

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WISCONSIN

In re: Case #16-24179
GREEN BOX NA GREEN BAY, LLC,
Debtor. Chapter 11

~~23rd~~ AMENDED PLAN OF REORGANIZATION DATED DECEMBER ~~12~~1, 2016

TABLE OF CONTENTS

ARTICLE I DEFINITIONS.....	2
ARTICLE II DESIGNATION OF CLASSES OF CLAIMS.	5 <u>4</u>
ARTICLE III TREATMENT OF CERTAIN UNCLASSIFIED CLAIMS.	8
ARTICLE IV TREATMENT OF CLASSIFIED CLAIMS.	9
ARTICLE V MEANS FOR IMPLEMENTATION OF THE PLAN.....	1 2 <u>3</u>
ARTICLE VI RELEASE.....	14 <u>14</u>
ARTICLE VII & INJUNCTION.....	1 4 <u>7</u>
ARTICLE VII CONDITIONS TO EFFECTIVENESS OF THE PLAN.	1 4 <u>8</u>
ARTICLE IX <u>VII</u> EFFECTIVE DATE.	1 4 <u>8</u>
ARTICLE XIX RETENTION OF JURISDICTION BY THE COURT.....	1 5 <u>8</u>

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The Debtor, Green Box NA Green Bay, LLC. (hereinafter the “Debtor”) hereby proposes the following ~~2nd~~^{3rd} Amended Plan of Reorganization pursuant to § 1123 of the United States Bankruptcy Code.

ARTICLE I DEFINITIONS

For the purposes of this Plan, the following terms shall have the respective meanings set forth below:

1.1 “Administrative Claim” shall mean any cost or expense of administration incurred in connection with this case, together with all costs and expenses incurred by the Debtor or the trustee in the normal course of operating the Debtor’s business or preserving or disposing of its assets after the Petition Date. An administrative claim is a Claim for administrative expenses under § 503(b) of the Code that is entitled to priority in payment pursuant to § 507(a)(1) of the Code.

1.2 “Allowed Claim” shall mean:

- (a) a Claim (other than an Administrative Claim), proof of which is filed on or before the date designed by the Bankruptcy Court as the last date for filing proofs of claim with respect to such Claim, of which has been or hereafter is scheduled by the Debtor as liquidated in amount and not disputed or contingent and in either case, with respect to any such Claims, (i) as to which no objection to the allowance thereof has been filed within the applicable period of limitation fixed by the Code, the Bankruptcy Rules, the Federal Rules of Bankruptcy Procedure, or an order of the Court, or (ii) as to which any objection has been determined by a Final Order; or
- (b) an Administrative Claim
 - (i) an application for payment which, if required under the Code, hereunder, or by Order of the Court, has been filed with the Court on or before any applicable deadlines set by the Court, and which application has been approved and allowed by Final Order;
 - (ii) that is not subject to dispute and has become due and owing in the ordinary course of the Debtor’s business; or
 - (iii) that arises out of the assumption of an executory contract pursuant to § 365 of the Code, which assumption has been approved by a final order of the Court.

1.3 “Allowed Priority Claim” shall mean an Allowed Claim entitled to priority under §507(a) of the Code, other than an Administrative Claim.

1.4 “Allowed Secured Claim” shall mean an Allowed Claim arising on or before the

Petition Date (or thereafter upon approval of the Court) that is secured by a valid Lien on property of the Debtor's estate which is not void or voidable under any state or federal law, including the provisions of the Code.

1.5 "Allowed General Unsecured Claim" shall mean an Allowed Claim that is not an Allowed Secured Claim or an Allowed Priority Claim.

1.6 "Claim" shall mean any right in existence on the Confirmation Date against the Debtor or its estate to (a) payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, or (b) an equitable remedy for a breach of performance if the breach would give rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

1.7 "Code" shall mean the Bankruptcy Reform Act of 1978, as amended, 11 U.S.C. §§ 101 et. seq.

1.8 "Confirmation" shall mean the entry by the Court of an order confirming the Plan, pursuant to § 1129 of the Code.

1.9 "Confirmation Date" shall mean the date on which the Confirmation Order is entered by the Clerk of the Court.

1.10 "Confirmation Order" shall mean the order of the Court confirming the Plan.

1.11 "Court" shall mean the United States Bankruptcy Court for the Eastern District of Wisconsin (the "Bankruptcy Court"), in which the Debtor's Chapter 11 case is pending pursuant to referral of jurisdiction by the United States District Court for the Eastern District of Wisconsin, and any court having competent jurisdiction to enter final orders or judgments, conduct de novo review of issues and withdraw any portion of the above-captioned proceeding from the Bankruptcy Court, and any court having competent jurisdiction to hear appeals or certiorari proceedings from any of the foregoing.

1.12 "Debtor" shall mean Green Box NA Green Bay, LLC the Debtor in this Chapter 11 case.

1.13 "EARTH" shall mean Environmental Advanced Reclamation Technology HQ, LLC, now known as RTS, LLC.

1.14 "Effective Date" shall mean the date ~~that is eleven business days after the Confirmation Order is entered and on which such Order becomes final and unappealable~~ of the "roll up" of substantially all of the Debtor's assets as contemplated hereunder but no later than March 31, 2017 unless such date is extended by Order of this Court upon motion.

1.15 "Final Order" shall mean an order or judgment of the Court that is no longer subject to appeal, de novo review, or certiorari proceeding, and as to which no appeal, de novo review, or

certiorari proceeding is pending.

1.16 “Lien” shall mean a charge against or interest in property to secure payment of a debt or performance of an obligation.

1.17 “NewCo” shall mean the entity which will acquire ~~some~~substantially all of the assets of the Debtor as well other assets to be utilized in a waste reclamation and recycling business as described in the Disclosure Statement.

1.18 “Petition Date” shall mean the date this case was commenced, April 27, 2016.

1.19 “Plan” shall mean this Plan of Reorganization, as modified in accordance with the terms hereof or in accordance with the Code.

1.20 “Priority Tax Claim” shall mean an unsecured Claim entitled to priority under Code § 507(a)(8).

1.21 “Pro Rata” shall mean with respect to an amount of cash to be distributed to the holder of an Allowed Claim of a particular class on a particular date, the same proportion that such Allowed Claim bears to the aggregate of all Claims of that particular class on that particular date once all disputed claims in that class have become Allowed Claims or have been disallowed.

1.22 “Proponent” shall mean the Debtor, Green Box NA Green Bay, LLC.

1.23 “Roll Up” or “Project” shall mean the intended acquisition of the bulk of the Debtor’s assets by NewCo for use in a large integrated operating company as described in the Disclosure Statement.

1.24 “RTS, LLC” shall mean Reclamation Technology Systems, LLC.

1.25 “RVDH” shall mean Ron Van Den Heuvel.

1.26 “Secured Claim” shall mean a Claim arising on or before the Petition Date (or thereafter upon approval of the Court) that is secured by a valid lien on property in which the Debtor’s estate has an interest which is not void or voidable under any state or federal law, including the provisions of the Code.

Terms not defined in this Plan that are defined in the Code shall have the meanings stated in the Code.

ARTICLE II DESIGNATION OF CLASSES OF CLAIMS

2.1 **Classifications of Claims and Interests.** Claims and interests are hereby designed in the following classes:

1. **Administrative Priority Claims:** Administrative Priority Claims include all costs and expenses of the administration of the Chapter 11 case allowed under § 503(b) of the Code and entitled to priority under § 507(a)(1)(C) of the Code. The Plan provides for payment in full of all allowed administrative expenses on the Effective Date unless paid prior thereto or if the holder of such administrative expense has agreed to a different treatment. Any administrative expense that remains subject to an objection as of the Effective Date, and therefore has not yet been allowed by the Bankruptcy Court, will be paid in the amount ultimately allowed or otherwise agreed, promptly after resolution of the objection.

a. **Professional Fees:** Fees to professionals will continue to accrue through confirmation. Debtor has hired the following professionals:

i. Steinhilber Swanson LLP, General Counsel for Debtor (hereinafter "SSMMM"). Fees and costs through confirmation are estimated to be approximately ~~\$15~~200,000.00.

b. **UST Fees:** The United States Trustee fees will be paid as incurred and in full as of the effective date. The Debtor is not delinquent in any payments to the U.S. Trustee. Quarterly fees may continue to be generated until such time as a final Order is entered closing this case by the Court.

c. **Little Rapids Corporation Rent Claim:** Little Rapids Paper Corporation holds a claim for post-petition rent for rent of storage space in the approximate amount of \$90,000.00.

d. **Other Administrative Expenses:** Other administrative expense claims may be filed by entities that believe they have an entitlement to be paid as an administrative expense. Debtor asserts that there are no such administrative expenses.

2. **Priority Tax Claims:** Priority tax claims, as have been filed in the case, are as follows:

a. **U.S. Department of Treasury / Internal Revenue Service ("IRS")** - The IRS has filed a claim for unpaid payroll taxes in the amount of \$30,825.13. It has "placeholder" claims for income taxes for the Debtor. The Debtor believes that it can reasonably file returns asserting that the Debtor had no income in any of the years that it operated that was taxable and, indeed, likely suffered losses. Such returns shall be filed prior to confirmation.

b. **Wisconsin Department of Revenue ("WDOR")** - The WDOR has filed a claim for payroll taxes in the amount of \$6,110.27. There are believed to be no further claims for any other kind of tax in favor of WDOR.

c. **Wisconsin Department of Workforce Development ("DWD")** - The DWD has filed a claim in the amount of \$67,299.31 as a result of unpaid unemployment compensation and insurance taxes.

