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**COUNSEL TO DEBTORS AND
DEBTORS IN POSSESSION**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§	Chapter 11
	§	
Higher Ground Education, Inc., <i>et al.</i> , ¹	§	Case No.: 25-80121-11 (MVL)
	§	
Debtor.	§	(Jointly Administered)
	§	

**DECLARATION OF SEAN CORWEN IN SUPPORT OF CONFIRMATION OF THE
MODIFIED SECOND AMENDED JOINT PLAN OF REORGANIZATION OF
HIGHER GROUND EDUCATION, INC., ITS AFFILIATED DEBTORS, AND
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

Pursuant to 28 U.S.C. § 1746, I, Sean Corwen, hereby declare as follows under penalty of perjury:

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal identification number, are: Higher Ground Education Inc. (7265); Guidepost A LLC (8540); Prepared Montessorian LLC (6181); Terra Firma Services LLC (6999); Guidepost Birmingham LLC (2397); Guidepost Bradley Hills LLC (2058); Guidepost Branchburg LLC (0494); Guidepost Carmel LLC (4060); Guidepost FIC B LLC (8609); Guidepost FIC C LLC (1518); Guidepost Goodyear LLC (1363); Guidepost Las Colinas LLC (9767); Guidepost Leawood LLC (3453); Guidepost Muirfield Village LLC (1889); Guidepost Richardson LLC (7111); Guidepost South Riding LLC (2403); Guidepost St Robert LLC (5136); Guidepost The Woodlands LLC (6101); Guidepost Walled Lake LLC (9118); HGE FIC D LLC (6499); HGE FIC E LLC (0056); HGE FIC F LLC (8861); HGE FIC G LLC (5500); HGE FIC H LLC (8817); HGE FIC I LLC (1138); HGE FIC K LLC (8558); HGE FIC L LLC (2052); HGE FIC M LLC (8912); HGE FIC N LLC (6774); HGE FIC O LLC (4678); HGE FIC P LLC (1477); HGE FIC Q LLC (3122); HGE FIC R LLC (9661); LePort Emeryville LLC (7324); AltSchool II LLC (0403). The Debtors' mailing address is 1321 Upland Dr. PMB 20442, Houston, Texas 77043.

1. I am a Director at SierraConstellation Partners, LLC (“SCP”), the financial advisors for Higher Ground Education, Inc. and its affiliate Debtors in the above-captioned Chapter 11 Cases (the “**Debtors**”).

2. SCP is a national interim management and advisory firm with extensive experience providing professional services in situations involving financially distressed companies, including advising debtors, creditors, and other constituents in chapter 11 proceedings.

3. I submit this declaration (this “**Declaration**”) in support of the Debtor’s request for entry of an order confirming the *Modified Second Amended Joint Plan of Reorganization of Higher Ground Education, Inc., Its Affiliated Debtors, and the Official Committee of Unsecured Creditors* [Docket No. 649] (modified, amended, or supplemented from time to time, the “**Plan**”).²

QUALIFICATIONS

4. I received my MBA from the McDonough School of Business at Georgetown University and my bachelor’s degree from the College of the Holy Cross.

5. I have more than ten years of experience as a finance professional in both advisory and operational roles for companies in distressed, transactional, and bankruptcy situations. I have worked with clients across a variety of industries, including consumer goods, energy, financial services, healthcare, media, and professional services.

6. I am providing this Declaration with respect to the Liquidation Analysis, attached as Exhibit B to the *Second Amended Disclosure Statement to the Second Amended Joint Plan of Reorganization of Higher Ground Education, Inc., Its Affiliated Debtors, and the Official Committee of Unsecured Creditors* [Docket No. 551] (the “**Disclosure Statement**”). At the direction of the Debtors’ management, SCP oversaw the preparation of the Liquidation Analysis

² Capitalized terms used but not defined herein have the meanings ascribed to them in the Confirmation Brief, the Plan, or the Disclosure Statement, as applicable.

and worked closely with the Debtors and their other advisors in its development. The Liquidation Analysis was completed after due diligence by the Debtors and their advisors and was based on a variety of assumptions, which I believe are reasonable under the circumstances.

