

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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:
In re: Chapter 11
:
THE CONSUMERS TRUST, Case No. 05 – 60155 (REG)
:
Debtor. :
----- X

**ATTACHED HERETO IS THE PROPOSED DISCLOSURE
STATEMENT FOR THE JOINT PLAN OF LIQUIDATION UNDER
CHAPTER 11 OF THE BANKRUPTCY CODE PROPOSED BY THE
DEBTOR AND THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF THE CONSUMERS TRUST**

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

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I. INTRODUCTION

David Rubin and Henry Lan, solely in their capacity as the Receivers¹ for The Consumers Trust, as debtor and debtor-in-possession in the above-captioned case, and the Official Committee of Unsecured Creditors of The Consumers Trust (the “Committee” and together with the Receivers, the “Proponents”) file this Disclosure Statement in support of the Plan which is attached as Exhibit “A” hereto. **No statements or information concerning the Debtor are authorized, other than those set forth in the proposed Disclosure Statement.**

PLEASE NOTE: THE DEBTOR AND THE COMMITTEE HAVE JOINTLY PROPOSED THE PLAN AND ENCOURAGE ALL HOLDERS OF CLASS 2 GENERAL UNSECURED CLAIMS TO VOTE IN FAVOR OF THE PLAN. THE DEBTOR AND THE COMMITTEE ALSO RECOMMEND THAT HOLDERS OF CLASS 2 GENERAL UNSECURED CLAIMS GRANT THE SOLICITOR TRUSTEE RELEASE BY LEAVING THE CHECK BOX BLANK AS PROVIDED FOR ON THE ACCOMPANYING BALLOT. ONLY HOLDERS OF CLASS 2 GENERAL UNSECURED CLAIMS WHO GRANT THE SOLICITOR TRUSTEE RELEASE WILL BE ENTITLED TO SHARE IN THE ADDITIONAL \$3,200,000.00 OF SOLICITOR TRUSTEE SETTLEMENT PROCEEDS.

A. Notice to Creditors

1. Purpose of the Disclosure Statement The purpose of this Disclosure Statement is to set forth information that (i) summarizes the Plan; (ii) advises creditors of their rights and anticipated recoveries under the Plan; (iii) assists holders of Class 2 General Unsecured Claims in making an informed decision when voting to accept or reject the Plan; and (iv) assists the Bankruptcy Court in determining whether the Plan should be confirmed. The Proponents have also asked the Court to approve a special Plan summary and separate, shorter disclosure statement to be mailed to all holders of Class 2 General Unsecured Claims and Class 3 Missouri Consumer Claims (the “Summary Document”).

2. Approval of the Disclosure Statement By order dated [REDACTED], 2007, the Bankruptcy Court approved this Disclosure Statement and the Summary Document, finding that they contain “adequate information” as that term is used in section 1125(a) of the Bankruptcy Code.

3. PLEASE READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY. A COPY OF THE PLAN IS ATTACHED AS EXHIBIT “A” HERETO. IF THERE IS ANY INCONSISTENCY BETWEEN THE TERMS OF THE PLAN AND THIS DISCLOSURE STATEMENT OR THE SUMMARY DOCUMENT, THE TERMS OF THE PLAN WILL CONTROL.

4. Ballots Holders of Class 2 General Unsecured Claims (which includes claims of Cashable Voucher holders, except for claims of Cashable Voucher holders that have received or will receive money from the Attorney General of Missouri) are also receiving a Ballot and return envelope to vote to accept (or reject) the Plan and to grant (or not grant) the Solicitor Trustee

¹ Unless otherwise defined herein, capitalized terms used in this Disclosure Statement have the meanings given to those terms in the Plan.

Release which is described in the Plan and below. Any Ballot that is properly signed and timely delivered but inadvertently does not indicate whether the creditor voted to accept or reject the Plan will be deemed to constitute an acceptance of the Plan.

B. Summary Tables of Classification and Treatment of Claims Under the Plan

The following table provides a brief summary of the classifications and treatment of Allowed Claims under the Plan. A full description of the treatment of Claims is contained in Section III B below and in section and in Article IV of the Plan.

Class Number	Description of Class	Treatment Under the Plan and Estimated Recovery
N/A	Administrative Claims (the costs or expenses of administration of the Bankruptcy Case allowed under sections 503(b) and 507(a)(2) of the Bankruptcy Code).	Paid in full on or shortly after the Effective Date. Estimated amount of Allowed Claims in this Class: \$0 Estimated Recovery 100%
N/A	Priority Tax Claims (any Claim of a governmental unit of the kind entitled to priority in payment as specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code)	Paid in full on or shortly after the Effective Date. Estimated amount of Allowed Claims in this Class: \$0 Estimated Recovery 100%
N/A	Professional Compensation Claims (unpaid compensation claims of the Receivers, the Debtor's and the Committee's professionals and the out-of-pocket expenses of the Committee members)	Paid in full on or shortly after the Bankruptcy Court enters an order Allowing such Claims. Estimated amount of Allowed Claims in this Class: \$[REDACTED] Estimated Recovery 100%
Class 1	Priority Non-Tax Claim (other claims entitled to priority under section 507(a) of the Bankruptcy Code)	Paid in full on or shortly after the Effective Date. Estimated amount of Allowed Claims in this Class: \$0 Estimated Recovery 100%
Class 2	General Unsecured Claims (means (i) the Claim of any Consumer, other than a Class 3 Missouri Consumer Claim, that is (a) evidenced by a Proof of Claim filed by a Consumer with the Bankruptcy Court, (b) evidenced by a Proof of Claim filed by a state attorney general (other than the Attorney General of Missouri)	Allowed Class 2 General Unsecured Claims will receive one or more Interim Distribution(s) of the Liquidating Debtor's Assets (after reserving funds to administer the Bankruptcy Case and prosecute the Causes of Action); and a Final Distribution of the Liquidating Debtor's Assets (after payment of the costs of closing the Bankruptcy Case, the Canadian Proceeding and the U.K. Proceeding).

	<p>or Canadian governmental or quasi-governmental authority having consumer protection responsibility on behalf of Consumers, within or without such attorney general's state or Canadian authority's province of representation, for sums allegedly due to such Consumers solely in respect of such Consumers' Cashable Vouchers and which is otherwise not evidenced by a Proof of Claim filed by a Consumer, or (c) scheduled by the Debtor in the Schedules as undisputed, non-contingent and liquidated; (ii) the Claim of any Merchant evidenced by a Proof of Claim filed with the Bankruptcy Court; and (iii) any other unsecured Claim which arose or is deemed to have arisen prior to the Petition Date and is not classified elsewhere in the Plan.</p>	<p>Without the need to amend or supplement any Proof of Claim filed as of the date hereof, each state attorney general (other than the Attorney General of Missouri) or Canadian governmental or quasi-governmental authority having consumer protection responsibility on behalf of Consumers that has filed a Proof of Claim and is deemed to have accepted the settlement and compromise contained in Section 4.8 of the Plan, will be deemed to have an Allowed Class 2 General Unsecured Claim on behalf of all holders of Cashable Vouchers issued to Consumers residing in their respective state or province of representation according to the Schedule except to the extent such Consumers filed their own Proofs of Claim, which Allowed Class 2 General Unsecured Claim will be in an amount equal to the total of the amounts for such Consumers set forth on the Schedule; provided, however, that in addition to Claims on behalf of Consumers in Texas, the Texas Attorney General, if he elects by notifying the Debtor in writing prior to the Confirmation Date, will be deemed to have such an Allowed Class 2 General Unsecured Claim on behalf of such Consumers in every other state of the United States to the extent that an attorney general for such other state has not filed a Proof of Claim and asserted such Class 2 General Unsecured Claims on behalf of Consumers in such other state. Notwithstanding the bar date set by the Bankruptcy Court for the filing of Proofs of Claim, a state attorney general or Canadian governmental or quasi-governmental authority having consumer protection responsibility on behalf of Consumers, who wishes to file or amend a previously filed Proof of Claim to (x) avail itself of the settlement and compromise in Section 4.8 of the Plan and to assert Class 2 General Unsecured Claims on behalf of Consumers residing in their state or province of representation as set forth in the preceding sentence, or (y) assert specific, liquidated Class 2 General Unsecured Claims on behalf of Consumers residing in their state or province of representation who hold Cashable Vouchers but who are not listed on the Schedule and who have not filed their own Proofs of Claim, may do so up and until the Confirmation Date and such Proof of Claim or amendment will be deemed to have been timely filed.</p> <p>Estimated amount of Allowed Claims in this Class: \$[REDACTED]</p>
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		Estimated Recovery: []% to []% (Assuming that all holders of Class 2 General Unsecured Claims grant the Solicitor Trustee Release)
Class 3	Missouri Consumer Claims (the Claim of any Consumer who has received, or who will receive, any distribution from the Missouri Attorney General as a result of the \$1.65 million paid to the Missouri Attorney by the Debtor on or about September 2, 2005 pursuant to a settlement of litigation commenced against the Debtor and others by the Missouri Attorney General)	Allowed Class 3 Missouri Consumer Claims will not receive any distribution unless and until holders of Allowed Class 2 General Unsecured Claims receive Interim and Final Distributions that equal (as a percentage) the amounts paid, or to be paid, by the Missouri Attorney General to holders of Class 3 Missouri Consumer Claims. Estimated amount of Allowed Claims in this Class: \$[] Estimated Recovery []%
Class 4	Secured Claims (Claims secured by a Lien on property, but only to the extent of the value of such property (i) as agreed to by the holder of such Claim and the Liquidating Debtor; (ii) as determined by a Final Order in accordance with section 506(a)(1) of the Bankruptcy Code or; (iii) in the event that such Claim is subject to setoff against the Debtor under section 553 of the Bankruptcy Code, to the extent of such setoff.	Allowed Class 4 Secured Claims will be, at the sole option of the Liquidating Debtor: (i) reinstated; (ii) paid in full in Cash; (iii) satisfied by the surrender of the collateral securing such Allowed Claim; or (iv) otherwise rendered unimpaired in accordance with section 1124 of the Bankruptcy Code. Estimated amount of Allowed Claims in this Class: \$0 Estimated Recovery 100%