The Debtor shall, as soon as is practicable, but prior to confirmation, file

income tax returns for the last several years (2014 and 2015) based on estimated losses suffered and request a speedy determination of the liability therefrom under §505(b)(2). The amount due, if any, shall be paid each of the above taxing authorities along with any tax due on account of the specified proofs of claim on the docket.

3. **Class 1 Claim (Maple Ridge Funding/Ability Insurance Company ("Ability"))** - Such class shall consist of the claim of Maple Ridge Funding/Ability Insurance Company ("Ability"). Ability asserts a claim as of May 4, 2016 in the amount of \$9,681,100.00. This claim is secured by a valid First Mortgage on real estate located at 2107 American Boulevard, De Pere, Wisconsin. The original amount advanced, as evidenced by a Note dated December 10, 2014, was \$7,150,000.00. The Mortgage, recorded December 13, 2014, together with an Assignment of Rents, is duly perfected. Included in this class shall be the real estate taxes associated with the property due to the Brown County Treasurer in the approximate amount of \$504,899.43. This is a partially secured claim based on the value of the real estate.

4. **Class 2 Claim (Cliffon Equities ("Cliffon"))** - Cliffon asserts a claim in the amount of approximately \$4,200,000 as of March 1, 2016. This amount is asserted to be secured by two PC Kool units, one of which is located on the Debtor's premises and installed, and the other which is located at the premises of Advanced Resource Materials, LLC ("ARM, LLC") in South Carolina and is not installed and in pieces. Additionally, Cliffon asserts a lien in a sorting line and a pelletizing line, both of which are owned by a related entity but which will be incorporated into the rollup. It also, as a result of its relationship with the Debtor and RVDH, negotiated for certain ownership interests in the Debtor and two related entities, one of which is now known as RTS, LLC. It possesses 4 Million units of RTS, LLC, which is a 4% ownership interest. This debt is evidenced by various documents, including an Amended Loan and Investment Agreement dated June 13, 2014, which may be executory as to certain terms.

The Debtor asserts that the value of the collateral is less than the amount due to Cliffon. Cliffon also possesses guaranties from RTS, LLC and RVDH as to debt owed to it by the Debtor. The Debtor asserts that the value of the collateral is less than the amount due to Cliffon. Cliffon also possesses guaranties from RTS, LLC and RVDH as to debt owed to it by the Debtor. An agreement has been reached with regard to this claimant and any claim by ARM related to the disputed Kool unit in Easley, South Carolina.

5. **Class 3 Claim (Quotient Partners, LLC ("Quotient"))** - Quotient ~~has a secured claim that had a balance, as of November 15, 2005, of \$289,471.22. This filed a proof of claim in this case asserting a claim against the Debtor, as of April 27, 2016, in the amount of \$322,173.27. Quotient's claim is secured by a lien in equipment owned by a related entity, but is an obligation of the Debtor, together with RTS, LLC. This claim is fully secured security interest in certain equipment not owned by the Debtor, but is a joint and several obligation of each of the Debtor and Reclamation Technology Systems, LLC (f/k/a Environmental Advanced Reclamation Technology HQ, LLC).~~

6. **Class 4 Claim (State of WI/WI Economic Development Corporation ("WEDC"))** - WEDC has a claim as the result of a loan made to the Debtor in the amount of

\$1,116,000.00, together with interest, less any payments received, from the date of inception, September 14, 2011. This obligation is secured by a Second Mortgage on the Debtor's property located at 2107 American Boulevard in De Pere, Wisconsin. Given the value of the building, it is unlikely that this claim is fully secured and, indeed, is likely minimally secured. WEDC does, however, possess the ability to elect under Section 1111(b) of the Code and, thus, its claim is recognized in that light. Its General Business Security Agreement also attaches to a second sorting unit by virtue of the lapse of a prior UCC filing in favor of Araujo. By virtue of such an election, this claim may be fully secured. This creditor also holds a personal guaranty from RVDH.

7. **Class 5 Claim (Paper HoldCo, LLC ("Varde"))** - Varde has a claim against the Debtor and other related entities, including RTS, LLC, among others. The claim has been reduced, via a Confession of Judgment executed by RVDH, arguably without authority, in the amount in excess of \$9,000,000.00 in State Court, in the State of Minnesota against RTS, LLC and RVDH. Due to the stay imposed by these bankruptcy proceedings, judgment was not entered against the Debtor.

Varde's claim is secured by certain of the Debtor's property, namely, two sets of After dryers. In the Second Forbearance between the Debtor, related entities, and Varde, the Debtor delivered physical and legal possession of the dryers to Varde in a "lender controlled space" within a warehouse located at 821 Parkview Road in Ashwaubenon, Wisconsin. Varde initially paid for storage on those units, but has since stopped and it has made no effort to liquidate the same either by judicial process or self-help. Varde has entered judgment against RTS, LLC, among others by virtue of guaranties. Varde is under-secured as the value of the collateral is significantly less than its claim. RVDH is also a guarantor of this obligation.

8. **Class 6 Claims (Executory Contracts)** - During the course of these proceedings, Little Rapids Corporation obtained relief from stay in order to reclaim possession of a warehouse located at 821 Parkview Road in Ashwaubenon, Wisconsin. Related entities of the Debtor have arranged for a significantly reduced amount of space as machinery and equipment intended to be used in the Project are stored there. The amount due and owing has been agreed between the parties and will be paid by the Debtor. (See Sec. 1(c) above).

The Debtor may have liability on a certain residential lease, to Jairo Huilar, for a property located at 4032 N. St. Bernard Drive in De Pere, Wisconsin. The extent of the liability, if any, is limited to several months on a possible month-to-month holdover of a lease which terminated on its face several years ago. A former employee of the Debtor resided in the property under a lease between the Debtor and Mr. Huilar. Relief from stay has been granted, the eviction has occurred, and Mr. Huilar now has possession of the premises. Lease rejection damages are deemed an unsecured pre-petition claim (Class 8).

The Debtor held a lease with Utica Lease Co., LLC prior to the filing of the bankruptcy. Such lease was assigned and taken over by GlenArbor, pre-petition. It is believed that, as of the date of the Petition, no lease existed between the Debtor and Utica Lease Co., LLC, however, there may be some liability for payment in the event GlenArbor were to default.

Patriot Tissue, LLC, a related entity, was utilizing the manufacturing and warehousing space at 2107 American Boulevard in De Pere, Wisconsin, owned by the Debtor, to

continue the operations of the Debtor after the appointment of the receiver. Patriot Tissue, LLC paid no rent, which has accrued at \$74,000 per month, pursuant to the lease. Patriot Tissue, LLC is operating, sporadically, has no unencumbered assets, and is uncollectible.

The Debtor is a 50% owner of GB-ARM, LLC which is an entity formed with Advanced Resource Materials, LLC (ARM) for the purpose of exploiting GB Kool units. The Operating Agreement is an executory contract.

9. **Class 7 Claims (Marco Araujo (“Araujo”))** -Marco Araujo holds a wholly unsecured claim in a sorting unit owned by the Debtor as his financing statement lapsed prior to the filing of this case. The value of the sorting unit is greater than this claim. It is believed that the claim, after credits and offsets, held by this claimant, is approximately \$700,000.00, and is a Class 8 claim.

10. **Class 8 Claims (General Unsecured Non-Priority Claims)** - The Class 8 Claims are impaired. The total amount of the allowed unsecured claims, based on claims scheduled by the Debtor and not marked as "contingent, unliquidated, or disputed" and as allowed by the Court pursuant to proofs of claim filed herein, is \$446,043.69 plus any under-secured portion of any secured claims noted above or any executory contract rejection damages. Additionally, this class shall contain any claims against RTS, LLC (f/k/a EARTH) to the extent of a guaranty by EARTH, but subject to the restrictions set forth herein and in the Plan. This class is impaired.

11. **Class 9 Claims (Equity Interests in the Debtor)** - The equity interests in the Debtor are detailed on the List of Equity Security Holders attached to the Disclosure Statement. The list has been further broken down as to the 79% interest of EARTH, LLC, showing the underlying equity owners in it.

ARTICLE III TREATMENT OF CERTAIN UNCLASSIFIED CLAIMS

This Plan does not classify certain claims having priority as specified in § 507 of the Code. Those claims will be treated as follows:

3.1 **Chapter 11 Administrative Claims.** These claims are not impaired. Except to any extent that an Administrative Claim has been paid prior to the Effective Date or the holder of the Administrative Claim has agreed to a different treatment of its Claim, on the Effective Date, or as soon thereafter as a claim becomes an Allowed Claim, the Debtor will pay each Allowed Administrative Claim as follows:

- a. **Professional Fees:** Fees to professionals will continue to accrue through confirmation. Debtor has hired the following professionals:
 - i. Steinhilber Swanson LLP, General Counsel for Debtor (hereinafter "SSLLP"). Fees and costs through confirmation are estimated to be approximately \$~~15~~200,000.00.
 - ii. SSLLP has agreed to defer allowed administrative claims to such time as

fund are available from the "roll up" into the Project, or approximately March 31, 2017.