7. Except as otherwise indicated, the matters set forth in this Declaration and in the Liquidation Analysis are based on (a) my personal knowledge, information, and belief, grounded in my involvement in the Debtor's business, operations, and finances and my general experience as a restructuring professional; (b) my review of relevant records of the Debtor kept in the ordinary course of business, and/or (c) information supplied to me by the Debtor, including professionals and consultants engaged by the Debtor, or by other professionals at SCP working directly with me or under my supervision, direction, or control.

8. SCP has authorized me to make this Declaration. I am over the age of 18, and if called as a witness, I would testify competently to the facts and opinions set forth in this Declaration and in the Liquidation Analysis. I am not being compensated for this testimony other than through payments received by SCP as a professional retained in these Chapter 11 Cases.

THE LIQUIDATION ANALYSIS IN THE DISCLOSURE STATEMENT

9. I understand that section 1129(a)(7) of the Bankruptcy Code, known as the "best interests of creditors test," requires that a chapter 11 plan provide impaired claims or interests with treatment better or equal to that which it would receive in a Chapter 7 liquidation. My understanding is that the best interests of creditors test applies to each non-consenting member of an impaired class and is generally satisfied by comparing estimated recoveries for a debtor's stakeholders in a hypothetical chapter 7 liquidation against the estimated recoveries under that debtor's plan of reorganization. Based on the analysis discussed below, I believe that the projected recoveries for the non-consenting Impaired Claims and Interests under the Plan are equal to or in

excess of the recoveries estimated in a hypothetical chapter 7 liquidation and that the Plan therefore satisfies the best interests of creditors test.

10. The Liquidation Analysis attached to the Disclosure Statement is based upon the most recent financial statements of the Debtors, which the Debtors used to estimate the Debtors' assets and liabilities as of the hypothetical conversion date. As disclosed in the Disclosure Statement, the Debtors believe they have approximately \$243 million of federal net operating losses, \$174 million of state net operating losses, and \$2.5 million of foreign net operating losses as of the Petition Date.

11. To estimate the liquidation proceeds, the Liquidation Analysis attached to the Disclosure Statement assumes a hypothetical conversion date October 14, 2025 with \$840,000 of cash on hand available to provide for an estimate of cash proceeds (the "**Net Estimated Proceeds**") that a chapter 7 trustee would generate if the Debtors' Chapter 11 Cases were converted to chapter 7 cases, and the assets of the Debtors' estates were liquidated.

12. The Liquidation Analysis attached to the Disclosure Statement considers the following assets of the Debtors' Estates in both a Chapter 11 and Chapter 7 scenario:

- **Cash Balance on Conversion Date:** The Debtors' estimated cash balance as of the hypothetical conversion date is approximately \$840,000 per the updated cash flow forecast. The cash balance does not include accrued but unpaid professional fees, including the U.S. Trustee fees and Plan reserve amounts which are expected to be disbursed following the Effective Date.
- **Prepaid Expenses and Other Current Assets:** Prepaid Expenses and Other Current Assets are shown at book value as of June 30, 2025, per Debtors company records. The Debtors estimate a range of approximately \$0 to \$50,000 of unearned property insurance premia refunds after the Effective Date.
- **Proceeds from D&O Claims Resolution:** The Debtors estimate that potential recoveries from the D&O Claims Resolution will range between \$0 to \$5,000,000 under the Chapter 11 and Chapter 7 scenarios.

- **Chapter 5 Causes of Action:** As set forth in the Disclosure Statement, the Debtors Schedules identified the approximately \$20 million of potential Chapter 5 Causes of Action against non-Insider parties and approximately \$7.3 million of potential Chapter 5 Causes of Action against Insiders. For purposes of this illustrative model, the Debtors estimate that potential recoveries from Chapter 5 Causes of Action will be 10% of the non-Insider Chapter 5 Causes of Action and \$0 for the Insider Chapter 5 Causes of Action under the Chapter 11 and Chapter 7 scenarios.
- **Property and Equipment, Net:** Property and Equipment, Net are shown at book value as of June 30, 2025, per Debtors company records. The Plan contemplates abandonment of all remaining tangible property, and no recovery is assumed beyond cash proceeds.

