. to obtain and maintain insurance coverage with respect to the liabilities and obligations of the Plan Trustee;
- xv. to take all actions necessary and appropriate consistent with the treatment of the Plan Trust as a “grantor trust” for United States federal income tax purposes;
- xvi. to bring suits or defend the Plan Trust and Plan Trustee against such suits, if any, as the Plan Trustee determines in connection with any matter solely to the extent arising from the rights, powers or obligations granted to the Plan Trust or Plan Trustee under this Trust Agreement;
- xvii. to take such other and further actions as are not inconsistent with this Trust Agreement;
- xviii. to take such other and further actions in furtherance of the purposes of the Plan as are not inconsistent with this Trust Agreement.

5. Investment of Plan Trust Assets. The Plan Trustee may invest Plan Trust Assets (including any earnings thereon or proceeds therefrom) only in demand and time deposits, including short-term certificates of deposit, in banks or other savings institutions, and in other highly-rated temporary, liquid investments, such as U.S. Treasury Bills, consistent with Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable Internal Revenue Service guidelines, rulings, or other controlling authorities.

6. Limitations on Actions of Plan Trustee. No part of the Plan Trust Assets shall be used or disposed of by the Plan Trustee in furtherance of any trade or business. The Plan Trustee shall, on behalf of the Plan Trust, hold the Plan Trust out as a trust in the process of liquidation and not as an investment company. The Plan Trustee shall not engage in any investments or

activities inconsistent with the treatment of the Plan Trust as a liquidating trust within the meaning of Treasury Regulations Section 301.7701-4(d). The Plan Trustee shall be restricted to the liquidation of the Plan Trust Assets on behalf, and for the benefit, of the Plan Trust Beneficiaries; the distribution and application of Plan Trust Assets for the purposes set forth in this Trust Agreement; and the conservation and protection of the Plan Trust Assets and the administration thereof in accordance with the Plan.

7. No Further Approvals Required. On and after the Effective Date, the Plan Trustee shall not be required to obtain any approvals from the Bankruptcy Court or any court or governmental body, or to provide any notices to implement the terms of this Trust Agreement, including, without limitation, the resolution, settlement, prosecution or abandonments of any Causes of Action, other than as expressly required under this Trust Agreement.

8. Reliance by Plan Trustee. The Plan Trustee may rely, and shall be protected in acting, upon any resolution, statement, instrument, opinion, report, notice, request, consent, order, or other paper or document reasonably believed by the Plan Trustee to be genuine and to have been signed or presented by the proper party or parties. The Plan Trustee shall be entitled to rely, in good faith, on the advice of Trust Professionals regardless of whether such advice is provided in writing.

9. Liability to Third Persons. The Plan Trustee Parties shall not be subject to any personal liability whatsoever, in tort, contract or otherwise, to any person in connection with the Plan Trust Assets or the affairs of the Plan Trust, and all persons claiming against the Plan Trustee Parties, or otherwise asserting claims of any nature in connection with affairs of the Plan Trust, shall look solely to the Plan Trust Assets for satisfaction of any such claims, except where a Plan Trustee Party is found pursuant to a Final Order to have acted with gross negligence, fraud, or reckless or willful misconduct.

ARTICLE V.

SUCCESSOR PLAN TRUSTEES

1. Resignation. The Plan Trustee may resign at any time upon not less than thirty (30) days' written notice to the Plan Trust Beneficiaries provided that such resignation shall not be effective until such time as a successor Plan Trustee has been appointed.

2. Removal. The Plan Trustee may be removed for Cause by a vote of seventy-five percent (75%) of the Plan Trust Beneficiaries, voting in accordance with their Pro Rata Share of Allowed Claims.

3. Effect of Resignation or Removal.

a. The resignation, removal, incompetency, bankruptcy, or insolvency of the Plan Trustee shall not operate to terminate the Plan Trust or to revoke any existing agency created pursuant to the terms of this Trust Agreement, or invalidate any action theretofore taken by the Plan Trustee.

b. In the event of the resignation or removal of the Plan Trustee, such Plan Trustee shall (i) promptly execute and deliver such documents, instruments, and other writings as may be reasonably requested by the successor Plan Trustee or directed by the Bankruptcy Court to effect the termination of such Plan Trustee's capacity under this Trust Agreement; (ii) promptly deliver to the successor Plan Trustee all documents, instruments, records and other writings related to the Plan Trust as may be in the possession of such Plan Trustee; and (iii) otherwise assist and cooperate in effecting the assumption of its obligations and functions by such successor Plan Trustee.