<p>Class 5</p>	<p>Attorney General Claims (the Claim of any state attorney general (except the Attorney General of Missouri) or Canadian governmental or quasi-governmental authority having consumer protection responsibility for any alleged obligation of the Debtor, other than the Claims described in Section 1.18(i)(b) of the Plan, including any fine or penalty payable as a result of the Debtor's alleged violations of state or Canadian law and which is evidenced by a Proof of Claim filed by an attorney general or Canadian governmental or quasi-governmental authority having consumer protection responsibility)</p>	<p>Each Class 5 Attorney General Claim will be settled and compromised and (i) deemed Allowed in an amount equal to the amount asserted or, to the extent not liquidated as of the Effective Date, as may be liquidated by the filing of an amended Proof of Claim no later than 30 days after the Effective Date, provided that the amount of such Claim may not exceed the full face amount of all Cashable Vouchers issued in such holder's state or province of representation as identified in the Schedules; (ii) deemed unimpaired; and (iii) subordinated in payment to the payment of all Allowed Class 1 Priority Non-Tax Claims, Allowed Class 2 General Unsecured Claims, Allowed Class 3 Missouri Consumer Claims, and Allowed Class 4 Secured Claims. Additionally, each holder of a Class 5 Attorney General Claim will be deemed to have accepted the settlement and compromise and to have granted the Class 5 Solicitor Trustee Release by either not objecting to confirmation of the Plan as it pertains to the treatment of Class 2 and Class 5, or negotiating the check described in the final sentence of section 4.8 of the Plan and this paragraph. The Debtor and Liquidating Debtor will, (a) without admitting any fault or wrongdoing, cease and desist from engaging in business operations within such holder's state or Canadian province of representation except as required to seek confirmation of, and carry out the provisions of, the Plan; and (b) pay to each holder of a Class 5 Attorney General Claim who agrees to the settlement and compromise in the Plan and enters into the Joint Prosecution Agreement, the sum of \$5,000 to defray the costs and expenses of effectuating service of process under the Hague Convention in connection with actions commenced by them against any one or more of the Potential Defendants.</p> <p>Notwithstanding anything to the contrary in the Plan, any holder of a Class 5 Attorney General Claim that has granted the Class 5 Solicitor Trustee Release will not grant or be deemed to have granted the releases provided in section 8.2 of the Plan notwithstanding that such holder also holds an Allowed Class 2 General Unsecured Claim and receives a payment in respect of such Claim.</p>
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		Estimated amount of Allowed Claims in this Class: \$[] Estimated Recovery []%
Class 6	Equity Interests (the remainderman or other interest of Eurofinance, SA, the settlor of the Debtor or any other Entity that claims an entitlement as a remainderman in the Debtor)	Cancelled and the holder(s) thereof will receive no distribution.

II. OVERVIEW OF DEBTOR’S OPERATIONS AND CHAPTER 11 CASE

A. Debtor’s Prepetition Business Operations

The Debtor is an English business trust created on March 25, 2002 for the purpose of holding and paying out funds in connection with, and administering, the Cashable Voucher Program. Under the Cashable Voucher Program, Merchants in the United States and Canada offering a wide variety of consumer products and services could increase sales by offering their customers Cashable Vouchers: rebate-like certificates containing terms and conditions that, only if precisely followed, allowed the customer to receive, from the Debtor, cash up to the face amount of the Cashable Voucher.

In order to be able to offer Cashable Vouchers, the Debtor and a Merchant entered into a contract – called a “Merchant Agreement” – whereby the Merchant agreed to pay to the Debtor 15% of the face amount of each Cashable Voucher it issued. Because the Debtor only received 15% of the face amount of each Cashable Voucher issued, the viability of the Cashable Voucher Program depended on the vast majority of Consumers not remembering to submit their claims for payments or submitting their claims improperly (i.e., without the required supporting documents detailed on the Cashable Voucher or with some other defect in the submission).

B. Significant Events Leading to the Commencement of The Bankruptcy Case

Between March of 2002 when the Debtor was formed and the commencement of the Bankruptcy Case, the Debtor was named as a defendant in several private lawsuits filed by Consumers whose claims were rejected by the Debtor as having been incorrectly or untimely submitted for payment. Simultaneously, the Cashable Voucher Program (which, through the purported assumption by the Debtor, also involved the issuance of documents called “Cashable Bonds,” “Cashable Rebates,” “3-Year Cashback,” “5-Year Cashback” and “Cashback Checks”) began to draw the attention of various state consumer protection authorities. In February of 2005, the Missouri Attorney General commenced an action against the Debtor and others involved with the Cashable Voucher Program alleging multiple violations of Missouri’s Merchandising Practices Act. After a four-day hearing, a settlement was reached pursuant to which the Debtor agreed to pay \$1,650,000 to the Missouri Attorney General, plus an additional \$200,000 to reimburse the Missouri Attorney General for his investigation and litigation expenses. Despite this settlement, the Debtor remained a defendant in numerous individual actions commenced by Consumers and was potentially the target of additional actions commenced by the attorneys general of other states.

Faced with these additional liabilities and no prospect of being able to satisfy the obligations of the Cashable Voucher Program from the funds it had remaining in trust, the Debtor decided to seek relief from the courts in England, the United States and Canada. On November 14, 2005, the Receivers were appointed by the High Court of Justice, Chancery Division, in London. Upon their appointment, the Receivers took possession of the Debtor's cash and business records and, with High Court authority, arranged for the commencement of this Bankruptcy Case and the Canadian Proceeding.

C. Significant Events in These Chapter 11 Cases

After the commencement of the Bankruptcy Case, one of the Debtor's first tasks was to serve notice of commencement of the Bankruptcy Case upon all potential creditors and to establish a deadline for the filing of claims. Appropriate notices, approved by the Bankruptcy Court, were served upon each Consumer and Merchant at their last known address, and upon each state attorney general. Parties in Canada also received a notice of the commencement of the Canadian Proceeding. Notice was also published in periodicals of national circulation in the U.S. and Canada. Additionally, the Receivers believed it would be entirely unfair to continue to try to honor Cashable Vouchers as they became redeemable, since doing so would perpetuate a program many consumer protection authorities believed violated consumer protection laws and/or which would result in no or diminished payments to those voucher holders whose redemption dates were later in time. Accordingly, to put all holders of unredeemed Cashable Vouchers in the same position, the Debtor filed and mailed to Cashable Voucher holders a motion to reject each Cashable Voucher under a provision of the Bankruptcy Code allowing the Debtor to do so. Rejection of the Cashable Vouchers, in the Debtor's view, gave rise to a breach of contract claim in favor of each Cashable Voucher holder equal to the face amount of the Cashable Voucher that could be asserted without having to satisfy the rigorous and problematic requirements needed to redeem the voucher. The Court approved the rejection of the Cashable Vouchers by order dated March 30, 2006. While the effect of the rejection was to dramatically increase the number of Cashable Voucher holders entitled to some payment, it was perceived by the Receivers, the Committee and the Court as the fairest solution under the circumstances.