- b. UST Fees: The United States Trustee fees will be paid as incurred and in full as of the effective date. The Debtor is not delinquent in any payments to the U.S. Trustee. Quarterly fees may continue to be generated until such time as a final Order is entered closing this case by the Court.
- c. Little Rapids Corporation Rent Claim: Post-Petition rent due this claimant shall be paid in full on the Effective Date, in whatever amount is ultimately allowed on such claim.
- d. Other Administrative Expenses: Other administrative expense claims may be filed by entities that believe they have an entitlement to be paid as an administrative expense. Debtor asserts that there are no such administrative expenses.

3.3 **Priority Tax Claims**. Any priority tax claims are unimpaired. The Debtor estimates priority tax claims arise as a result of unpaid payroll taxes to the IRS, WDOR, and DWD as described above. Such priority tax claims shall be paid in full on the Effective Date and shall include any additional assessments as a result of the filing of income tax returns for 2014 and 2015.

3.4 Fees of the United States Trustee payable under 28 U.S.C. §1930 shall be paid in full on the Effective Date in accordance with 11 U.S.C. §1129(a)(12), and thereafter as due from the liquidation proceeds of the Debtor's assets.

ARTICLE IV TREATMENT OF CLASSIFIED CLAIMS

4.1 **Class 1 Claim (Maple Ridge Funding/Ability Insurance Company ("Ability"))**: Ability shall be paid the sum of \$7,600,000.00 at the time of the "roll up" into the Project from funds generated thereby, together with a sum sufficient (approximately \$505,000) to pay all past due real estate taxes on the property through the date of closing due to the Brown County Treasurer or the City of ~~De Pere~~DePere. The real estate shall, after such payment, be deeded free and clear of all liens and encumbrances to NewCo. The balance of this claim shall be treated as an unsecured claim hereunder and paid in full over time. The Debtor shall pay, according to the treatment of Class 8 below, all unsecured claims in no longer than five years from the Effective Date, in full. Additionally, in the event that the "roll up" is unsuccessful, the case is either converted to Chapter 7 or dismissed, then the Debtor hereby consents to an immediate relief from the automatic stay, if one exists at the time, and hereby irrevocably waives its rights of redemption under the loan documents with the Class 1 claimant or the Wisconsin Statutes so that the Class 1 claimant may, in that event, proceed directly to judgment and sale of the property by the sheriff of Brown County, Wisconsin. Ability specifically reserves its right under a certain Guaranty by RVDH dated December 10, 2014. Upon confirmation, all adequate protection payments escrowed by the Debtor for accruing real estate taxes shall be paid to the Brown County Treasurer, to be applied against that obligation. This class is impaired.

4.2 **Class 2 Claim (Cliffon Equities ("Cliffton")):**

~~A. Kool Unit - De Pere, WI. The Debtor owns a pyrolysis unit (Kool unit) located in De Pere at the American Boulevard plant, which is subject to a security interest in favor of Cliffon. The Debtor values this unit at \$1.1 Million as is and where is, in use. The Debtor has entered into a Joint~~

~~Stipulation regarding the treatment of Cliffon Equities' claim, the modification of the automatic stay, the transfer of certain collateral and the treatment of the ARM claim or executory contract. Upon the approval by the Court of that Joint Stipulation, which shall govern all issues between the parties, the treatment under the Plan of Cliffon shall be as follows:~~

~~a. The Debtor is stipulating to the validity, perfection and enforceability of the liens granted to Cliffon under its loan documents in the equipment described hereunder.~~

~~b. Cliffon and ARM shall be granted relief from all applicable stays and injunctions, including the automatic stay of 11 U.S.C. § 362(a) related to Cliffon's collateral or the disputed collateral. The disputed collateral is the Kool unit located in Easley, South Carolina.~~

~~c. With respect to the sorting equipment and pelletizing processing unit, Cliffon will forebear from exercising any of its rights and remedies and shall agree that NewCo or the Debtor will pay to Cliffon at the roll up the sum of \$1.172 Million for the sorting unit equipment and \$1.361 Million for the pelletizing unit. In exchange for those payments, Cliffon will release all liens and encumbrances on each and the sale shall be free and clear of any and all liens of Cliffon.~~

~~d. The Debtor will, upon approval of the Joint Stipulation, transfer title of each of the Kool units to Cliffon and/or ARM as agreed or requested by either. The Debtor will retain this unit and pay the sum of \$1.1 Million to Cliffon, together with interest at 5% per annum, amortized over 84 months from the Effective Date, with monthly payments of \$15,547 commencing 30 days thereafter. make the De Pere Kool units available to Cliffon for its immediate possession, however, such transfer shall specifically exclude the subsequent modifications and equipment installed thereon and added by the Debtor after the initial delivery of the Kool unit. A detailed description of the equipment and improvements, to be retained by the Debtor, is attached hereto as an exhibit. Cliffon will remove the surrendered unit in a workmanlike manner in a reasonable period of time after the surrender, at its cost. The Debtor will facilitate such removal and allow a qualified contractor, hired by Cliffon, to perform work during ordinary business hours at its discretion.~~

~~e. The Debtor will also, upon the transfer of the Easley, South Carolina Kool unit to Cliffon and/or ARM, relinquish any and all rights which it may have in that unit, providing, however, that the entire balance shall be due and payable in full 60 months from the Effective Date. The Class 2 claimant shall retain its security interest in this Kool unit until paid in full. The Debtor shall execute a note in favor of the Class 2 claimant evidencing this agreement and a standard WBA Selective Business Security Agreement.~~

~~B. Kool Unit - Easley, S.C. The Debtor and ARM, Inc. are parties to a joint venture agreement concerning a second Kool unit which is unassembled and is located at the facility of ARM, Inc. in Easley, South Carolina. ARM, Inc. paid for the construction or manufacturing of this unit (\$700,000) and it was delivered to it pursuant to the joint venture agreement. The Class 2 claimant claims it as security.~~

~~The Court will determine the validity of the alleged security interest. ARM allows the Debtor to retake its improvements or additions to that equipment. Such property to be reclaimed by the Debtor and removed from the premises of ARM is listed on the attached exhibit. Furthermore, any rights, responsibilities or obligations of the Debtor or ARM to each other, as a result of the Joint Venture Agreement described herein, shall be waived, and the Agreement shall be null and void.~~

~~f. The parties have agreed that the values of the Kool units, for purposes of the Joint Stipulation, are \$1.115 Million each. Such amount shall be credited by Clifton against any amount due the Debtor upon the surrender of the De Pere Kool unit.~~

~~g. In the event that the Class 2 claimant has such an interest, then the note referred to above shall be increased by \$700,000, the value of the unit, and the amount of the monthly payment correspondingly increased. If the security interest of the Class 2 claimant does not attach to this unit, the under-secured portion of the Class 2 claim shall be increased accordingly and treated as set forth in Class 8, below.~~

~~C. Clifton shall be paid under the proceeds of the roll up the following amounts in exchange for the release of the following collateral:~~

- ~~i. \$1,172,000 for a sorting line; and~~
- ~~ii. \$1,361,000 for a pelletizing line.~~

~~Upon payment, the Debtor shall transfer to NewCo, free and clear of all liens and encumbrances, the above-referenced sorting and pelletizing lines in exchange for equity in NewCo as outlined herein. roll up anticipated hereunder is not accomplished, the case is converted to a Chapter 7, or dismissed, then Clifton will retain any and all rights it has in the remaining collateral and may take possession of the same, dispose of it in a commercially reasonable fashion, and will have all rights to the full amount of its claim, less the credit for the De Pere Kool unit and the proceeds from any disposition of the collateral, plus all allowable interest, fees and costs, which will be added to the claim. In the event the roll up is effectuated and the sums paid to Clifton hereunder, Clifton shall also have no further claim of any kind against the Debtor or any related entity. It shall, however, retain its 3% the equity interests in the reorganized Debtor as well as its proportionate interest in the Debtor represented by its interest in EARTH (approximately 3.2%). The balance, if any, of the claim of Clifton, after liquidation and application of its collateral, shall be treated as an unsecured claim and paid pursuant to the treatment of Class 8 below and RTS that it bargained for and as are described in this Disclosure Statement. This class is impaired.~~

~~D. In the event that the Class 2 claimant elects, it may take back any piece of the above-referenced collateral for the amount of the Debtor's valuation and credit such amount against its claim.~~

~~E. Any amount of the Class 2 claim not paid as set forth above shall become a Class 8 claim and be paid as set forth therein.~~