4. Replacement. In the event that the original Plan Trustee resigns, a successor trustee shall be designated by the Plan Trustee from among attorneys at his/her then-current law firm. In the event that the original Plan Trustee dies or is incapacitated for 60 consecutive days, the members of the Plan Trustee's then-current law firm may designate a successor trustee. In a situation involving removal, the Plan Trust Beneficiaries shall designate a successor trustee by a 75 percent (75%) vote to replace the Plan Trustee. Notice of the appointment of a successor Plan Trustee shall be filed with the Bankruptcy Court promptly following such appointment.

5. Successor Plan Trustee. Any successor Plan Trustee appointed hereunder shall execute an instrument accepting his/her appointment and shall deliver one counterpart thereof to the Bankruptcy Court for filing and, except in the case of removal, to the resigning Plan Trustee. Thereupon, such successor Plan Trustee shall, without any further act, become vested with all the liabilities, duties, powers, rights, title, discretion and privileges of its predecessor in the Plan Trust with like effect as if originally named Plan Trustee and shall be deemed appointed pursuant to section 1123(b)(3)(B) of the Bankruptcy Code. The resigning or removed Plan Trustee shall duly assign, transfer, and deliver to such successor Plan Trustee all property and money held by such departing Plan Trustee hereunder and shall, as reasonably requested by such successor Plan Trustee, execute and deliver an instrument or instruments conveying and transferring to such successor Plan Trustee upon the trusts herein expressed all the liabilities, duties, powers, rights, title, discretion, and privileges of such departing Plan Trustee.

6. Reliance Upon Representations of Predecessor Plan Trustee. Any successor Plan Trustee may accept and rely upon any accounting made by or on behalf of any predecessor Plan Trustee hereunder, and any statement or representation made as to the assets comprising the Plan Trust Assets or as to any other fact bearing upon the prior administration of the Plan Trust, so long as it has a good-faith basis to do so. The Plan Trustee shall not be liable for having accepted and relied in good faith upon any such accounting, statement, or representation if it is later proved to be incomplete, inaccurate, or untrue. Any successor Plan Trustee shall not be liable for any act or omission of any predecessor Plan Trustee, nor have a duty to enforce any claims against any predecessor Plan Trustee on account of any such act or omission.

ARTICLE VI. **TAX MATTERS**

1. Tax Treatment.

a. For all U.S. federal income tax purposes, all parties (including, without limitation, the Debtor, the Emerged Debtor, the Plan Trustee, and the Plan Trust Beneficiaries)

shall treat the transfer of the Plan Trust Assets to the Plan Trust as a transfer of the Plan Trust Assets (subject to any obligations relating to those assets) directly to Plan Trust Beneficiaries, followed by the transfer by such Plan Trust Beneficiaries to the Plan Trust in exchange for the Plan Trust Beneficial Interests. Accordingly, the Plan Trust Beneficiaries holding Plan Trust Beneficial Interests shall be treated for U.S. federal income tax purposes as the grantors and owners of their respective share of the Plan Trust Assets (other than such Plan Trust Assets as may be allocable to the Disputed Claims Reserve). The foregoing treatment shall also apply, to the extent permitted by applicable law, for state and local income tax purposes.

b. The Plan Trustee may elect, in his/her sole discretion and to the extent necessary or appropriate to the administration of the Plan, to allocate amounts and Cash, if appropriate, to a Disputed Claims Reserve in the amount of Disputed Claims, and to administer the Plan Trust with respect to the Disputed Claims Reserve and the holders of Disputed Claims in accordance with applicable Treasury Regulations.