The Debtor, having discontinued the Cashable Voucher Program in September 2005, shortly after the settlement payment was made to the Missouri Attorney General, also filed and mailed to each Merchant, a motion to reject all of the Merchant Agreements pursuant to the provisions of the Bankruptcy Code as each such agreement arguably constituted an executory contract. The Court entered an order dated March 30, 2006, approving the rejection of the Merchant Agreements, but only to the extent they were executory contracts.

On December 29, 2005, the Office of the United States Trustee appointed the Committee which consists of eleven of the largest Cashable Voucher holders from the United States and Canada. The Committee hired the law firm of Fulbright & Jaworski L.L.P. to represent it in the Bankruptcy Case.

Thereafter, the Debtor and Committee undertook an investigation of the Debtor's pre-bankruptcy activities in order to determine whether the Debtor could bring lawsuits against third parties to recover money for the benefit of creditors. Utilizing the broad investigatory powers available in bankruptcy cases, the Debtor and the Committee served document requests upon several parties who were intimately involved in the Debtor's business activities. Additionally, several people involved with the Cashable Voucher Program were questioned at length under oath about their knowledge of the Debtor's business operations and potential assets.

Based upon the evidence collected, the Debtor and the Committee determined that the Debtor has viable lawsuits that it can bring against several third parties including, but not limited to, the Potential Defendants.

In March of 2007, the Debtor, two of the Debtor's four trustees – specifically the Solicitor Trustees – the Receivers and the Committee reached a settlement whereby the Solicitor Trustees agreed to pay the Debtor the sum of \$3,200,000 (described in the Plan as the “Solicitor Trustee Settlement Proceeds”) in exchange for a release by the Debtor, the Receivers and the Committee of all claims against them and for agreeing to provide a release mechanism in the Plan whereby holders of allowed claims (primarily Cashable Voucher holders) could receive an allocable share of the \$3,200,000 in Solicitor Trustee Settlement Proceeds by agreeing to a similar release of the Solicitor Trustees. By order dated May 2, 2007, the Bankruptcy Court approved that settlement as being reasonable in light of the inherent risks associated with any litigation and the costs that would otherwise be expended in pursuing litigation against the Solicitor Trustees. To date, no other settlements have been reached with any other third parties, although settlement discussions in advance of litigation are anticipated.

During the course of the Bankruptcy Case, the Debtor and the Committee also worked to respond to inquiries from Consumers and Merchants seeking information about the status of the Bankruptcy Case and the Cashable Voucher Program. The Committee established and currently maintains a website (www.consumerstrustcase.com) to keep creditors informed about the Bankruptcy Case and the claims-submission process.

Currently, the Debtor's assets consist of (i) cash in the amount of approximately \$8 million which includes the \$3.2 million in Solicitor Trustee Settlement Proceeds; and (ii) the right to bring lawsuits (i.e., “Causes of Action”) against third parties.

During the course of the Bankruptcy Case, the Debtor, the Receivers and the Committee came to learn that the Missouri Attorney General had distributed \$657,641.81 of the \$1.65 million paid by the Debtor to the Missouri Attorney General in September 2005 to approximately 480 Cashable Voucher holders whose claims had been rejected by the Debtor for one reason or another. As a result of that distribution, each of these persons received an amount equal to 25% of the face amount of their Cashable Voucher. Upon information and belief, the Missouri Attorney General intends to divide the balance of the settlement payment made to it by the Debtor among an estimated \$11,270,000 of Claims held by Missourians, including those who were either listed as Cashable Voucher holders in the Debtor's official schedules of liabilities or who filed Proofs of Claim in the Bankruptcy Case. If so, the Debtor estimates that each such Missourian would receive a recovery of approximately 8% of the face amount of their Cashable Voucher.

Under the Plan each recipient of a distribution from the Missouri Attorney General who has a claim against the Debtor is treated as the holder of a Class 3 Missouri Consumer Claim, and would not be entitled to receive any recovery under the Plan until Cashable Voucher holders in the class of General Unsecured Creditors (Class 2) received an equivalent recovery. So, for example, if ultimately Class 2 General Unsecured Creditors received 10%, holders of allowed Class 3 Missouri Consumer Claims who received 8% from the Missouri Attorney General would receive another 2% from the Debtor, while holders of Class 3 Missouri Consumer Claims who received 25% from the Missouri Attorney General would not receive any additional distribution from the Debtor.

III. OVERVIEW OF THE PLAN

A. Summary of the Plan

Generally, the Plan is a plan of liquidation. The Debtor's cash assets will be paid to holders of Class 2 General Unsecured Claims in the form of one or more Interim Distributions after payment of all Administrative Claims (if any), Class 4 Secured Claims (if any), Priority Tax Claims (if any), Professional Compensation Claims, and Class 1 Priority Non-Tax Claims (if

any), and after establishment of the Claims Reserve, the Expense Reserve and the Litigation Reserve (as explained below). The recoveries to holders of Class 2 General Unsecured Claims will be increased (or decreased) based upon that claimholder's grant of (or refusal to grant) the Solicitor Trustee Release. See section 5.8 (iii) of the Plan entitled "Interim Distribution." Only holders of Class 2 General Unsecured Claims who grant the Solicitor Trustee Release will be entitled to receive a portion of the Solicitor Trustee Settlement Proceeds.

The Debtor and the Committee will pursue all Causes of Action against third parties – most notably, the Potential Defendants – that, in their judgment, merit pursuit, until such time as the Causes of Action have been resolved and any payment(s) due to the Liquidating Debtor are received from the Potential Defendants or from other sources. Then (after closing the Bankruptcy Case and concluding the U.K. Proceeding and the Canadian Proceeding), the Final Distribution will be made to holders of Class 2 General Unsecured Claims and (if required) to holders of Class 3 Missouri Consumer Claims as described in section 4.6 of the Plan.

B. Treatment of Claims Under the Plan

1. Administrative Claims On the Effective Date of the Plan, or as soon thereafter as is reasonably practicable, the Liquidating Debtor will pay to each holder of an Allowed Administrative Claim, Cash equal to the Allowed amount of such Claim from the Liquidating Debtor's Assets excluding the Solicitor Trustee Settlement Proceeds but only to the extent such Allowed Administrative Claim has not been previously paid by the Debtor during the pendency of the Bankruptcy Case. The "**Effective Date**" of the Plan is the first business day after the Bankruptcy Court has entered an order confirming the Plan and the Canadian court overseeing the Canadian Proceeding has entered an order recognizing and confirming the Bankruptcy Court's confirmation order and on which there is no stay or injunction preventing the Plan from becoming effective.

2. Priority Tax Claims On the Effective Date, or as soon thereafter as is reasonably practicable, the Liquidating Debtor will pay each holder of an Allowed Priority Tax Claim Cash equal to the Allowed amount of such Claim from the Liquidating Debtor's Assets excluding the Solicitor Trustee Settlement Proceeds.

3. Professional Compensation Claims As soon as is reasonably practicable after the Bankruptcy Court enters an order approving Professional Compensation Claims, the Liquidating Debtor will pay to each holder of an Allowed Professional Compensation Claim, Cash equal to the Allowed amount of such Claim from the Liquidating Debtor's Assets excluding the Solicitor Trustee Settlement Proceeds, but only to the extent that such Allowed Professional Compensation Claim has not been previously paid by the Debtor.

4. Class 1 Priority Non-Tax Claims On the Effective Date, or as soon thereafter as is reasonably practicable, the Liquidating Debtor will pay to each holder of an Allowed Class 1 Priority Non-Tax Claim, Cash equal to the Allowed amount of such Claim from the Liquidating Debtor's Assets excluding the Solicitor Trustee Settlement Proceeds.

Class 1 Priority Claims are not impaired under the Plan, are deemed to have accepted the Plan and are not entitled to vote.