~~4.3~~

4.3 Class 3 Claim (Quotient Partners, LLC ("Quotient")) - ~~The claim of Quotient in the approximate amount of \$275,000.00 shall be paid, together with interest at the contract rate, from the proceeds~~On the earlier to occur of (a) March 31, 2017 or (b) the date of the closing of the "roll up" of the Project on approximately March 31, 2017. Upon such payment transaction, NewCo shall pay to Quotient the sum of \$325,000.00, which payment shall be in full satisfaction of Quotient's claim against the Debtor and Quotient's claim against Reclamation Technology Systems, LLC (collectively, the "Quotient Claims"). Upon payment of the Quotient Claims as provided above, Quotient shall release ~~any~~its security interest ~~it has in two Bretting machines, which are its collateral and which are owned by Daniel Platkowski, but shall be under an agreement to be "rolled" into NewCo;~~in the equipment securing the Quotient Claims (collectively, the "Bretting Equipment"). NewCo has an option to purchase the Bretting Equipment for \$3.2 million (the "Option Price"). The payment of the Option Price or any other amount to purchase the Bretting Equipment shall be in addition to the amount that will be paid to Quotient to satisfy the Quotient Claims as provided above. The foregoing does not prejudice, limit, diminish, waive, or otherwise affect in any way any of Quotient's rights, claims, causes of action, defenses, or remedies, including, without limitation, Quotient's rights, claims, causes of action, defenses and remedies with respect to or against the Bretting Equipment, all other collateral securing the Quotient Claims, the Debtor, Reclamation Technology Systems, LLC, the owner of the Bretting Equipment, the case Daniel J. Platkowski vs. Howard Bedford, et al. (Case No. 16-CV-1137; Brown County Circuit Court), any entity, person, or governmental unit having or claiming an interest in the Betting Equipment, or any other entity, person, or governmental unit, in the event the Quotient Claims are not paid by NewCo as provided above. This class is impaired.

4.4 Class 4 Claim (State of WI/WI Economic Development Corporation ("WEDC")): -It is anticipated that WEDC will make election under Section 1111(b) of the Code to retain its right to a full payment in deferred cash payments of its allowed claim. As such, its entire obligation shall be assumed by NewCo on the Effective Date. Any accrued interest on the claim shall be paid in full from the proceeds of the "roll up" into the Project on approximately March 31, 2017. Additionally, by virtue of its security interest in a sorting line which has become paramount to that of the Class 7 claimant, it shall receive the sum of \$650,000 and shall, at the rollup, release its security interest in such equipment, which shall then be transferred, free and clear of liens, to NewCo. Thereafter, on a monthly basis, interest shall be paid on the remaining balance at the contract rate of 2% for a period of 18 months. Thereafter, the contract payment of \$19,920.00 per month shall be paid for a period of 24 months, after which time, the entire remaining balance shall become due and payable and shall be paid by the reorganized Debtor.

In exchange for the assumption of the obligation by the reorganized Debtor, WEDC shall, upon the "roll up" into the Project of the underlying real estate, release its Mortgage on the real estate, be unsecured as to its balance, but retain the right to full payment as described herein as against the reorganized Debtor. Additionally, and in order to augment payment to the Class 4 claimant, it shall have an allowed claim for its balance as a Class 8 claim and shall share, pro rata, with any other allowed claims in said class. -This Class is impaired.

4.5 Class 5 Claim (Paper HoldCo, LLC ("Varde")) - Varde shall be paid the sum of \$2,000,000.00 cash at the "roll up" of the Project on approximately March 31, 2017. In exchange, it shall release any and all security interests it has in two After dryer units and equipment as described in its security agreement, to facilitate the transfer of the items to the Project free and clear

of liens and encumbrances. Upon such payment, it has agreed to and shall release any guaranty of RTS, LLC (Earth) and RVDH. It shall also release any and all membership interest which it holds as collateral in RTS, LLC (Earth) upon such payment. This payment shall be in full satisfaction of any claim the Class 5 claimant has as against the Debtor or any related party. This Class is impaired.

4.6 Class 6 Claims (Executory Contracts) - To the extent not specifically assumed herein, all executory contracts are rejected. Any rejection claims shall be treated as unsecured claims hereunder.

a. Operating Agreement of GB-ARM, LLC (50% interest). The Debtor is a party to an Operating Agreement for a limited liability company known as GB-ARM, LLC, and holds a 50% interest in the same. The Debtor is under an obligation to furnish certain proprietary information related to the operation of a Kool unit and subsequent Kool units as described in the Agreement and, generally, to provide assistance in the operation of the business, selling, installing or operating such units with Advanced Resource Materials, LLC ("ARM"). ~~To the extent that the Operating Agreement is executory, the Debtor shall elect to assume the contract, after negotiations with its counter-party to modify the contract in light of the developments since it was executed.~~

~~In the event the Operating Agreement is deemed rejected, for any reason, and the claim of ARM is allowed, as a result of damages for the rejection, it shall be treated as a Class 8 claim hereunder.~~ Crossgate Partners, LLC, and ARM (which are variously referred to collectively herein as "ARM"), have entered into a Joint Stipulation regarding the treatment of its claim or contract under the Plan with the Debtor and Clifton. As a result of that Joint Stipulation, the Debtor relinquishes any right it has to the Kool unit located in Easley, South Carolina, in which ARM claims an ownership interest and in which Clifton holds a security interest. ARM and Clifton have come to an agreement wherein the Debtor has surrendered the Easley, South Carolina unit or transferred any interest which it has in that unit to ARM, subject to the return of certain modifications and additions of equipment, which will be returned to the Debtor, and which are described in the attached exhibit. In exchange, ARM has released any claim which it has against the Debtor and the parties agree that the joint venture known as GB-ARM, LLC shall be null and void, and neither party shall have any further responsibility under it, nor damages arising from it.

b. NewCo has negotiated for warehouse space with Little Rapids Corporation and certain assets owned by related entities as well as assets of the Debtor which are stored at the facility will remain there on terms and conditions that can be negotiated between NewCo and Little Rapids for post-petition rent. The Debtor's lease was terminated. Any lease termination damages in favor of Little Rapids shall be an unsecured claim and treated as a Class 8 claim to the extent allowed. Post-petition rent, as allowed, shall be paid as described in Section 1(c), above.

4.7 Class 7 Claim (Marco Araujo ("Araujo")) - The allowed amount of this claim, after all credits for amounts received in collection actions, shall be treated as a Class 8 claim hereunder due to the lapse of perfection of its security interest in a sorting line and such lien shall be void. - This class is impaired.

4.8 **Class 8 Claims (General Unsecured Non-Priority Claims)** - All allowed general unsecured non-priority claims, including allowed under-secured portions of secured claimants hereunder as well as any claims arising as a result of rejections of executory contracts, guaranties by the Debtor of debts of an affiliate, and any other such claim shall be paid in full over time as set forth hereunder. Any and all claims against the Debtor which have been reduced to judgments shall be deemed unsecured and such judgments shall not constitute liens against any of the Debtor's assets as they attach to no value.

The rollup and the Debtor's transfer of certain of its assets, as set forth hereunder, to NewCo, in exchange for the payments envisioned hereunder, will result in the issuance of 30% of equity in NewCo to the Debtor and distributions of net income as set forth in the projections attached hereto. ~~Out of any distributions on account of that equity from NewCo to the Debtor, after payment of the operating expenses of the Debtor, it is envisioned that the balance of the distribution shall be distributed to equity.~~

The Debtor will also generate income from its ongoing business selling and supporting pyrolysis units as well as the possible recovery of assets which may be discovered in its ongoing investigation of pre-petition activities of former management.

After payment of operating expenses of the reorganized Debtor, any net proceeds will be paid to and on account of the Class 8 allowed claims prior to any returns to equity and such net income shall be so devoted until the Class is paid in full. Specifically, the interests defined below shall receive no portion of net income unless and until the allowed Class 8 claims are paid in full.

In all cases, the Debtor will pay all allowed Class 8 claims in full within sixty months of the Effective Date.

To the extent non-RVDH equity holders' shares of net income have been utilized to pay allowed claims which arose solely as a result of the actions of RVDH or the RVDH interests for which the Debtor has no liability, then, prior to any RVDH or RVDH interests being paid their pro rata share of payments after the Class 8 claimants are paid in full dividends due to the RVDH entities shall be utilized to reimburse the non-RVDH equity interests in full for such payments. Specifically, if a claim is allowed against the Debtor which was solely based on acts of RVDH which were ultra vires, or for which he or his entities may be held to be acting outside the scope of their authority in incurring such debt on behalf of the Debtor or RTS, and for which a court of competent jurisdiction has determined the same, then such amount as has been paid by the reorganized Debtor or such a claim shall be offset against dividends due to the RVDH entities to provide a reimbursement of such portion of such claim paid by the non-RVDH interests for the benefits of creditors whose claims the Debtor or RTS would not be otherwise responsible for.

The equity interests of the reorganized Debtor include the interests of entities in which RVDH has a direct or indirect interest. Those entities are as follows and have the percentage ownership in the reorganized Debtor as set forth next to the respective interests: RVDH Development, LLC (6.35%). Additionally, EARTH, LLC, now known as RTS, LLC, has a 79% interest in the reorganized Debtor. Within that interest are certain RVDH interests, as follows: K R Trust Co, LLC (75% of 74.175% interest) (or a total of 58.59825% interest in the reorganized

Debtor). See attached schedule for detail.