13. In addition to the assets considered in both Chapter 11 and chapter 7 scenarios, the Liquidation Analysis considers the following in the Chapter 11 scenario:

- **Surplus Cash Available from DIP Funding:** The Surplus DIP Cash is expected to be \$500,000.
- **Settlement Parties Cash Contribution:** The Plan Settlement consideration includes \$1.95 million of cash contributed by the Settlement Parties.

14. The Liquidation Analysis takes the estimated recovery from those assets in Chapter 11 and Chapter 7 scenarios, and subtracts costs for (a) Chapter 7 Trustee Fees, (b) Professional Fees, (c) winddown expenses, and (d) legal, accounting, and liquidation fees. The result is the Net Estimated Proceeds.

15. The Liquidation Analysis takes the Net Estimated Proceeds and estimates the distribution that each non-accepting Holder of a Claim or Interest would receive under the priority scheme dictated in chapter 7; and it compares each such Holder's estimated liquidation recovery to the distribution that such Holder would receive under the Plan if the Plan is confirmed and consummated.

16. A comparison of the range of estimated liquidation recoveries to the estimated Plan recoveries indicates that each Holder of a non-consenting Impaired Claim or Interest will receive

or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. Specifically, the projected recoveries under the Plan and the results of the Liquidation Analysis for all Holders of Claims and Interests are as follows:

Class	Claims/Interest	Estimated Recovery Under Hypothetical Ch. 7 Liquidation	Estimated Recovery Under Plan
N/A	DIP Claims	93.7%	0%
N/A	Administrative Claim	0%	100%
N/A	Priority Tax Claim	0%	100%
Class 1	Bridge CN-3 Secured Lender Claim	0%	0%
Class 2	WTI Secured Lender Claim	0%	0%
Class 3	CN-1 Note Claims	0%	0% - 1.8%
Class 4	CN-2 Note Claims	0%	0%
Class 5	CN-3 Note Claims	0%	0%
Class 6	Other Secured Claims	0%	N/A
Class 7	Non-Tax Priority Claims	0%	100%
Class 8	General Unsecured Claims	0%	1.8% - 10.1%
Class 9	Intercompany Claims	0%	0%
Class 10	Equity	0%	0%
Class 11	Subsidiary Equity Interests	0%	0%

THE UPDATED LIQUIDATION ANALYSIS

17. At the direction of the Debtors' management and to confirm that the Liquidation Analysis remained correct, I performed an updated Liquidation Analysis with an assumed

conversion date of November 24, 2025 (the “**Updated Liquidation Analysis**”). The Updated Liquidation Analysis is attached hereto as **Exhibit A**.

18. The Updated Liquidation Analysis contains substantially the same assumptions as the Liquidation Analysis attached to the Disclosure Statement, other than the Debtors’ estimated cash balance as of the hypothetical conversion date being approximately \$608,000. This is because the Debtors have continued to incur cash outflows from the cash balance reflected in the Liquidation Analysis attached to the Disclosure Statement. Based on this modification, the projected recoveries under the Plan and the results of the Liquidation Analysis for all Holders of Claims and Interests are as follows:

Class	Claims/Interest	Estimated Recovery Under Hypothetical Ch. 7 Liquidation	Estimated Recovery Under Plan
N/A	DIP Claims	90.9%	0%
N/A	Administrative Claim	0%	100%
N/A	Priority Tax Claim	0%	100%
Class 1	Bridge CN-3 Secured Lender Claim	0%	0%
Class 2	WTI Secured Lender Claim	0%	0%
Class 3	CN-1 Note Claims	0%	0% - 1.8%
Class 4	CN-2 Note Claims	0%	0%
Class 5	CN-3 Note Claims	0%	0%
Class 6	Other Secured Claims	0%	N/A
Class 7	Non-Tax Priority Claims	0%	100%
Class 8	General Unsecured Claims	0%	1.8% - 10.1%
Class 9	Intercompany Claims	0%	0%
Class 10	Equity	0%	0%
Class 11	Subsidiary Equity Interests	0%	0%