5. Class 2 General Unsecured Claims As soon as reasonably practicable after the Effective Date, the Liquidating Debtor will make one or more **Interim Distribution** to each holder of an Allowed Class 2 General Unsecured Claim as follows:

- For all holders of Allowed Class 2 General Unsecured Claims who agreed to the Solicitor Trustee Release by leaving blank the appropriate box on their Ballot cast

to vote on the Plan, an Interim Distribution will consist of (i) a Pro Rata share of the Liquidating Debtor's Assets (exclusive of the Solicitor Trustee Settlement Proceeds); and (ii) a Pro Rata share of the Solicitor Trustee Settlement Proceeds.

- For all holders of Allowed Class 2 General Unsecured Claims who did not agree to grant the Solicitor Trustee Release by checking the appropriate box on their Ballot cast to vote on the Plan, an Interim Distribution will consist only of a Pro Rata share of the Liquidating Debtor's Assets exclusive of the Solicitor Trustee Settlement Proceeds.
- For all holders of Allowed Class 2 General Unsecured Claims who do not cast a Ballot to vote on the Plan, an Interim Distribution will consist of (i) a Pro Rata share of the Liquidating Debtor's Assets (exclusive of the Solicitor Trustee Settlement Proceeds); and (ii) a Pro Rata share of the Solicitor Trustee Settlement Proceeds provided, however, that payment of an Interim Distribution to such Entities will be made by check which contains conspicuous language and/or is accompanied by a separate writing, making clear that, by negotiating or cashing such check, the Claim holder will be deemed to have granted the Solicitor Trustee Release in accordance with the provisions of section 8.2 of the Plan. Such holders of Allowed Class 2 General Unsecured Claims who elect to refuse to grant the Solicitor Trustee Release by negotiating or cashing their check may return their check to the Liquidating Debtor at the address shown in section 12.11 of the Plan and be re-issued a check representing a Pro Rata share of the Liquidating Debtor's Assets exclusive of the Solicitor Trustee Settlement Proceeds.
- Notwithstanding anything to the contrary in the Plan, no Interim Distribution will be made to the holder of any Class 2 General Unsecured Claim for whom the Liquidating Debtor does not have a current address based on the fact that one or more notices mailed to the holder of such Claim, either prior to or subsequent to the Effective Date, was returned for reasons of an incomplete, old, or incorrect address, or was otherwise undeliverable. Payments representing such Interim Distribution will be deposited into the Claims Reserve. An Interim Distribution will be made to such Entities within 60 days of the Liquidating Debtor's receipt of a written notice from such Entities at the address shown in section 12.11 of the Plan advising of the then-current address and the granting (or not granting) of the Solicitor Trustee Release.

After (i) all Disputed Claims have either become Allowed Claims or are disallowed by Final Order; (ii) all Causes of Action have been settled, dismissed or otherwise resolved by Final Order and all payments due to the Liquidating Debtor as a result thereof have been received by the Liquidating Debtor; (iii) all funds payable to the Liquidating Debtor from any other source have been received by the Liquidating Debtor; and (iv) the Bankruptcy Case is closed, and the Canadian Proceeding and the U.K. Proceeding have been concluded, the Liquidating Debtor will make the **Final Distribution** to all holders of Allowed Class 2 General Unsecured Claims (and, to the extent applicable, holders of Class 3 Missouri Consumer Claims).

Notwithstanding any other provision of the Plan, the Liquidating Debtor may, based on the joint decision of the Legal Representatives in their discretion, make additional Interim Distributions to holders of Allowed Class 2 General Unsecured Claims should circumstances warrant the making of such additional Interim Distributions based upon considerations such as, but not limited to: (i) success in the prosecution of the Causes of Action; (ii) the receipt of additional funds into the Liquidating Debtor Assets from any other source, including the prosecution of actions by holders of Class 5 Attorney General Claims against the Potential

Defendants; (iii) the estimated time remaining before the Final Distribution can be made; and (iv) the cost and expense of making such additional Interim Distributions.

Without the need to amend or supplement any Proof of Claim filed as of the date hereof, each state attorney general (other than the Attorney General of Missouri) or Canadian governmental or quasi-governmental authority having consumer protection responsibility on behalf of Consumers that has filed a Proof of Claim and is deemed to have accepted the settlement and compromise contained in Section 4.8 of the Plan, will be deemed to have an Allowed Class 2 General Unsecured Claim on behalf of all holders of Cashable Vouchers issued to Consumers residing in their respective state or province of representation according to the Schedule except to the extent such Consumers filed their own Proofs of Claim, which Allowed Class 2 General Unsecured Claim will be in an amount equal to the total of the amounts for such Consumers set forth on the Schedule; provided, however, that in addition to Claims on behalf of Consumers in Texas, the Texas Attorney General, if he elects by notifying the Debtor in writing prior to the Confirmation Date, will be deemed to have such an Allowed Class 2 General Unsecured Claim on behalf of such Consumers in every other state of the United States to the extent that an attorney general for such other state has not filed a Proof of Claim and asserted such Class 2 General Unsecured Claims on behalf of Consumers in such other state. Notwithstanding the bar date set by the Bankruptcy Court for the filing of Proofs of Claim, a state attorney general or Canadian governmental or quasi-governmental authority having consumer protection responsibility on behalf of Consumers, who wishes to file or amend a previously filed Proof of Claim to (x) avail itself of the settlement and compromise in Section 4.8 of the Plan and to assert Class 2 General Unsecured Claims on behalf of Consumers residing in their state or province of representation as set forth in the preceding sentence, or (y) assert specific, liquidated Class 2 General Unsecured Claims on behalf of Consumers residing in their state or province of representation who hold Cashable Vouchers but who are not listed on the Schedule and who have not filed their own Proofs of Claim, may do so up and until the Confirmation Date and such Proof of Claim or amendment will be deemed to have been timely filed.

Class 2 General Unsecured Claims are impaired by the Plan and are entitled to vote to accept or reject the Plan.

6. Class 3 Missouri Consumer Claims. Each holder of a Class 3 Missouri Consumer Claim will receive no distribution on account of such Class 3 Missouri Consumer Claim unless and until holders of Allowed Class 2 General Unsecured Claims have received from the Liquidating Debtor, or would receive in connection with a Final Distribution, a percentage of their Allowed Class 2 General Unsecured Claims equal to the percentage of the face amount such holder's Cashable Voucher paid by the Missouri Attorney General, at which point such holder of an Allowed Class 3 Missouri Consumer Claim will be paid by the Liquidating Debtor an amount such that the payments received from the Liquidating Debtor by such holder of an Allowed Class 3 Missouri Consumer Claim, combined with the payments such holder received from the Missouri Attorney General are equal, as a percentage of such holder's Allowed Class 3 Missouri Consumer Claim, to the same percentage paid by the Liquidating Debtor in respect of Allowed Class 2 General Unsecured Claims. As further consideration to each holder of a Class 3 Missouri Consumer Claim, the Debtor, the Liquidating Debtor, the Receivers, the Committee and the Legal Representatives will release such holder from all claims of the Debtor and/or the Liquidating Debtor to avoid payments received by such holder from the Missouri Attorney General and recover such payments for the benefit of the Liquidating Debtor. In the event that a holder of a Class 3 Missouri Consumer Claim accepts a distribution from the Solicitor Trustee Settlement Proceeds, then those claimants shall be deemed to have granted the releases to the Solicitor Trustees to the extent described in section 8.2 of the Plan.

Class 3 Missouri Consumer Claims are impaired by the Plan but are not entitled to vote to accept or reject the Plan. Holders of Class 3 Missouri Claims are deemed to reject the Plan. As set forth below, the Debtor and Committee believe that the Plan is fair and equitable and does not discriminate unfairly with respect to Class 3 Missouri Claims and the Proponents will seek to confirm the Plan notwithstanding the deemed rejection by the Class.

7. Class 4 Secured Claims On the Effective Date, each Allowed Class 4 Secured Claim will be, at the sole option of the Liquidating Debtor: (i) reinstated; (ii) paid in full in Cash on the Effective Date of the Plan; (iii) satisfied by the surrender of the collateral securing such Allowed Claim; or (iv) otherwise rendered unimpaired in accordance with section 1124 of the Bankruptcy Code.

Class 4 Secured Claims are not impaired under the Plan, are deemed to have accepted the Plan and are not entitled to vote.