~~Any distributions which would otherwise have been made on account of equity ownership to any RVDH entity shall be placed in a fund held by the Debtor for the specific purpose of paying allowed unsecured Class 8 claimants. Within 30 days of any distribution by NewCo to the reorganized Debtor, any RVDH distributions shall be allotted and paid on account of allowed claims in this Class until each allowed claim is paid in full. After all allowed Class 8 claims have been paid in full, any future distributions shall be paid on account of any interests in the reorganized Debtor, pro rata, to the holder of such interests, at the time of such distribution.~~

A claims bar date shall be set by the Court by which any claims must be filed in order to participate in this class.

4.9 **Class 9 Claims (Equity Interests in the Debtor)** - All equity will retain its interest in the reorganized Debtor subject to the conditions in the RVDH interests set forth in Class 8.

ARTICLE V MEANS FOR IMPLEMENTATION OF THE PLAN

The above-outlined terms for the Plan shall be implemented as described hereunder.

~~The above-outlined terms of the Plan shall be implemented as described hereunder.~~
Specifically, the Debtor's management, which will also be the management of NewCo, will forge ahead with the rollup plan. While the Debtor's management, Smith (through GlenArbor) and Kolasinski, will also be the primary management for NewCo, it should be pointed out that the financing that will be raised in the capital markets by the Investment Bank will undoubtedly be in the form of a Bond Indenture which is typically monitored by a trustee to ensure the funds are applied as agreed and that any and all financial requirements are adhered to. The day to day management of the operation, however, will be in the hands of the management team described herein.

New Investment Bank has been retained and due diligence is currently being performed to the extent that it can. However, significant funds must be expended in order to re-certify certain studies and appraisals of the assets and components of the offering to meet the criteria of currency and reliability. It is estimated that \$2.5 Million will need to be secured in terms of funds to carry on the operation of the ongoing related business (\$2 Million) and perform the due diligence required (\$500,000.00) in order for the Investment Bankers to approach the market with a reliable offering backed up with current information. The latter amount must be raised prior to the hearing on confirmation in order for this Plan to be feasible, as it is required to fund due diligence necessary to be furnished to the Investment Bank in terms of updated appraisals, engineering reports, feasibility studies and the like together with payment of ongoing Chapter 11 administrative expenses. In the absence of these funds, it is unlikely that the Debtor will be able to confirm its Plan due to feasibility issues. The former funds, if used to fund the restarting of the paper converting line, shall, if appropriate and with Court approval, be lent to the Debtor and the Debtor will then operate the

converting line heretofore operated by Patriot Tissue and shall account for the same in its operating reports to provide for transparency.

Current management of the Debtor is raising the funds and must do so prior to confirmation in order for the Plan to be feasible and confirmable. The additional investment may be for equity in NewCo or repaid at the option of those investing the same in this stage of the project. Without the securing of the funds necessary to pay for the necessary certifications and appraisals and operations, it will be impossible for the Investment Bankers to complete their work in order to take this project to the capital markets.

The Debtor's current management believes in the project and has invested close to \$7 Million in the project to this point. Management is optimistic that the additional funds will be secured in order to provide funds necessary for payments due on the Effective Date as well as to provide for the various other requirements necessary to an effective offering.

As of the date of ~~this Plan~~ the Disclosure Statement, the Debtor and its management believes that the project can be funded by the end of the first quarter of 2017 or early in the second quarter and all payments proposed under the Plan can be made. However, the Debtor does reserve the right to petition the Court to extend the Effective Date if the project funding cannot be secured until the second quarter of 2017. If that is the case, that would assume that significant funds have been injected into the process by management and/or potential equity partners, then the Debtor would move the Court on notice to all interested parties, for cause, to extend the closing date consistent with the projected securing of the funding by the New Investment Bank. Such extension would be within the Court's discretion based on the circumstances and facts presented to it at that time.

Significant progress has been made, however, in securing the various components of the operation, including negotiated contracts for the sale of manufactured or converted goods by the Debtor in NewCo, as well as negotiated agreements for firm terms or inputs for the Debtor's process. Additionally, the Debtor has negotiated within a lease a purchase of a pulping plant and has obtained firm estimates for the construction of the tissue machine. The specific outlays for the components of these projects are set forth in the attachments hereto in more detail.

As previously identified, the Debtor is surrendering its Kool units to Clifton and ARM, less any modifications or improvements made to them, which the Debtor shall retain, and which it plans to use in the ongoing development and promotion of pyrolysis units for the general market of tire recycling.

The pyrolysis recovery method to recycle was initially conceived to deal with the plastic which was separated from pulp in the initial stages of the recycling process. Over the course of operations, it became apparent that the profitability of the recovery of gas and petroleum products solely from the recovered plastic would not generate a profit margin consistent with the balance of the project. At that time, and because management had been working closely with various landfills around the country, it became apparent that tires and the recycling of them were a very large problem. Debtor's management began experimenting with the thermal degradation of tires utilizing

the pellets from the recycling process to generate the initial heat required. After a lengthy trial and error, the Debtor's prior management concluded that, with certain modifications to the process, tires could be recycled on a profitable basis, thus generating additional profits to the overall operation of the Debtor, even though tires were not its core competency in the recycling process.

Initially, management did not believe that the thermal degradation process, or pyrolysis units, were not its core competency, but given the interest in the market, as demonstrated by the desire of both Clifton and ARM to regain control of the units in which they hold an interest, the Debtor determined that it was in its best interest to retain the units for its business. Additionally, the reorganized Debtor believes that it can fund its ongoing responsibilities to the various unsecured creditors of Class 8 partially from the profits of this business and maintain a business in the reorganized Debtor for strategic purposes as well as business purposes in gaining an injunction against the assertion of various creditors' claims, particularly, the alleged unspecified claims by the Securities and Exchange Commission ("SEC") against the Debtor or NewCo. As will be described hereunder, it is imperative that both the reorganized Debtor and NewCo are free from claims of any creditor, including those alleged by the SEC.

Attached hereto and made a part hereof is projections related to the pyrolysis/thermal degradation business. This assumes an operation within the Debtor's premises, for the conversion of waste tires to oil, carbon black, and steel.

The assumptions assume that two units will be put into place over time. It requires a capital investment of \$2.6 Million, which management will undertake to raise immediately after the consummation of the roll up hereunder. The cost of construction for the systems has been ascertained by the Debtor utilizing local manufacturers to construct the units and process. The internal rate of return or the operation of two projected units, prior to interest, taxes, depreciation or amortization is 57%, which should, for this type of technology, command interest at capital markets. Indeed, this illustration clearly demonstrates why Clifton and ARM wanted to regain and operate the units in which they held an interest for their own account.

The Debtor believes that it has all of the intellectual property necessary to operate the proposed NewCo project. Ultimately, the Investment Banker's underwriting will tie out each and every element of the project before going to market, having assured itself that all aspects of the offering are then in place and that no "loose ends" remain. As previously described herein, the intellectual property contains and consists of the process patent which has been applied for and which is in the process of finalization, together with proprietary information concerning the various processes that had been developed through experimentation and trial and error over the course of the project. All are owned by PC Fibre Technology, LLC, which, in turn, is owned by RTS and will license such technology to NewCo. PC Fibre Technology, LLC will be paid a licensing fee, as set forth in the projections, a portion of which will go to RVDH entities on a post-petition basis. The Debtor adds that this technology is not owned by the Debtor, but is being disclosed herein in the interest of candor.

The Debtor concedes that confirmation of its Plan is a necessary component to the ultimate

securing of the funds for the project and is a condition precedent to the Investment Bankers going to the market with the project. _

The projected funding for the overall Project is \$176,225,000.00. Built into the projections of the Project are amounts for the acquisition of the property of the Debtor, which are sufficient to fund the Plan proposed herein. The current management believes, and has believed for some time, that the Project has proven technology that has been demonstrated in the market, is novel but not complex, and can be implemented to address a tremendous demand in the market for the recycling of what would otherwise be landfilled consumer waste. The Project, as envisioned, has significant positive financial projections based on the costs of input, costs to through-put waste, and projected income from the sale of end products. The return is favorable.

The amount necessary to fund the Plan is generally estimated as follows:

Chapter 11 Administrative Expenses:	\$ 2 4 <u>9</u> 0,000.00
Priority Taxes:	\$ 100,000.00
Ability (and past due real estate taxes):	\$ 8,105,000.00
Clifton:	\$ 2,533,000.00
Quotient:	\$ 290,000.00
WEDC:	\$ 75 <u>6</u> 50,000.00-(Interest)
Varde:	\$ <u>2,000,000.00</u>
Total:	\$13, 34 <u>3</u> 968,000.00

It is anticipated that, after Plan confirmation, the case will remain open until funding has occurred and the transfer of the assets, free and clear of liens, has been effectuated under the anticipated confirmation order. Thereafter, the case will be closed and no further Court supervision shall be necessary.

General Terms. The Debtor shall continue to be the Debtor in Possession and the bankruptcy estate shall remain in existence and hold all of its assets until all of said assets have been administered and the proceeds distributed in accordance with the terms of this Plan. The Debtor will continue to file monthly operating reports detailing the operation of its business with the United States Trustee and continue to pay any and all quarterly fees from the proceeds of the liquidation as they are due.

Upon the completion of the roll up into NewCo envisioned hereunder, the Debtor will make application to the Court for an order of consummation. After the entry of such Order, the reorganized Debtor shall operate its ongoing business in the ordinary course, without further Court supervision.