2. Tax Reporting.

a. The Plan Trustee shall file tax returns (including U.S. federal returns) for the Plan Trust treating the Plan Trust (other than with respect to any Plan Trust Assets allocable to the Disputed Claims Reserve) as a grantor trust pursuant to Treasury Regulations section 1.671-4(a) and in accordance with this Article VI. The Plan Trustee shall also annually send (or otherwise make available) to each holder of a Plan Trust Beneficial Interest a statement setting forth the holder's share of items of income, gain, loss, deduction or credit and will instruct all such holders to report such items on their U.S. federal income tax returns or to forward the appropriate information to their respective beneficial holders with instructions to report such items on their U.S. federal income tax returns. The Plan Trustee shall also file (or cause to be filed) any other statements, returns or disclosures relating to the Plan Trust as required by any governmental unit.

b. As soon as practicable following the Effective Date, if necessary, the Plan Trustee will in good faith value Plan Trust Assets, and shall make all such values available from time to time, to the extent relevant, and such values shall be used consistently by all parties to the Plan Trust (including, without limitation, the Plan Trustee, and Plan Trust Beneficiaries) for all United States federal income tax purposes.

c. Allocations of the Plan Trust's tax items shall be in accordance with each holder's Pro-Rata Share of the Plan Trust determined in good faith by the Plan Trustee.

d. Subject to definitive guidance from the Internal Revenue Service or a court of competent jurisdiction to the contrary (including the receipt by the Plan Trustee of a private letter ruling if the Plan Trustee so requests one, or the receipt of an adverse determination by the Internal Revenue Service upon audit if not contested by the Plan Trustee), the Plan Trustee shall (A) timely elect to treat any Plan Trust Assets allocable to the Disputed Claims Reserve as a "disputed ownership fund" governed by Treasury Regulation section 1.468B-9, and (B) to the extent permitted by applicable law, report consistently with the foregoing for state and local income tax purposes. All parties (including the Debtor, Plan Trustee and the Plan Trust

Beneficiaries) shall report for U.S. federal, state and local income tax purposes consistently with the foregoing.

e. The Plan Trustee may request an expedited determination of Taxes of the Plan Trust, including the Disputed Claims Reserve.

3. Tax Payment. The Plan Trustee shall be responsible for the payment, out of the Plan Trust Assets, of any taxes imposed on the Plan Trust or its assets, including the Disputed Claims Reserve. In the event, and to the extent, any Cash retained on account of Disputed Claims in the Disputed Claims Reserve is insufficient to pay any portion of such taxes attributable to the taxable income arising from the assets allocable to, or retained on account of, Disputed Claims (including any income that may arise upon the distribution of the assets of the Disputed Claims Reserve), such taxes shall be (a) reimbursed from any subsequent Cash amounts retained on account of Disputed Claims or (b) to the extent such Disputed Claims subsequently have been resolved, deducted from any amounts distributable by the Plan Trustee as a result of the resolutions of such Disputed Claims

ARTICLE VII.

LIMITATION OF LIABILITY AND INDEMNIFICATION

1. Limitation of Liability. The Plan Trust Parties will not be liable for punitive, exemplary, consequential, special or other damages for a breach of this Trust Agreement under any circumstances.

2. Indemnification.

a. The Plan Trust shall indemnify and hold harmless the Plan Trustee Parties and their employees and agents so that they shall not be liable for actions taken or omitted in their capacity as the Plan Trustee Parties or in fulfillment of their duties with respect to the Plan Trust, except those acts that are determined by Final Order to have arisen out of their own gross negligence, fraud, or reckless or willful misconduct, and each shall be entitled to be indemnified, held harmless, and reimbursed for fees and expenses including, without limitation, reasonable attorney's fees, which such persons and entities may incur or may become subject to or in connection with any action, suit, proceeding, or investigation that is brought or threatened against such persons or entities regarding the implementation or administration of the Trust Agreement or the discharge of their respective duties hereunder or thereunder or in respect thereof, except for any actions or inactions that have arisen out of their own gross negligence, fraud, recklessness, or willful misconduct.

b. Any claim of the Plan Trustee Parties (and the other parties entitled to indemnification under this Section) to be indemnified, held harmless, or reimbursed shall be satisfied solely from the Plan Trust Assets, bonds (if any) or any applicable insurance that the Plan Trust has purchased, as provided in Section 6 of Article I.