8. Class 5 Attorney General Claims Each Class 5 Attorney General Claim will be settled and compromised and (i) deemed Allowed in an amount equal to the Class 5 Attorney General Claim asserted by such holder which Claim, to the extent not liquidated as of the Effective Date, may be liquidated by the filing of an amended Proof of Claim by such holder no later than 30 days after the Effective Date, provided that the amount of such Claim may not exceed the full face amount of all Cashable Vouchers issued in such holder's state or province of representation as identified in the Schedules; (ii) deemed unimpaired by the Plan; and (iii) subordinated in payment to the payment of all Allowed Class 1 Priority Non-Tax Claims, Allowed Class 2 General Unsecured Claims, Allowed Class 3 Missouri Consumer Claims, and Allowed Class 4 Secured Claims. Additionally, each holder of a Class 5 Attorney General Claim will be deemed to have accepted the settlement and compromise and to have granted the Class 5 Solicitor Trustee Release by either not objecting to confirmation of the Plan as it pertains to the treatment of Class 2 and Class 5, or negotiating the check described in the final sentence of this paragraph. In exchange for such treatment, the Debtor and Liquidating Debtor will, (a) without admitting any fault or wrongdoing, cease and desist from engaging in business operations within such holder's state or Canadian province of representation except as required to seek confirmation of, and carry out the provisions of, the Plan; and (b) pay to each holder of a Class 5 Attorney General Claim who agrees to the settlement and compromise in the Plan and enters into the Joint Prosecution Agreement, the sum of \$5,000 in cash which sum will be used by the holder of such Class 5 Attorney General to defray the costs and expenses of effectuating service of process under the Hague Convention on the Service of Judicial and Extra-Judicial Documents in Civil and Commercial Matters (the "Hague Convention") in connection with actions commenced by such holder against any one or more of the Potential Defendants upon whom service of process must be achieved through the Hague Convention. Notwithstanding anything to the contrary in the Plan, any holder of a Class 5 Attorney General Claim that has granted the Class 5 Solicitor Trustee Release will not grant or be deemed to have granted the releases provided in section 8.2 of the Plan notwithstanding that such holder also holds an Allowed Class 2 General Unsecured Claim and receives a payment in respect of such Claim.

Class 5 Attorney General Claims are deemed unimpaired under the Plan, are deemed to have accepted the Plan and are not entitled to vote.

9. Class 6 Equity Interests On the Effective Date, the existing equity or remaindermen interests in the Debtor will be canceled and the holder(s) of Class 6 Equity Interests will not receive or retain any property under the Plan on account of their interests in the Debtor.

Class 6 Equity Interests are impaired by the Plan but are not entitled to vote to accept or reject the Plan. Holders of Class 6 Equity Interests are deemed to reject the Plan. As set forth

below, the Debtor and Committee believe that the Plan is fair and equitable and does not discriminate unfairly with respect to Class 6 Equity Interests and the Proponents will seek to confirm the Plan notwithstanding the deemed rejection by the Class.

C. Implementation of the Plan

1. Effective Date Transactions On the Effective Date, each and every asset of the Debtor will vest in the Liquidating Debtor and thus become part of the Liquidating Debtor's Assets. The Expense Reserve, the Litigation Reserve and the Claims Reserve will be established from the Liquidating Debtor's Assets, and, in the case of the Claims Reserve, also from the Solicitor Trustee Settlement Proceeds solely for the payment of Class 2 General Unsecured Claims.

2. Continuation of Committee Subsequent to the Effective Date, the Committee will continue in existence and will have all of the powers, duties and functions provided to it by the Plan, the Bankruptcy Code, Bankruptcy Rules, the Local Rules and Final Orders of the Bankruptcy Court. The Committee will continue to operate the Committee website until the Bankruptcy Case is closed. The Committee will be represented by Fulbright & Jaworski L.L.P. or such other counsel as the Committee may retain.

3. Appointment of Legal Representatives Pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, from and after the Effective Date, the Receivers and the Committee will be appointed and jointly act as the Legal Representatives of the Liquidating Debtor and are vested with the power and authority to implement the Plan. In the event that the Committee and the Receivers are unable to agree on a course of action with respect to the Plan, its implementation, or any matter relating to the Causes of Action, such dispute will be resolved by the Bankruptcy Court, in camera and under seal, on motion of the Committee or the Receivers made on reasonable notice solely to the non-moving party(ies).

4. Prosecution of Causes of Action From and after the Effective Date, the Legal Representatives will have the exclusive power, authority and standing jointly to commence, prosecute and resolve all Causes of Action against the Potential Defendants and any other Entities on behalf of, and in the name of, the Debtor and/or the Liquidating Debtor in the United States, United Kingdom, Canada and in such other foreign jurisdictions as they may deem necessary. After the Effective Date, the Legal Representatives will jointly commence, prosecute and resolve all Causes of Action against the Potential Defendants and such other Entities as they may deem appropriate on behalf of, and in the name of, the Debtor and/or the Liquidating Debtor in the United States, United Kingdom, Canada and in such other foreign jurisdictions as necessary. Nothing in this section 5.4 will impair the ability of any state attorney general or Canadian governmental or quasi-governmental authority having consumer protection responsibility on behalf of Consumers, and who enters into a Joint Prosecution Agreement, to bring causes of action against third parties not expressly released pursuant to the Plan.

After the Effective Date, the prosecution of all Causes of Action by the Legal Representatives against the Potential Defendants and any other Entities in accordance with the preceding paragraph will be conducted solely through the use of the Litigation Reserve which will, on the Effective Date, be established in the amount of \$2,500,000. Thereafter, the monies set aside to fund the Litigation Reserve will be subject to periodic adjustment (upwards or downwards) by mutual agreement of the Debtor and the Committee.

If, for any reason, any one of the Legal Representatives lacks standing to or cannot jointly participate in the commencement or prosecution of any Cause of Action because the applicable law of a jurisdiction denies such standing or prevents such participation, then the other Legal Representative will act alone in commencing and prosecuting such Cause of Action

but will not commence, prosecute or resolve such Cause of Action without the consent of the Legal Representative so prevented from acting. For the sake of clarity, the Receivers and the Committee, as the joint Legal Representatives, may not commence, prosecute, resolve, settle, abandon or release any Cause of Action or Claim against a third party unless there is a unanimous agreement between them and, any disputes between the Receivers and the Committee regarding whether to commence, prosecute, resolve, settle, abandon or release any Cause of Action or Claim will be resolved by the Bankruptcy Court, in camera and under seal, on motion of either party on reasonable notice solely to the non-moving party.

Notwithstanding anything to the contrary in the Plan, the Legal Representatives will have the authority to compromise and settle all Causes of Action without further order of the Bankruptcy Court, except that all attorneys general and Canadian governmental or quasi-governmental authority having consumer protection responsibility on behalf of Consumers who have filed a Proof of Claim in the Bankruptcy Case will be provided with written notice of such compromise or settlement and will have twenty (20) days from delivery of such notice to object in writing to such compromise or settlement by sending notice of such objection to the attorneys for the Receivers and attorneys for the Committee. Any disputes between the Receivers and the Committee regarding the appropriateness of a compromise or settlement of a Cause of Action will be resolved by the Bankruptcy Court, in camera and under seal, on motion of either party and on reasonable notice solely to the non-moving party. Any objection by an attorney general or Canadian governmental or quasi-governmental authority having consumer protection responsibility on behalf of Consumers that cannot be consensually resolved, will be resolved by the Bankruptcy Court upon motion of the Legal Representatives for Bankruptcy Court approval of such settlement and compromise on notice to such objecting parties.

5. Potential Litigation Claims Under the Plan, on the Effective Date, all Causes of Action (as defined in the Plan) are preserved and will vest in the Liquidating Debtor and thus become part of the Liquidating Debtor's Assets, with the Committee and the Receivers, as court appointed Legal Representatives of the Liquidating Debtor, having the power and authority to commence, prosecute, and resolve all Causes of Action in the name of and on behalf of the Debtor and/or Liquidating Debtor.