ARTICLE VI RELEASE

~~Except as otherwise provided in this Plan, the distributions and rights afforded in this Plan~~

~~shall be in complete and full satisfaction, effective as of the Effective Date, of all Claims of any nature whatsoever against the property or~~ & INJUNCTION

This Plan provides for certain assets to be transferred to NewCo in a rollup of assets into a new operating company to be formed to operate the project described herein. The transfers of the various assets shall be free and clear of all liens of creditors and not subject to pre-petition claims of any creditor of the Debtor. The Debtor is retaining certain assets in its ongoing operation. These shall be, except as specified herein, free and clear of all liens and encumbrances.

Under the terms of the Plan, no creditor, on account of claims it has against the Debtor, shall have a right to pursue NewCo on account of the Debtor's transfer of its assets to it or the Debtor's retention of an equity ownership of that entity. As payment of the Class 8 allowed claims is dependent on the success of the operation of NewCo described herein, any action by a creditor of the Debtor against it on any theory of successorship or the like would seriously impair the Plan and injure all Class 8 claimants as well as equity.

The SEC has filed a claim in this case in an unspecified amount, relating to possible violations of securities law. It has also filed an objection to the Debtor's 2nd Amended Disclosure Statement which, given a fair reading, indicates that it has an issue with RVDH and possibly his controlled entities. To be clear, the Debtor is not seeking an injunction or release to or for RVDH or his entities. RVDH has been removed from any management or control of the Debtor or the reorganized Debtor. He does retain an equity interest in the reorganized Debtor, but subject to strict repayment requirements which provide that all claims must be paid in full before RVDH or his entities or, for that matter, any equity holder in the reorganized Debtor is paid as a result of ownership interests.

As stated above, it is the opinion of the Debtor's management, who are well experienced in the capital markets, that the specter of an SEC enforcement action against NewCo or the reorganized Debtor would chill, if not totally eliminate, the ability to raise the amount of capital necessary to fund NewCo in the capital markets. It is imperative, in the opinion of management, that NewCo be "clean" and free and clear of any liens and encumbrances of claims for any creditors arising out of the Debtor's operations prior to the date of confirmation. As a practical matter, all of the assets being incorporated into NewCo are being paid for and all secured claims associated therewith are being paid in full or as agreed. In other words, all secured creditors are being paid and equity is sidelined until unsecured creditors are paid in full.

In the Seventh Circuit, third-party releases are allowed. In re Ingersoll Inc., 562 F.3d 856 (7th Cir. 2009); In re Airdigm Commc'ns. Inc., 519 F.3d 640 (7th Cir. 2008). These cases articulate the standard in the Seventh Circuit as follows:

[W]e hold that this "residual authority" [in section 1123(b)(6)] permits the bankruptcy estate of the Debtor transferred pursuant to this Plan or retained by the Debtor for use in its ongoing business with the exception of liens retained under the Plan.

ARTICLE VII INJUNCTION

~~Commencing on the Effective Date, except as expressly otherwise provided in this Plan, the holders of All Claims shall be enjoined from asserting against the Debtor or NewCo, or their assets and properties, any other or further liabilities, Liens, obligations, or Claims, including but not limited to all principal and accrued and unpaid interest on the debts of the Debtor, based on any act or omission, transaction, or other activity or security interest or other agreement of any kind or nature occurring, arising, or existing prior to court to release third parties from liability to participating creditors if the release is "appropriate" and not inconsistent with any provision of the bankruptcy code. . . . Ultimately, whether a release is "appropriate" for the reorganization is fact intensive and depends on the nature of the reorganization.~~

The Debtor asserts that it is appropriate in this case to fashion an injunction or release as proposed because the reorganization will not work without it and the release will be narrowly tailored and will not release any "willful misconduct" on the part of prior management. The release contemplated hereunder is one which is tailored to give investors peace of mind and ensure that the Debtor can successfully reorganize, and is appropriate under the circumstances.

ARTICLE VII

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CONDITIONS TO EFFECTIVENESS OF THE PLAN

The Court shall have entered a Confirmation Order, in form and substance satisfactory to the Committee, and no stay of the Confirmation Order shall be in effect.

End Of Moved Text

~~the Confirmation Date that was or could have been the subject of any Claim, whether or not Allowed. All legal or other proceedings and actions seeking to establish or enforce liabilities, Liens, Claims or obligations of any nature against the Debtor, or NewCo, or assets or properties received or retained by the Debtor or NewCo with respect to debts and obligations, if any, of the estate arising before the Confirmation Date shall be permanently stayed and enjoined, except as otherwise specifically provided in this Plan.~~

ARTICLE VIII

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ARTICLE ~~IX~~VIII EFFECTIVE DATE

The Effective Date of the Plan shall be the date of the anticipated closing on the “roll up” into NewCo, but no later than March 31, 2017 unless such date is, on proper motion and for good cause shown, extended by the Court.

ARTICLE ~~XIX~~

RETENTION OF JURISDICTION BY THE COURT

After the Confirmation Date, the Court shall retain jurisdiction for the following purposes, or as otherwise permitted by law:

~~109~~1 **Objections to Claims.** To hear and determine objections to the allowance of Claims, and requests for the estimation of Claims.

109.2 Fee Applications. To hear and determine any and all applications for compensation of professional services and disbursements and any other similar fees incurred prior to or subsequent to confirmation of the Plan.

~~109~~3 Pending Matters. To hear and determine any and all pending applications, motions, adversary proceedings, and other contested matters not resolved by the Plan.

~~109.4~~ Modification of Plan. To modify the Plan to the extent permitted by the Plan and the applicable provisions of § 1127 of the Code.

10.5 Enforcement of Payments and Rights. To enforce the terms and provisions of payments and rights required or created by the Plan.

~~109.6~~ Provisions of Plan, Confirmation Order, and Code. To enter such orders as may be necessary to consummate, interpret, and effect the provisions of the Plan and the Confirmation Order, or as may be otherwise required by the Code.

~~+09.~~**7 Litigation.** To preside over any action or Adversary Proceeding commenced by the Debtor for the recovery of any asset or right which it may be entitled to assert, recover or collect utilizing the powers granted to it under the Code or similar state rights.

Dated this ~~1st~~21st day of December, 2016.

GREEN BOX NA GREEN BAY, LLC

By: /s/
Stephen Smith, Managing Member

By: _____/s/

Paul G. Swanson
Attorney for Debtor in Possession



CONTENTS

- INTRODUCTION
- PROCESS OVERVIEW
- PROJECTED FINANCIAL SUMMARY
 - CURRENT OPERATIONS
 - ROLL-UP PLAN

INTRODUCTION

- Reclamation Technology Systems ('RTS') is a technology-based company focused on the reclamation and sanitization of fiber from consumer waste streams and the production of tissue products
- Unique FDA Approved Technology to treat food-contaminated paper and plastic waste for subsequent use in a variety of consumer and commercial products. Historically the vast majority of this food contaminated waste has been buried in landfills
- Management's extensive relationships in the tissue industry provide efficient distribution channels
- The integrated system allows RTS to add profit margin at every stage of the proprietary process

PROCESS OVERVIEW

Waste Recovery

Contract with either municipalities or land fill operators for delivery of Municipal Solid Waste ("MSW") or recycled materials

Sorting

Employ Semi or fully-automated sorting to separate fiber and plastic from other materials

Sanitizing

Sorted materials are treated with proprietary a uniquely formulated water based solution to eliminate bacteria from the fiber materials - applied at multiple points in the process to maximize sanitation properties

This process has been tested and approved by the U.S. FDA for use in food contact paper products – first FDA approval of its kind

Pulping

The fibers are separated from laminates through an industry leading and proprietary process, the resulting pulp is among the 'cleanest' manufactured from reclaimed/recycled material

PROCESS OVERVIEW (continued)

Pelletizing

The separated laminate material and other plastic products are formed into small pellets used for production of oil or remanufactured into laminate base for floor tile

Tissue Manufacturing

The pulp is processed into one-ton tissue "parent rolls". These parent rolls are either sold in the market or used in the product conversion stage of the RTS process

Product Conversion

The parent rolls are 'converted' into a variety of consumer products including bathroom tissue, toilet paper, towels and drinking cups

Unique Process Benefits and Technology

Sorting

Exclusive joint venture relationship with owner of multi-patented 50+ category automated sorting system that allows venture to accept residential MSW from municipalities

Our ability to accept MSW provides cost efficient recovery of paper and plastic materials for RTS and over 75% "reclamation" of all materials by employing numerous cutting edge "re-use" technologies

Sanitation

Currently the vast majority of food contaminated waste is simply sent to landfills and buried

Our sanitation technology allows us to capture and be paid for this otherwise wasted fiber material to produce blended post-consumer pulp fiber which is FDA approved for food contact use

Pulping

Proprietary multi-stage filtering system that allows for the manufacturing of high quality pulp suitable for high-end consumer products

Potential Projects

2017 Q1

- Green Bay WI/Scranton PA: "Roll-up" and development of \$176 Million project
- Significant upgrades to existing pulping and converting facilities
- Construction and integration of new tissue manufacturing facility
- Construction of new sorting facility adjacent to landfill in Scranton PA to provide input materials to De Pere on a highly cost effective basis
- Total project cost includes \$140 Million project financing underwritten by Piper Jaffray

FUTURE



- Houston, TX
 - Fourth largest city in United States
 - Possible complete outsource of MSW contract
- St George, UT
 - Significant water rights
 - Servicing Las Vegas, Salt Lake City and Southern California

CURRENT OPERATIONS

PULP AND CONVERTING OPERATION ONLY

- Pulping and converting facilities are located on adjacent properties in Green Bay/De Pere WI
- Both are profitable businesses on a stand alone basis but no current operating financing in place - making it difficult to manage short term cash needs. Immediate need for operating capital
 - Pulping facility is secured under a lease with buy contract and has been producing on a limited basis over the last year.
 - Pulping facility can be brought on-line for production in 7-10 days
- Plan calls for immediate ramp up of the pulping plant to maximize production. 'Tolling' contract in place with large paper wholesaler for both delivery of paper and production of pulp at very attractive margin.