19. Pursuant to section 1129(a)(7) of the Bankruptcy Code, I understand that the Court may not confirm a plan of reorganization unless each holder in impaired classes will receive value under the plan that is not less than what they would receive in a chapter 7 liquidation. Here, based on the Liquidations Analysis attached to the Disclosure Statement and the Updated Liquidation Analysis, no Holder of Claims or Interests would receive more in a hypothetical chapter 7 liquidation than it would receive under the Plan. Notably, in a hypothetical chapter 7 liquidation, all creditors junior to the DIP Claims, including the Holders of General Unsecured Claims (Class 8), would receive zero recovery.

20. Accordingly, I believe that the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

DATED: November 21, 2025

/s/ Sean Corwen

Sean Corwen

Director

SierraConstellation Partners, LLC

Exhibit A

Updated Liquidation Analysis

RECOVERY SUMMARY

Assumed conversion date:

11/24/2025

Claims:	Plan of Reorganization	Chapter 7 Liquidation
DIP Claims	0%	90.9%
Administrative Claims	100%	0%
Priority Tax Claims	100%	0%
Class 1: Bridge CN-3 Secured Lender Claim	0%	0%
Class 2: WTI Secured Lender Claim	0%	0%
Class 3: CN-1 Note Claims	0%-1.8%	0%
Class 4: CN-2 Note Claims	0%	0%
Class 5: CN-3 Note Claims	0%	0%
Class 6: Other Secured Claims	N/A	0%
Class 7: Non-Tax Priority Claims	100%	0%
Class 8: General Unsecured Claims	1.8%-10.1%	0%
Class 9: Intercompany Claims	0%	0%
Class 10: Equity	0%	0%
Class 11: Subsidiary Equity Interests	0%	0%