c. If the Plan Trustee becomes involved in any action, proceeding, or investigation in connection with any matter arising out of or in connection with the Plan, the Trust Agreement, or the affairs of the Plan Trust, the Plan Trust shall promptly advance to or reimburse the Plan

Trustee on demand for all of his/her reasonable expenses up to the amount of \$50,000 (including, without limitation, attorneys' fees, disbursements, and related expenses) incurred in connection therewith; provided however, that the Plan Trustee shall be required promptly to repay to the Plan Trust the amount of any advanced or reimbursed expenses paid to him/her under this Section 2(c) to the extent that it is ultimately determined by Final Order of a court of competent jurisdiction that the Plan Trustee engaged in gross negligence, fraud, or reckless or willful misconduct in connection with the affairs of the Plan Trust. The provisions of this section 2 shall remain available to and be binding upon any former Plan Trustee or the estate of any deceased Plan Trustee whether or not the former Plan Trustee resigned or was removed.

ARTICLE VIII.

TERMINATION OF PLAN TRUST

1. Duration. The Plan Trustee and the Plan Trust shall be discharged or dissolved, as the case may be, upon the earlier to occur of (i) all of the Plan Trust Assets have been distributed pursuant to the Trust Agreement or (ii) the Plan Trustee determines, that the administration of any remaining Plan Trust Assets is not likely to yield sufficient additional Plan Trust proceeds to justify further pursuit, except that the Plan Trust cannot be terminated prior to the end of the Plan term unless the Plan is no longer in force. If at any time the Plan Trustee determines, in reliance upon such Trust Professionals as the Plan Trustee may retain, that the expense of administering the Plan Trust so as to make a final distribution to its beneficiaries is likely to exceed the value of the assets remaining in the Plan Trust, the Plan Trustee may apply to the Bankruptcy Court for authority to (i) reserve any amount necessary to dissolve the Plan Trust, and (ii) dissolve the Plan Trust. If the duration of the Plan Trust will, in the determination of the Plan Trustee, extend for more than six years from the Effective Date, the Plan Trustee shall seek the approval and obtain an order of the Bankruptcy Court extending the duration of the Plan Trust.

2. Post-Termination. After the termination of the Plan Trust and solely for the purpose of liquidating and winding up the affairs of the Plan Trust, the Plan Trustee shall continue to act as such until his/her duties have been fully performed. Upon distribution of all the Plan Trust Assets, the Plan Trustee shall retain all books and records pertaining to the Debtor or the Plan Trust that have been delivered to or created by the Plan Trustee, subject to the provisions of Section 3 of this Article VIII.

3. Destruction of Books and Records. At the Plan Trustee's discretion, all books and records pertaining to the Debtors, or the Plan Trust that have been delivered to or created by the Plan Trustee may be destroyed at any time following the date that is one year after the final distribution of Plan Trust Assets (unless such records and documents are necessary to fulfill the Plan Trustee's remaining obligations) .

4. Discharge. Except as otherwise specifically provided herein, upon the final distribution of Plan Trust Assets, the Plan Trustee shall be deemed discharged and have no further duties or obligations hereunder, the Plan Trust Beneficial Interests shall be cancelled and the Plan Trust will be deemed to have been dissolved.

ARTICLE IX.

MISCELLANEOUS PROVISIONS

1. Governing Law. This Trust Agreement shall be governed by and construed in accordance with the laws of the State of Arizona (without reference to conflicts of law).

2. Jurisdiction. Subject to the proviso below, the parties agree that the Bankruptcy Court shall have exclusive jurisdiction over the Plan Trust and the Plan Trustee, including, without limitation, the administration and activities of the Plan Trust and the Plan Trustee, provided, however, that notwithstanding the foregoing or anything to the contrary set forth herein, the Plan Trustee shall have power and authority to bring any action in any court of competent jurisdiction to prosecute any Causes of Action vested or assigned to the Plan Trust.