Based upon the evidence collected, the Receivers and the Committee contend that the Debtor's bankruptcy estate may have Causes of Action against some or all of the "Potential Defendants" as defined in the Plan. Without limiting the definition of Potential Defendants, those Potential Defendants include Adrian Roman; Eurofinance, SA; Andrew Simon Davis individually and as trustee of The Consumers Trust; Dennis Bonley individually and as trustee of The Consumers Trust; Davis Bonley Chartered Accountants; Consumer Promotions, Inc.; James Rigsby; Aaron J. Racine; CP Promotions LTD; Graham Jaynes; GT Enterprises, Inc.; Hibiscus Holdings, Limited; James R. Hobbs; Jeff Criswell; Justin Roman; Monaco Sanders Gotfredson Racine & Barber, L.C.; Robin M. Wertheimer; Wyrsh Hobbs & Mirakian, PC and any officers, directors, managers, shareholders, owners, employees, agents or relatives of the foregoing persons or entities, any co-conspirators, participants, advisors, or insurers of the foregoing persons or entities, and any trusts, real or personal property, or accounts to which the foregoing persons or entities may have transferred property. The foregoing list is not comprehensive and may be expanded by the Receivers, the Committee, or the Legal Representatives subject to Bankruptcy Rule 2004. The failure not to include an Entity herein or in the Plan is not an indication that the estate does not have a claim or Cause of Action against any and all unnamed Entities, however the term "Potential Defendants" does not include the Solicitor Trustees.

Without limiting the definition of Causes of Action, such causes of action or remedies may include those brought by a bankruptcy estate under Chapter 5 of the Bankruptcy Code, where a bankruptcy estate has standing pursuant to sections 510, 541, 542, 543, 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code, including "general harm" standing under

cases such as St. Paul Fire & Marine Ins. Co. v. Pepsico, Inc., 884 F.2d 688 (2d Cir. 1989), Gosconcert v. Hillyer, 158 B.R. 24 (S.D.N.Y. 1993); Mediators, Inc. v. Manney, 1996 U.S. Dist. LEXIS 14402 (S.D.N.Y. Sept. 25, 1996), and Keene Corp. v. Coleman (In re Keene Corp.), 164 B.R. 844 (Bankr. S.D.N.Y. 1994), and these actions may include:

- (i) declaratory and further relief under 28 U.S.C. §§ 2201-2202 and state law of the liability of persons owning, participating in, or controlling the Debtor's business for the creditor claims against the estate under theories such as principal liability for business trusts, controlling persons' liability for business trusts, business trust as a partnership, and business trust as an unincorporated association
- (ii) breach of fiduciary duty,
- (iii) participation in (or aiding and abetting in) breach of fiduciary duty,
- (iv) negligence and professional negligence,
- (v) breach of contract,
- (vi) breach of trust,
- (vii) unjust enrichment,
- (viii) money had and received,
- (ix) piercing of the corporate veil or other forms of alter ego liability,
- (x) fraudulent conveyance, fraudulent transfer, fraudulent misrepresentation, fraudulent obligations, voidable preferences, and other avoidance actions, and recovery from transferees under Section 550 of the Bankruptcy Code,
- (xi) intentional wrongful acts,
- (xii) mismanagement,
- (xiii) malpractice,
- (xiv) claims for damages, attorneys fees, costs, and injunctive relief, and
- (xv) other actions arising under federal and state laws.

The extent of potential recoveries from the foregoing claims and Causes of Action is speculative and contingent on the merits of such claims, the ability to pursue such claims, and the ability to collect from Entities resident and not resident in the United States, and other contingencies bearing on the cost and relative benefit of pursuing such actions.

The Receivers, the Committee, and the Legal Representatives may or may not have commenced a Cause of Action by the Effective Date. The failure to bring a Cause of Action by the Effective date is not a waiver of the claims and Causes of Action and the right of the Receivers, the Committee and the Legal Representatives to bring such claims and Causes of Action.

6. Payment of Claims The Liquidating Debtor will make payments upon Allowed Claims by performing the following acts:

(i) Payment of Administrative Claims, Priority Tax Claims, Class 1 Priority Non-Tax Claims and Class 4 Secured Claims On the Effective Date, or as soon thereafter as is reasonably practicable, the Liquidating Debtor will pay to each holder of an Allowed Administrative Claim, Allowed Priority Tax Claim and each holder of an Allowed Class 1 Priority Non-Tax Claim, Cash equal to the Allowed amount of such Claim. On the Effective Date, each Allowed Class 4 Secured Claim will be, at the sole option of the Liquidating Debtor: (a) reinstated; (b) paid in full in Cash; (c) satisfied by the surrender of the collateral securing such Allowed Claim; or (d) otherwise rendered unimpaired in accordance with section 1124 of the Bankruptcy Code.

(ii) Payment of Professional Compensation Claims As soon as is reasonably practicable after the Bankruptcy Court enters an order approving Professional Compensation Claims, the Liquidating Debtor will pay to each holder of an Allowed Professional Compensation Claim, Cash equal to the Allowed amount of such Claim, but only to the extent that such Allowed Professional Compensation Claim has not been previously paid by the Debtor.

(iii) Class 2 General Unsecured Claims and Class 3 Missouri Consumer Claims As soon as reasonably practicable after the Effective Date, the Liquidating Debtor will make one or more Interim Distributions to holders of Class 2 General Unsecured Claims and the Final Distribution to Holders of Class 2 General Unsecured Claims (and, if appropriate, to holders of Class 3 Missouri Consumer Claims) as detailed in sections 5.8(iii), 5.8(vi), 4.5 and 4.6 of the Plan and in section III.B.5-6 of the Disclosure Statement.

7. Returned Checks from Initial Distribution The Liquidating Debtor will keep a record of all checks made in an Interim Distribution to holders of Class 2 General Unsecured Claims that are returned because of an incorrect address or are otherwise not negotiated by the payee thereof within ninety days. Such checks will be stopped and the funds transferred to the Claims Reserve until such time as the payee thereof (i) contacts the Liquidating Debtor at the address shown in section 12.11 of the Plan in writing and requests a re-issuance of a check for an Interim Distribution received prior to the date that is 60 days before the date of the Final Distribution; and (ii) in the case of Solicitor Trustee Settlement Proceeds, agrees in writing to grant (or not grant) the Solicitor Trustee Release. The Liquidating Debtor will have sixty (60) days after the receipt of such writing to issue a replacement check in the amount of that claimholder's share of all Interim Distributions.

8. Reallocation of Solicitor Trustee Settlement Proceeds All payments of portions of the Solicitor Trustee Settlement Proceeds that are deposited in the Claims Reserve prior to the making of the Final Distribution, to the extent not used to pay the Claimant on whose behalf the amount was reserved, will be reallocated to other holders of Class 2 General Unsecured Claims who have granted the Solicitor Trustee Release in connection with the making of the Final Distribution.

9. Returned Check from Final Distribution and Funds Held in Claims Reserve All distributions with respect to the Final Distribution that are returned to the Liquidating Debtor as being undeliverable or are otherwise not negotiated by the payee thereof within ninety days, will be canceled and the funds thereof, together with all funds deposited into the Claims Reserve in connection with an Initial Distribution or otherwise and not subsequently provided to the intended recipient thereof, will be turned over to the state or Canadian provincial unclaimed property fund for the state or Canadian province of the intended recipient's last known address,

by the Liquidating Debtor, along with the requisite information to enable the state or Canadian authorities to validate future claims by such intended recipients, and the original intended recipient thereof will be deemed to have forever waived any right to receive their Interim Distributions or Final Distribution except from the state or Canadian provincial unclaimed property fund, and will forever have waived any Claim against the Debtor, the Liquidating Debtor or their property, and the Solicitor Trustees.

10. Closing of the Bankruptcy Case, Canadian Proceeding and the U.K. Proceeding When (i) all Disputed Claims have become Allowed Claims or have been disallowed by Final Order; and (ii) all of the Liquidating Debtor's Assets have been liquidated and the Liquidating Debtor is otherwise prepared to make the Final Distribution, the Receivers will seek authority from the Bankruptcy Court to close the Bankruptcy Case in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, and will take such other steps as may be needed to conclude the Canadian Proceeding and the U.K. Proceeding.