LIQUIDATION ANALYSIS

Assumed conversion date: 11/24/2025

		Chapter 11 Plan Confirmation Scenario					Chapter 7 Liquidation Scenario				
		Book / Est.	Estimated High	% of Book	Estimated Low	% of Book	Book / Est.	Estimated High	% of Book	Estimated Low	% of Book
		Value	Recovery	Value	Recovery	Value	Value	Recovery	Value	Recovery	Value
		Item #									
A Asset Proceeds											
Cash balance	1	608,000	-	0.0%	-	0.0%	608,000	608,000	100.0%	608,000	100.0%
Surplus cash available from DIP funding	2	500,000	500,000	100.0%	500,000	100.0%	-	-	0.0%	-	0.0%
Settlement parties cash contribution	3	1,950,000	1,950,000	100.0%	1,950,000	100.0%	-	-	0.0%	-	0.0%
Prepaid Expenses and Other Current Assets	4	788,396	50,000	6.3%	-	0.0%	788,396	50,000	6.3%	-	0.0%
Proceeds from D&O Claims Resolution	5	-	5,000,000	N/A	-	N/A	-	5,000,000	N/A	-	N/A
Chapter 5 Causes of Action	6	20,000,000	2,000,000	10.0%	-	0.0%	20,000,000	2,000,000	10.0%	-	0.0%
Property and Equipment, Net	7	8,652,262	-	0.0%	-	0.0%	8,652,262	-	0.0%	-	0.0%
Total Asset Proceeds		32,498,659	9,500,000	29.2%	2,450,000	7.5%	30,048,659	7,658,000	25.5%	608,000	2.0%
B Liquidation Fees and Costs											
Chapter 7 Trustee Fees	8	-	-	-	-	-	255,990	-	-	34,150	-
Professional Fees	9	-	75,000	-	75,000	-	-	40,000	-	40,000	-
Winddown Expenses	10	-	-	-	-	-	-	25,000	-	25,000	-
Legal, Accounting and Liquidator Fees	11	-	-	-	-	-	65,000	-	-	65,000	-
Total Liquidation Fees and Costs			75,000		75,000		385,990			164,150	
Net Estimated Proceeds Available for Claimants			9,425,000		2,375,000		7,272,010			443,850	
		Est. Allowed Claim		Estimate		Est. Allowed Claim		Estimate			
		Low	High	High Recovery	Recovery %	Low Recovery	Recovery %	Low	High	High Recovery	Recovery %
		Item #									
C Unclassified Claims											
DIP Facility Claims	12	-	-	-	0.0%	-	0.0%	8,000,000	8,000,000	7,272,010	90.9%
Administrative Expense Claims	13	-	-	-	0.0%	-	0.0%	-	-	-	0.0%
Priority Unsecured Claims	14	327,278	327,278	327,278	100.0%	327,278	100.0%	327,278	327,278	-	0.0%
Total Unclassified Claims		327,278	327,278	327,278	100.0%	327,278	100.0%	8,327,278	8,327,278	7,272,010	87.3%
Net Estimated Proceeds Available for Classified Claims				9,097,722		2,047,722				-	
D Classified Claims											
Bridge CN-3 Secured Lender Claim	15	-	4,800,000	-	0.0%	-	0.0%	-	4,800,000	-	0.0%
WTI Secured Lender Claim	16	-	-	-	0.0%	-	0.0%	-	-	-	0.0%
CN-1 Note Claims	17	-	10,500,000	-	0.0%	193,927	1.8%	-	10,500,000	-	0.0%
CN-2 Note Claims	18	-	-	-	0.0%	-	0.0%	-	-	-	0.0%
CN-3 Note Claims	19	-	-	-	0.0%	-	0.0%	-	-	-	0.0%
Other Secured Claims	20	-	-	-	N/A	-	N/A	-	-	-	N/A
Non-Tax Priority Claims	21	6,874	6,874	6,874	100.0%	6,874	100.0%	6,874	6,874	-	0.0%
General Unsecured Claims	22	90,000,000	100,000,000	9,090,848	10.1%	1,846,921	1.8%	90,000,000	100,000,000	-	0.0%
Intercompany Claims	23	-	-	-	0.0%	-	0.0%	-	-	-	0.0%
Total Classified Claims		90,006,874	115,306,874	9,097,722	10.1%	2,047,722	1.8%	90,006,874	115,306,874	-	0.0%
Net Estimate Proceeds Available for Equity				-		-				-	

COMPONENTS OF LIQUIDATION MODEL¹

A. Asset Proceeds

1. Cash Balance on Conversion Date

The Debtors' estimated cash balance as of the hypothetical conversion date is approximately \$608,000 per the updated cash flow forecast. The cash balance does not include accrued but unpaid professional fees, including the U.S. Trustee fees and Plan reserve amounts which are expected to be disbursed following the Effective Date. Other changes to the estimated cash balance on conversion are the result of timing and case updates. This cash balance is relevant only in the Chapter 7 conversion scenario; in the consensual Chapter 11 scenario, the cash balance is embedded in the Surplus DIP Cash.

2. Surplus Cash Available from DIP Funding

On September 10, 2025, the Debtors reached an agreement in principle with the Committee and the Settlement Parties (the "Plan Settlement"). Part of the settlement consideration includes any Surplus DIP Cash available on the Effective date. The Surplus DIP Cash is expected to be \$500,000.

3. Settlement Parties Cash Contribution

Part of the Plan Settlement consideration includes \$1.95 million of cash contributed by the Settlement Parties.

4. Prepaid Expenses and Other Current Assets

Prepaid Expenses and Other Current Assets are shown at book value as of October 31, 2025, per Debtors company records. The Debtors estimate a range of approximately \$0 to \$50,000 of unearned property insurance premia refunds after the Effective Date.

5. Proceeds from D&O Claims Resolution

The Chapter 11 Plan contemplates that the Liquidating Trust Beneficiaries may receive a recovery from a potential settlement resulting from the D&O Claims Resolution. For purposes of this illustrative model, the Debtors estimate that potential recoveries from the D&O Claims Resolution will range between \$0 to \$5,000,000 under the Chapter 11 and Chapter 7 scenarios.