3. Severability. In the event that any provision of this Trust Agreement or the application thereof to any person or circumstances shall be determined by a final, non-appealable judgment or order to be invalid or unenforceable to any extent, the remainder of this Trust Agreement or the application of such provision to persons or circumstances or in jurisdictions other than those as to or in which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Trust Agreement shall be valid and enforceable to the fullest extent permitted by law.

4. Notices. Any notice or other communication required or permitted to be made under this Trust Agreement shall be in writing and shall be deemed to have been sufficiently given, for all purposes, if delivered personally or by facsimile or electronic mail, sent by nationally recognized overnight delivery service, or mailed by first-class mail:

(i) if to the Plan Trustee, to:

(ii) if to any Plan Trust Beneficiary, to the last known address of such Plan Trust Beneficiary according to the Plan Trustee's records.

5. Headings. The headings contained in this Trust Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Trust Agreement or of any term or provision hereof.

6. Plan. Nothing contained herein shall modify the terms of the Plan or the order confirming the Plan; instead, the terms of this Trust Agreement are intended to supplement them. If there is any inconsistency among the documents, the Plan and the Confirmation Order shall supersede all other documents, including this Trust Agreement.

7. Cooperation. The Debtor shall reasonably cooperate with the Plan Trustee in carrying out his/her duties under this Agreement.

8. Entire Trust Agreement. This Trust Agreement, together with the Plan and the order confirming the Plan, contain the entire agreement between the parties and supersede all prior and contemporaneous agreements or understandings between the parties with respect to the subject matter hereof.

9. Named Party. In pursuing any Cause of Action, or in disposing of any Plan Trust Assets, or otherwise administering the Plan Trust or any Plan Trust Assets, including, without limitation, the execution of documents, such as releases, and agreements, the Plan Trustee may pursue such matters and/or execute any such documents in the name of “Plan Trust” and/or in his/her own name as Plan Trustee or in such other names or such representative capacities as necessary or appropriate in the Plan Trustee’s discretion.

10. Amendment. This Trust Agreement may not be amended, modified, or supplemented without the prior written consent of the Plan Trustee or by Bankruptcy Court approval if consent cannot be achieved. Notwithstanding this Section no amendments to this Trust Agreement shall be inconsistent with the purpose and intention of the Plan Trust to liquidate in an orderly manner the Plan Trust Assets (which will maximize the value of such assets) in accordance with Treasury Regulations Section 301.7701-4(d) or, in the alternative, as allowed under Arizona law applicable to limited liability companies. In the event that the Plan Trust shall fail or cease to qualify as a liquidating trust in accordance with Treasury Regulations Section 301.7701-4(d), this Trust Agreement may be amended by the Plan Trustee to the extent necessary for the Plan Trustee to take such action as shall be necessary to have the Plan Trust classified as a partnership for federal tax purposes under Treasury Regulations Section 301.7701-3 (but not a publicly traded partnership under section 7704 of the Tax Code, including, if necessary, creating or converting it into an Arizona limited liability partnership or limited liability company that is so classified.

11. Meanings of Other Terms. Except where the context otherwise requires, words importing the masculine gender include the feminine and the neuter, if appropriate; words importing the singular number shall include the plural number and vice versa; and words importing persons shall include firms, associations, corporations and other entities. All references herein to Articles, Sections and other subdivisions, unless referring specifically to the Bankruptcy Code; the Bankruptcy Rules; or other law, statute or regulation, refer to the corresponding Articles, Sections and other subdivisions of this Trust Agreement, and the word “herein” and words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision of this Trust Agreement. The term “including” shall mean “including, without limitation.”

12. Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed original, but such counterparts shall together constitute one and the same instrument. A facsimile or portable document file (PDF) signature of any party shall be considered to have the same binding legal effect as an original signature.

IN WITNESS WHEREOF, the parties hereto have executed this Trust Agreement or caused this Trust Agreement to be duly executed by their respective officers, representatives or agents, effective as of the date first above written.

Plan Trustee

By: _____
Name: Jared G. Parker, solely in his capacity as
Plan Trustee

Star Mountain Resources, Inc.

By: _____

Name:

Title:

PHOENIX 99998-2606 550820v1

DRAFT