CURRENT FACILITIES

	Primary / Secondary Use	Inputs	Location	
Pulping Facility	Post-Consumer Waste Processing (Pulping) / Plastic Waste Liquefaction	Poly-laminated Fiber, Brown Fiber and Waste Plastic	De Pere, WI	
Converting Facility	Converted Products (Bath, Facial Tissues/Towels)	Tissue Parent Rolls (via Tolling Arrangement)	De Pere, WI	

Current Operations: Pro-Forma Converting and Pulping Only

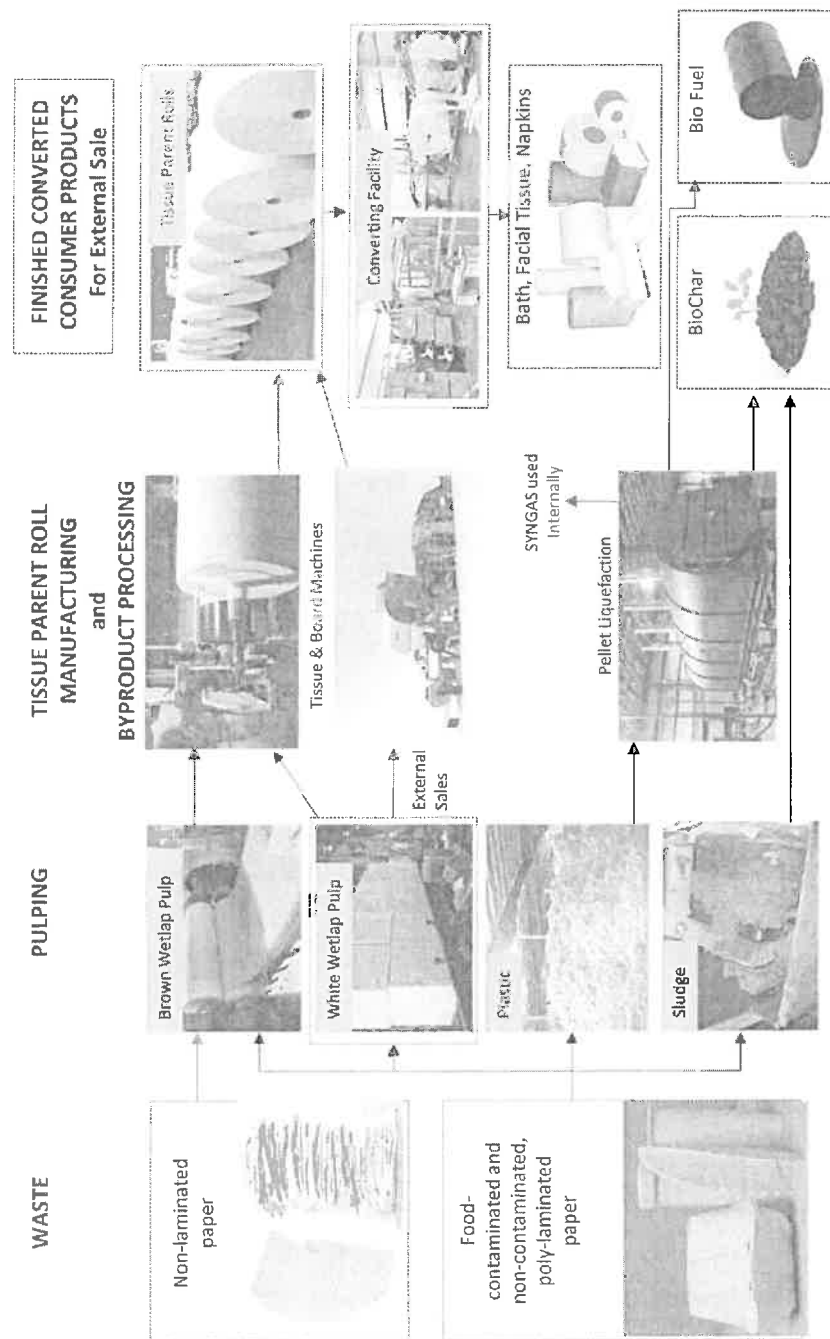
	Forecast Quarter	Forecast Quarter	Forecast Quarter	Forecast Quarter	Forecast Quarter	Forecast Quarter	Forecast Quarter	Forecast Quarter	Total Year	Forecast Quarter	Forecast Quarter	Forecast Quarter	Total Year
	1	2	3	4	5	6	7	8	1	2	3	4	2
SALES - Converting	\$1,151,610	\$1,598,665	\$2,535,885	\$3,201,785	\$2,641,635	\$2,677,845	\$3,251,165	\$3,598,065	\$8,487,945	\$3,598,065	\$3,598,065	\$3,598,065	\$12,168,710
SALES - Pulp	\$632,730	\$1,912,680	\$1,912,680	\$1,912,680	\$1,912,680	\$1,912,680	\$5,498,955	\$5,498,955	\$6,370,770	\$5,498,955	\$5,498,955	\$5,498,955	\$14,823,270
TOTAL SALES	\$1,784,340	\$3,511,345	\$4,448,565	\$5,114,465	\$4,554,315	\$4,590,525	\$8,750,120	\$9,097,020	\$14,858,715	\$9,097,020	\$9,097,020	\$9,097,020	\$26,991,980
TOTAL COST OF SALES	\$1,500,704	\$2,673,665	\$3,145,667	\$3,362,635	\$3,006,925	\$3,033,105	\$4,998,143	\$5,248,951	\$10,582,670	\$5,248,951	\$5,248,951	\$5,248,951	\$16,287,124
GROSS PROFIT	\$283,636	\$837,680	\$1,302,898	\$1,751,830	\$1,547,390	\$1,557,420	\$3,751,977	\$3,848,069	\$4,176,045	\$3,848,069	\$3,848,069	\$3,848,069	\$10,704,856
TOTAL OPERATING EXPENSES	\$269,250	\$546,750	\$680,750	\$683,250	\$924,000	\$924,000	\$924,000	\$924,000	\$2,180,000	\$924,000	\$924,000	\$924,000	\$3,696,000
OPERATING INCOME (LOSS)	\$14,386	\$290,930	\$622,148	\$1,068,580	\$623,390	\$633,420	\$2,827,977	\$2,924,069	\$1,996,045	\$2,924,069	\$2,924,069	\$2,924,069	\$7,008,856
EBITDA	\$24,886	\$301,430	\$632,648	\$1,079,080	\$728,390	\$738,420	\$2,932,977	\$3,029,069	\$2,038,045	\$3,029,069	\$3,029,069	\$3,029,069	\$7,428,856

ROLL-UP PROJECT

FULLY INTEGRATED RECLAMATION AND TISSUE PRODUCTION

- Current production facilities and equipment are 'sold' at full appraised value into a new company formed for the project
 - All technology is licensed for use in the project
- New sorting facility built adjacent to land fill in Scranton PA
 - Provides input materials for Green Bay/De Pere project
- New state of the art tissue plant to be built on controlled land between the two current facilities
 - Construction Company is among largest tissue plant contractors in the US
- Fully connected and integrated production facility – from sorting to consumer product production
- 'Take out' contract fully negotiated with International Forest Products for purchase of all tissue products
 - Eliminates risk of future product sales
 - Great credit – IFP owned by Robert Kraft (NE Patriots)
- Approximate \$176 Million total project cost
 - Expected capital structure includes 75% senior debt, 12.5 % mezzanine debt and 12.5% equity
 - Attractive coverage ratios for institutional market

RTS PROJECT INTEGRATED PROCESS SCHEMATIC





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**United States Bankruptcy Court
Eastern District of Wisconsin**

In re Green Box NA Green Bay, LLC

Debtor(s)

Case No. 16-24179

Chapter 11

LIST OF EQUITY SECURITY HOLDERS

Following is the list of the Debtor's equity security holders which is prepared in accordance with rule 1007(a)(3) for filing in this Chapter 11 Case