6. Chapter 5 Causes of Action

As set forth in the Disclosure Statement, the Debtors Schedules identified the approximately \$20 million of potential Chapter 5 Causes of Action against non-Insider parties and approximately \$7.3 million of potential Chapter 5 Causes of Action against Insiders. For purposes of this illustrative

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the *Modified Second Amended Joint Plan of Reorganization for Higher Ground Education, Inc. et al.* [Docket No. 649] (the "Plan").

model, the Debtors estimate that potential recoveries from Chapter 5 Causes of Action will be 10% of the non-Insider Chapter 5 Causes of Action and \$0 for the Insider Chapter 5 Causes of Action under the Chapter 11 and Chapter 7 scenarios.

7. Property and Equipment, Net

Property and Equipment, Net are shown at book value as of October 31, 2025, per Debtors company records. The Plan contemplates abandonment of all remaining tangible property, and no recovery is assumed beyond cash proceeds.

B. Liquidation Fees and Costs

8. Chapter 7 Trustee Fees

In the Chapter 7 scenario, trustee fees represent fees payable to a Chapter 7 trustee pursuant to sections 326 and 330 of the Bankruptcy Code.

9. Professional Fees

Professional fees under the Chapter 11 scenario consist of estimated compensation to the Liquidating Trustee and potential professionals retained by the Liquidating Trustee. All other professional fees and U.S. Trustee program fees would be paid pursuant to the Approved Budget set forth in the DIP Financing Order prior to the Effective Date, and before contributing surplus cash available from the DIP Loans. Fees under the Chapter 7 scenario consist of estimated U.S. Trustee program fees. The Debtors used best efforts to estimate the fees payable after the Effective Date.

10. Wind Down Expenses

Wind down expenses under the Chapter 7 scenario consist of estimated compensation to Guidepost Global Education, Inc. ("GGE") for outsourced financial data and accounting support. The estimated expense payable to GGE is based on the monthly expense associated with prior support to the Debtors provided by GGE, at a 50% discount for Chapter 7. Wind down expenses in the Chapter 11 scenario would be paid pursuant to the Approved Budget set forth in the DIP Financing Order prior to the Effective Date and before contributing surplus cash available from the DIP Loans.

11. Legal, Accounting and Liquidation Fees

Legal, accounting and liquidator fees in the Chapter 7 scenario consist of estimated compensation to third-party legal counsel and accountants expected to be retained by a Chapter 7 trustee. Expenses are estimated based on market rates for one to three months of support. Legal accounting and liquidation fees in the Chapter 11 scenario would be paid pursuant to the Approved Budget set forth in the DIP Financing Order prior to the Effective Date, and before contributing surplus cash available from the DIP Loans.

C. Unclassified Claims

12. DIP Facility Claims

In the Chapter 11 scenario, the DIP Lenders intend to either (a) convert their claims into equity or (b) waive their claims on the Effective Date. In the Chapter 7 scenario, the DIP Lenders will assert their full claim and security interests in substantially all assets of the Debtors' Estates.

13. Administrative Expense Claims

Administrative Expense Claims represent any expenses with administrative priority accrued but not yet remitted prior to the effective date. Under the chapter 11 scenario, all administrative fees would be paid pursuant to the DIP budget prior to the effective date, and before contributing surplus cash available from DIP funding. Administrative expense claims under the chapter 7 scenario are yet to be determined. The Debtors and its successors, including the Liquidating Trust and Liquidating Trustee, reserve any and all rights to dispute any asserted claims, including Administrative Claims.

14. Priority Unsecured Claims

Priority Unsecured Claims consist of projected state tax payments and, potentially, other claims entitled to priority status under Section 507 of the Bankruptcy Code, accrued but not yet remitted prior to the Effective Date. The Debtors and its successors, including the Liquidating Trust and Liquidating Trustee, reserve any and all rights to dispute any asserted claims, including Priority Unsecured Claims.

D. Classified claims

15. Bridge CN-3 Secured Lender claims

In the Chapter 11 scenario, the Plan provides that all Holders of Bridge CN-3 Schedule Lender Claims will waive any distributions under the Plan. Under the Chapter 7 scenario, no recovery is anticipated for the Bridge CN-3 Secured Claims.