11. Closing of the Bankruptcy Case by Charitable Gift If at any time after payment of Administrative Claims, Professional Compensation Claims, Priority Tax Claims and Class 1 Priority Non-Tax Claims, the Receivers and the Committee jointly determine that the expense of administering the Plan is likely to exceed the Liquidating Debtor's Assets (inclusive of the Expense Reserve, the Litigation Reserve and the Claim Reserve), the Receivers will apply to the Bankruptcy Court for authority to (i) reserve any amounts necessary to close the Bankruptcy Case, and conclude the Canadian Proceeding and the U.K. Proceeding; (ii) donate any balance to a charitable organization selected by the Receivers and the Committee, dedicated toward consumer protection causes, and which is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code; (iii) close the Bankruptcy Case in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules; and (iv) conclude the Canadian Proceeding and the U.K. Proceeding. Notice of such application will be posted on the website maintained by the Committee for the purpose of providing information to holders of Claims.

D. Procedures for Disputed Claims

1. Objections to Claims After the Effective Date, the Liquidating Debtor, the Committee, and the Legal Representatives will have the exclusive power and authority to prosecute and resolve objections to Claims. No later than 60 days after the Effective Date, the Liquidating Debtor will file all objections to Claims, except that the Liquidating Debtor, the Committee, and the Legal Representatives may object to Proofs of Claim filed after the Effective Date no later than 45 days after the filing of such Proof of Claim. The Court may extend such objection periods for cause shown upon motion of the Liquidating Debtor.

2. No Distribution Pending Allowance Notwithstanding any other provision hereof, if any portion of a Claim is a Disputed Claim, no payment or distribution provided hereunder will be made to the holder on account of such Disputed Claim unless and until such Disputed Claim becomes an Allowed Claim in whole or in part.

3. Distributions Upon Disputed Claims that Become Allowed Claims Distributions to holders of Disputed Claims that subsequently become Allowed Claims will, to the extent not paid in an Interim Distribution, be paid by the Liquidating Debtor no later than sixty (60) days after the Disputed Claim becomes an Allowed Claim.

4. Resolution of Objections to Claims Notwithstanding anything to the contrary in the Plan, the Legal Representatives will have the authority to compromise and settle all Objections to Claims without further order of the Bankruptcy Court. Any disputes between the Receivers and the Committee regarding the appropriateness of a compromise or settlement of an

objection to a Claim will be resolved by the Bankruptcy Court, in camera and under seal, on motion of either party on reasonable notice solely to the non-moving party.

E. Releases in Connection With Solicitor Trustee Settlement

1. Releases of the Solicitor Trustees By the Debtor. As of the Effective Date, for good and valuable consideration, the Debtor will be deemed to release forever, waive, and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities (other than the rights of the Debtor to enforce the Plan and other agreements or documents delivered in connection with the Solicitor Trustees Settlement Agreement, and liabilities arising after the Effective Date in the ordinary course of business) whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, derivative or direct, then existing or thereafter arising, in law, equity, or otherwise that are based in whole or in part on any act, omission, transaction, event, or other occurrences taking place on or prior to the Effective Date in any way relating to the Debtor or the Liquidating Debtor, including pursuant to principles of piercing the corporate veil, alter ego, domination, constructive trust and similar principles of state or federal creditors' rights laws, in any such case (collectively, the "Released Claims"), against each of the Solicitor Trustees, including each of their officers, directors, employees, agents, shareholders, attorneys, financial advisors, predecessors, successors, parents, subsidiaries, affiliates and assignees (collectively, the "Released Parties"). For the avoidance of doubt, the Released Claims will include, without limitation, any claim for breaches of trust or breaches of contract of any nature or kind relating in any manner to: the Debtor, any affiliate of the Debtor, the Cashable Voucher Program and the Solicitor Trustees, and any obligations that may have been assumed by the Debtor in connection with other programs or consumer rebate promotions.

2. Releases of Solicitor Trustees by Holders of Class 2 General Unsecured Claims. On the Effective Date, each holder of a Class 2 General Unsecured Claim (whether allowed or disallowed) against the Debtor (or in the case of Allowed Class 2 General Unsecured Claims held on behalf of Consumers by attorneys general or Canadian authorities as described in section 1.18 of the Plan, each such Consumer), that accepts a distribution from the Solicitor Trustee Settlement Proceeds in consideration of the obligations of the Debtor under the Plan by accepting payment of a share of an Interim Distribution comprised in whole or in part of the Solicitor Trustee Settlement Proceeds by negotiating or cashing a check containing a notation and/or accompanied by a separate writing making clear that negotiating or cashing the check constitutes a granting of the release under section 8.2 of the Plan, will be deemed to forever release, waive, and discharge all claims, demands, debts, rights, causes of action or liabilities (other than the right to enforce the Released Parties' obligations under the Plan, the Confirmation Order and the contracts, instruments, releases, agreements and documents delivered under the Plan), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, derivative or direct, foreseen or unforeseen, then existing or thereafter arising, in law, equity, or otherwise that are based in whole or in part on any act or omission, transaction, event, or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtor, the Bankruptcy Case, the Released Claims, the Plan, or the Disclosure Statement, in any such case, against the Released Parties including, but not limited to any, claim for breaches of trust or breaches of contract of any nature or kind relating in any manner to: the Debtor, any affiliates of the Debtor, the Cashable Voucher Program and the Solicitor Trustees, and any obligations that may have been assumed by the Debtor in connection with other programs or consumer rebate promotions.

3. Releases of Solicitor Trustees by Holders of Class 5 Attorney General Claims On the Effective Date, each holder of a Class 5 Attorney General Claim will be deemed to forever release, waive, and discharge all claims, demands, debts, rights, causes of action or

liabilities against the Released Parties (other than the right to enforce the Released Parties' obligations under the Plan, the Confirmation Order and the contracts, instruments, releases, agreements and documents delivered under the Plan), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, derivative or direct, foreseen or unforeseen, then existing or thereafter arising, in law, equity, or otherwise, that are based in whole or in part on any act or omission, transaction, event, or other occurrence taking place on or prior to the Effective Date in any way relating to the Cashable Voucher Program and the administration or other involvement of the Released Parties in connection with the Cashable Voucher Program.

4. Injunction Related to Releases The confirmation of the Plan will permanently enjoin the commencement of prosecution by any entity, whether directly, derivatively or otherwise, of any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action or liabilities released pursuant to the Plan including, but not limited to, the claims, obligations, suits, judgments, damages, debts, rights, causes of action or liabilities released pursuant to Article VIII of the Plan. For the avoidance of doubt, the Liquidating Debtor and all holders of Claims deemed to have released the Released Parties pursuant to Article VIII of the Plan will be enjoined from bringing any action to recover on any Released Claim against any of the Released Parties. Nothing in the Plan or the transactions approved thereby is intended to or will release any non-debtor of any liabilities or obligations to the United States of America or its agencies or subdivisions or against any parties who are not Released Parties. Nothing in this section 8.4 will impair the ability of any state attorney general or Canadian governmental or quasi-governmental authority having consumer protection responsibility on behalf of Consumers, and who enters into a Joint Prosecution Agreement, to bring causes of action against third parties not expressly released pursuant to the Plan.

5. Incorporation of Terms of Solicitor Trustee Settlement Agreement All of the terms and obligations of the Solicitor Trustee Settlement Agreement shall be binding upon the Liquidating Debtor and are specifically incorporated into the Plan.

F. Conditions Precedent

The only condition precedent to the confirmation of the Plan is that the Bankruptcy Court will have entered the Confirmation Order. The only condition precedent to the Effective Date is that no stay of the Confirmation Order will then be in effect and that the Supreme Court of British Columbia will have entered an order in the Canadian Proceeding recognizing and confirming the Confirmation Order.

G. Cramdown of Class 3 Missouri Consumer Claims and Class 6 Equity Interests; Reservation Of Cramdown Rights

The Bankruptcy Code permits the Bankruptcy Court to confirm a chapter 11 plan over the dissent of any class of claims as long as the standards in section 1129(b) are met. This power to confirm a plan over dissenting classes – often referred to as “cramdown” – is an important part of the Bankruptcy Code. It assures that no single group (or multiple groups) of claims or interests can block a restructuring that otherwise meets the requirements of the Bankruptcy Code and is in the interests of the other constituents in the case. The Proponents reserve their right to seek confirmation of the Plan over any dissenting Class.