Name and last known address or place of business of holder	Security Class	Number of Securities	Kind of Interest
AKS Green, LLC 55 East Erie Street Suite 2304 Chicago, IL 60611		750,000	Membership Units
Badgerland Demolition & Earthwork 1414 Builders Court De Pere, WI 54115		200,000	Membership Units
Cliffon Equities, Inc. 7200 Rue Hutchinson, Suite 100 Montreal QU H3N 1Z2		3,000,000	Membership Units
Dan Platkowski 2107 American Blvd. De Pere, WI 54115		800,000	Membership Units
Dr. Ed Lin 1839 Schering Road De Pere, WI 54115		200,000	Membership Units
Dr. Marco Araujo 2595 Development Dr, Ste 150 Green Bay, WI 54311		600,000	Membership Units
EARTH, LLC 2077B Lawrence Drive De Pere, WI 54115		79,000,000	Membership Units (see attached Exhibit B re: EARTH membership interests)
Glen Arbor, LLC 55 East Erie Suite 2304 Chicago, IL 60611		3,000,000	Membership Units
KYHK, LLC 2303 Lost Dauphin Road De Pere, WI 54115		2,000,000	Membership Units
L S Equities, LP 26 The Point Coronado, CA 92118		3,000,000	Membership Units
Pedro Fernandez 11211 Prosperity Farms Road Suite 303 C Palm Beach Gardens, FL 33410		1,000,000	Membership Units



In re: Green Box NA Green Bay, LLC

Debtor(s)

Case No. 16-24179

LIST OF EQUITY SECURITY HOLDERS
(Continuation Sheet)

Name and last known address or place of business of holder	Security Class	Number of Securities	Kind of Interest
RVDH Dvlpmnt, LLC (RVDH Interest) 2077B Lawrence Drive De Pere, WI 54115		6,350,000	Membership Units
Steve Huntington 6326 Arabian Way Two Rivers, WI 54241		100,000	Membership Units

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the **Manager** of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing List of Equity Security Holders and that it is true and correct to the best of my information and belief.

Date November 9, 2016

Signature /s/ Stephen Smith
Stephen Smith

*Penalty for making a false statement of concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
18 U.S.C. §§ 152 and 3571.*

EXHIBIT B

RTS, LLC (f/k/a ENVIRONMENTAL ADVANCED RECLAMATION TECHNOLOGY HQ, LLC)
ISSUED UNITS AS OF MAY 26, 2016

MEMBERS	MEMBERSHIP UNITS	Percentage
KR TRUSTCO, LLC (see attached chart for breakdown)	74,175,000	74.18%
GLEN ARBOR, LLC	5,000,000	5.00%
L S EQUITIES, L. P	3,000,000	3.00%
JIM GEORGE GROUP	3,000,000	3.00%
AKS GREEN, LLC	2,250,000	2.25%
GREEN DREAM, LLC (BERNIE DAHLIN)	2,250,000	2.25%
GREEN ISLAND SPIRITS	2,000,000	2.00%
EMK VENTURES WISCONSIN LLC	1,100,000	1.10%
GREEN EARTH AMERICA, LLC	1,000,000	1.00%
R & B INVESTMENTS	1,000,000	1.00%
TRACO MACHINE SERVICES, LLC	1,000,000	1.00%
BIA, LLC	500,000	0.50%
PINE RIDGE ENGINEERING	500,000	0.50%
DIE GREEN, LLC	500,000	0.50%
PJR CONSULTING, LLC	500,000	0.50%
TSL ASSET HOLDING CORP	500,000	0.50%
GUY LOCASCIO PROPERTY TRUST	500,000	0.50%
CORDOVA ENHANCED FUNDS	300,000	0.30%
ITV	300,000	0.30%
RICHARD BARROW	200,000	0.20%
DEDICATED GREEN SYSTEMS, LLC	200,000	0.20%
SHOTO ENERGY, LLC	125,000	0.13%
A N CO, LLC	100,000	0.10%
TOTAL ISSUED AND OUTSTANDING UNITS	100,000,000	100.00%

EXHIBIT

B

KR TRUSTCO, LLC ISSUED UNITS AS OF MAY 26, 2016

MEMBERS	MEMBERSHIP UNITS	Percentage	KR TRUSTCO MEMBER - PASS THROUGH OWNERSHIP IN EARTH
KYHK, LLC (RVDH Interest)	3,963,750	3.96%	2.94%
RVDH Dvlpmnt LLC (RVDH Interest)	15,535,500	15.54%	11.52%
YK Irrevocable Trust (RVDH Interest)	17,839,500	17.84%	13.23%
Ron VDH Irrevocable Trust 7/22/2003 (RVDH Interest)	17,839,500	17.84%	13.23%
The RVDH Family Irrevocable Trust (RVDH Interest)	7,929,000	7.93%	5.88%
Ron VDH Irrevocable Trust 9/18/2003 (RVDH Interest)	11,892,750	11.89%	8.82%
	<u>25,000,000</u>	<u>25.00%</u>	<u>18.54%</u>
GlenArbor LLC	100,000,000	100.00%	74.18%

Waste Tires to Pyroil, Carbon Black & Steel**Assumptions**

1. # of 8 tpd Kool Units	2 units						
Loading & efficiency rating	3 tpd ea batch						
Batches per day	2						
Tire tons/day processed	12						
2. Yields & Revenue			<u>\$/ton</u>	<u>\$/gal</u>	<u>#/gal</u>	<u>\$/day</u>	
Payment for tires @\$.50 each			\$35.00			\$420	
Pyro oil	39%	4.7 tpd	\$286	\$1.00	7	\$1,337	111 gal/ton
Carbon Black	35%	4.2 tpd	\$1,500			\$6,300	
Syngas	6%	0.7 tpd	\$0			\$0	
Ash/misc materials	10%	1.2 tpd	\$0			\$0	
Steel	10%	1.2 tpd	\$600			\$720	
	100%	12.0 tpd				\$8,777	\$731 /ton revenue
3. Operational Cost							
Operators (3 for 2 units)	3	\$23.5 /hr		2 (12 hr shifts)		\$1,692	
Utilities						\$50	
Propane						\$100	
Sulfur Removal						\$100	
Maintenance						\$320	
Rent @ \$16,000/month						\$533	
SG&A @ 7.5% sales						\$658	
Total Cost						\$3,454	\$288 /ton cost
			Value/ton of tires			\$444	
			Value/tire @ 70 tires/ton			\$6.34	

4. Days/year 350

5. Capital

Liquefaction	\$2,000,000
Gas cleaning & Compression	\$600,000
Oil refining	\$0
Gas Generator	\$0
Carbon Purification	\$0
Mobile Equipment	\$0
Baler	\$0
Building modifications	\$0
Contingency	\$0
Closing Costs @ 5%	\$0
Total Capital	\$2,600,000

10 Year Proforma (\$000,000's)

	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Gross Revenue											
Tires used		\$0.10	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15
Pyro oil		\$0.30	\$0.47	\$0.47	\$0.47	\$0.47	\$0.47	\$0.47	\$0.47	\$0.47	\$0.47
Carbon Black		\$1.43	\$2.21	\$2.21	\$2.21	\$2.21	\$2.21	\$2.21	\$2.21	\$2.21	\$2.21
Syngas		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Steel		\$0.16	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25
Total Revenue		\$2.00	\$3.07	\$3.07	\$3.07	\$3.07	\$3.07	\$3.07	\$3.07	\$3.07	\$3.07
Costs											
Operators		\$0.59	\$0.59	\$0.59	\$0.59	\$0.59	\$0.59	\$0.59	\$0.59	\$0.59	\$0.59
Utilities		\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02
Propane		\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
Maintenance		\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11
Rent		\$0.19	\$0.19	\$0.19	\$0.19	\$0.19	\$0.19	\$0.19	\$0.19	\$0.19	\$0.19
SG&A @ 7.5% sales		\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23
Total Costs		\$1.17	\$1.17	\$1.17	\$1.17	\$1.17	\$1.17	\$1.17	\$1.17	\$1.17	\$1.17
EBITDA	-\$2.60	\$0.82	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90	\$1.90
EBITDA IRR	57%										

EXHIBIT

MAKOOL EQUIPMENT IN DEPERE (To be surrendered to CLIFFTON):

- | | |
|---|--|
| 1) 20' x 6' x 6' | REACTOR |
| | *1/2" CAPSULE |
| | *DOOR WITH HINGES |
| | *GORTOX/NOMEX SEAL/COPPER SEAL |
| | *TEMPERATURE GAUGES |
| | *PRESSURE GAUGES |
| | *BACK FLOW PREVENTERS |
| | *ACCESS TO BURNERS FOR CLEANING |
| | *WATER TRAPS |
| 2) 3'x 20' x 8' | FRAME, BURNER & PLUMBING |
| 3) 8' x 20" X 82" | INSULATED SHROUD |
| 4) 45" x 144" | COLLECTION TANK (Based on standard size 1500 gallon) |
| 5) CONTROL PANEL-PIPING AND ELECTRICAL WORK | |

EXHIBIT

EQUIPMENT SHIPPED TO ARM TO BE RETURNED to the Debtor:

A) PURIFYING (PARTIAL)

- 1) BAGGER FRAME**
- 2) SHAKER SYSTEM**
- 3) FEED CONVEYORS**
- 4) CARBON BLACK UNLOAD**
- 5) SCREEN SYSTEM**
- 6) CARBON BLACK STORAGE**

B) FORKLIFT

C) CONVEYOR SYSTEM

D) SYNGAS STORAGE (PROPANE TANK)