16. WTI Secured Lender Claim

In the Chapter 11 scenario, the Holder of the WTI Secured Lender Claim is expected to waive any distributions under the Plan. No recovery is anticipated in the Chapter 7 scenario.

17. CN-1 Note Claims

For purposes of this illustrative model, the CN-1 Note Claims class includes the Debtors' best estimate of potentially Allowed CN-1 Note Claims, some of which may be disputed, after accounting for the Settlement Parties' waiver of distributions on account of their CN-1 Note Claims. The Debtors and its successors, including the Liquidating Trust and Liquidating Trustee, reserve any and all rights to dispute any asserted claims, including CN-1 Note Claims, asserted during the Chapter 11 proceedings.

Under the Chapter 11 Plan, Holders of Allowed CN-1 Note Claims will be beneficiaries of the Liquidating Trust and receive their pro rata share of recoveries from the Liquidating Trust Assets with Holders of Allowed General Unsecured Claims. The Liquidating Trust Assets includes, among other things, (a) the Surplus DIP Cash; (b) the Settlement Party Payment; (c) all rights of the Debtors or their Estates existing on the Effective Date under the D&O Insurance Policies, including the D&O Insurance Proceeds and Causes of Action against insurers providing such policies; (d) the Debtors' Retained Causes of Action; and (e) the Plan Sponsor Consideration. No recovery is anticipated in the Chapter 7 scenario because, among other things, the Surplus DIP Cash and Settlement Party Payment will not be available for distribution to a Liquidating Trust in Chapter 7.

18. CN-2 Note Claims

In the Chapter 11 scenario, Holders of CN-2 Note Claims are expected to waive any distributions under the Plan. No recovery is anticipated in the Chapter 7 scenario.

19. CN-3 Note Claims

In the Chapter 11 scenario, Holders of CN-3 Note Claims are expected to waive any distributions under the Plan. No recovery is anticipated in the Chapter 7 scenario.

20. Other Secured Claims

Other Secured Claims are contemplated to be paid in full under the Plan. No recovery is anticipated in the Chapter 7 scenario. The Debtors and their successors, including the Liquidating Trust and Liquidating Trustee, reserve any and all rights to dispute any asserted claims, including Other Secured Claims, asserted during the Chapter 11 proceedings

21. Non-Tax Priority Claims

Non-Tax Priority Claims are contemplated to be paid in full under the Plan. No recovery is anticipated in the Chapter 7 scenario. The Debtors and their successors, including the Liquidating Trust and Liquidating Trustee, reserve any and all rights to dispute any asserted claims, including Non-Tax Priority Claims, asserted during the Chapter 11 proceedings

22. General Unsecured Claims

For purposes of this illustrative model, the General Unsecured Claims class includes the Debtors' best estimate of Allowed General Unsecured Claims, some of which may be disputed. The Debtor and its successors, including the Liquidating Trust and Liquidating Trustee, reserve any and all rights to dispute any asserted claims, including General Unsecured Claims, asserted during the Chapter 11 proceedings. No recovery is anticipated in the Chapter 7 scenario.

Under the Chapter 11 Plan, Holders of Allowed General Unsecured Claims will be beneficiaries of the Liquidating Trust and receive their pro rata share of recoveries from the Liquidating Trust

Assets with Holders of Allowed CN Note Claims. The Liquidating Trust Assets includes, among other things, (a) the Surplus DIP Cash; (b) the Settlement Party Payment; (c) all rights of the Debtors or their Estates existing on the Effective Date under the D&O Insurance Policies, including the D&O Insurance Proceeds and Causes of Action against insurers providing such policies; (d) the Debtors' Retained Causes of Action; and (e) the Plan Sponsor Consideration. No recovery is anticipated in the Chapter 7 scenario because, among other things, the Surplus DIP Cash and Settlement Party Payment will not be available for distribution to a Liquidating Trust in Chapter 7.

23. Intercompany Claims

Intercompany claims will be cancelled and no distributions will be made on account of the Intercompany Claims under the Plan. No recovery is anticipated in the Chapter 7 scenario.