The Proponent, to save the expense of soliciting votes from holders of Class 3 Missouri Consumer Claims and Class 6 Equity Interests, has deemed those Classes to have rejected the Plan. The Proponents believe that the Plan can be confirmed under the “cramdown” standards applicable to Class 3 Missouri Consumer Claims and Class 6 Equity Interests because no class of

claims or interests junior to Class 3 Missouri Consumer Claims or Class 6 Equity Interests will receive any distribution under the Plan. Furthermore, the Plan's discrimination between the treatment of Class 3 Missouri Consumer Claims and Class 2 General Unsecured Claims is not "unfair" in light of the payments Class 3 Claimants have received or will receive from the Missouri Attorney General from the proceeds of the settlement payment made to the Missouri Attorney General by the Debtor in September 2005. Under the Plan, as a result of the payments from the Missouri Attorney and the possibility of additional payments from the Liquidating Debtor, Class 3 Missouri Consumer Claimants will receive at least as much in respect of their Cashable Vouchers as holders of Allowed Class 2 General Unsecured Claims.

In addition, the Proponents will waive fraudulent conveyance claims against holders of Class 3 Missouri Claims to the extent they received payments from the Missouri Attorney General. The Proponents believe that the payment to the Missouri Attorney General, to the extent it was to obtain releases for persons and entities other than the Debtor, was a fraudulent transfer. As the ultimate transferees of those funds, the Proponents believe they have Bankruptcy Causes of Action against any recipient of those funds from the Missouri Attorney General. If the Proponents successfully pursued those claims, they could be recovered for the estate and redistributed under the Plan.

The Plan's discrimination between the treatment of Class 6 Equity Interests and other classes of claims is similarly not "unfair" in light of the fact that, under the priority provisions of the Bankruptcy Code and the terms of the Debtor's trust deed, the claims of the remaindermen of the Debtor cannot be paid until the claims of other creditors and beneficiaries are paid in full.

H. Effect of Confirmation

1. Vesting of Assets, Release of Assets, Binding Effect As of the Effective Date, all of the property interests of the Debtor will vest in and be transferred to the Liquidating Debtor, including, without limitation, all Causes of Action. The Bankruptcy Court will retain jurisdiction over the Debtor and its assets and properties until the Bankruptcy Case is closed and as set forth in the Plan. Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of the Plan will bind any holder of a Claim against the Debtor and its respective successors and assigns, whether or not the Claim is impaired under the Plan and whether or not such holder has accepted the Plan.

2. Reservation of Rights of Action In accordance with Section 1123(b) of the Bankruptcy Code, the Legal Representatives will jointly and exclusively enforce any Claims, rights and Causes of Action, as the case may be, that the Debtor or the Liquidating Debtor may hold against any Entity that are not released or discharged by or pursuant to the Plan. The Legal Representatives will jointly pursue such transferred claims, rights and Causes of Action, as appropriate, in accordance with the best interest of the Liquidating Debtor. All Causes of Action, rights or avoidance actions, claims, rights or against any Entity arising from the same, similar or related operative facts which have been or may be brought, are preserved for the Liquidating Debtor and the Legal Representatives, as the case may be. Notwithstanding the foregoing, neither the Liquidating Debtor nor the Committee may bring a Cause of Action, or seek any relief from the Solicitor Trustees except as expressly provided pursuant to the Solicitor Trustee Settlement Agreement, the terms of which are specifically incorporated into the Plan and shall apply to the Liquidating Debtor. Nothing in this section 10.5 will impair the ability of any state attorney general or Canadian governmental or quasi-governmental authority having consumer protection responsibility on behalf of Consumers, and who enters into a Joint Prosecution Agreement, to bring causes of action against third parties not expressly released pursuant to the Plan.

3. Preservation of Attorney-Client Privilege On the Effective Date, in connection with the possession, control and retention of the Liquidating Debtor's Assets, the Receivers, the Liquidating Debtor, the Committee and the Legal Representatives will possess, control and retain any attorney-client privilege, work-product privilege, or other privilege or immunity attaching to any documents or communications (whether written or oral) retained by the Liquidating Debtor. The Receivers, the Liquidating Debtor, the Committee and the Legal Representatives are authorized and directed to take all necessary actions to effectuate the retention of such privileges.

4. Injunctions After the Confirmation Date, to the fullest extent permitted by law, all injunctions or stays arising under or entered during the Bankruptcy Case under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, will remain in full force and effect. On and after the Confirmation Date, all Entities are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively, or otherwise) on account of or respecting any Claim, debt, right or Cause of Action against the Debtor, or against a third party for which the Liquidating Debtor retains sole and exclusive authority to pursue in accordance with the Plan. Nothing in this section 10.7 will impair the ability of any state attorney general or Canadian governmental or quasi-governmental authority having consumer protection responsibility on behalf of Consumers, and who enters into a Joint Prosecution Agreement, to bring causes of action against third parties not expressly released pursuant to this Plan. Upon the entry of the Confirmation Order, all holders of Claims and other parties in interest, along with their respective present or former employees, agents, officers, directors, or principals, will be enjoined from taking any actions to interfere with the implementation or consummation of the Plan. Nothing in this paragraph will be deemed to prevent the filing of applications to obtain Bankruptcy Court approval of Professional Compensation Claims.

I. Governance of the Liquidating Debtor

Article VI of the Plan contains several important provisions regarding governance of the Liquidating Debtor by the Receivers and the Committee. Creditors are encouraged to read Article VI of the Plan in its entirety for a full description of these governance matters.

J. Retention of Jurisdiction by the Bankruptcy Court

Article XI of the Plan makes clear that the Bankruptcy Court will retain jurisdiction over all matters arising under, out of, or related to the Bankruptcy Case and the Plan. Creditors are encouraged to read Article XI of the Plan in its entirety for a full description of the Bankruptcy Court's retained jurisdiction.

K. Miscellaneous Provisions of the Plan

Article XII of the Plan contains several miscellaneous (yet important) provisions including, but not limited to, when substantial consummation of the Plan will occur, authority to execute effectuating documents, exemption from transfer taxes, exculpation of the Receivers, the Committee and its members, modification, revocation and withdrawal of the Plan, governing law and notice addresses. Creditors are encouraged to read Article XII of the Plan in its entirety.

IV. ALTERNATIVE TO THE PLAN

The Plan reflects discussions held among the Debtor, the Receivers and the Committee. Each has determined that the Plan is the most practical means for providing maximum recoveries to holders of Cashable Vouchers. The alternative to the Plan is the liquidation of the Debtor's remaining assets under chapter 7 of the Bankruptcy Code. The Debtor's, Receivers' and Committee's consideration of this alternative has led them to conclude that the Plan, in

comparison, provides a greater recovery to holders of Cashable Vouchers on a more expeditious timeframe and in a manner which minimizes inherent risk.

If the Plan cannot be confirmed, the Debtor will be forced to convert the Bankruptcy Case to a case under chapter 7 of the Bankruptcy Code, in which event a trustee would be appointed to liquidate any remaining assets of the Debtor for distribution to creditors pursuant to chapter 7 of the Bankruptcy Code. If so, holders of Allowed Class 2 General Unsecured Claims will likely receive distributions of a lesser value and likely would have to wait a longer period of time to receive such distributions than they would under the Plan. This is because a chapter 7 trustee, who would lack the Receivers' and Committee's knowledge of the Debtor's affairs, would be required to invest substantial time and resources to investigate the facts underlying the multitude of Claims filed against the Debtor as well as the Causes of Action. In addition, the chapter 7 trustee would be entitled to statutory commissions on all amounts distributed to creditors in chapter 7. Such action will cause the Debtor to incur substantial expenses and otherwise serve only to prolong the case unnecessarily and negatively affect the payment of Allowed Class 2 General Unsecured Claims and Allowed Class 3 Missouri Consumer Claims.

Accordingly, the Debtor and the Committee believe that the Plan will enable all creditors entitled to distributions to realize the greatest possible recovery with the least possible delay.

V. CERTAIN INCOME TAX CONSEQUENCES OF THE PLAN

A. Consequences to Holders of Allowed Class 2 General Unsecured Claims and Class 3 Missouri Consumer Claims

The following summary of certain U.S. federal and Canadian income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon the particular circumstances pertaining to the holder of a Claim. **Each holder of a Claim is urged to consult his own tax advisors for the federal, state, local, and foreign income and other tax consequences applicable under the Plan.**

B. Holders of Class 2 General Unsecured Claims Residing in the United States and Holders of Class 3 Missouri Consumer Claims

The following is a summary of the material U.S. federal income tax consequences of the Plan to the holders (each, a "Holder") of a Class 2 General Unsecured Claim (other than any Claim of a Merchant) or a Class 3 Missouri Consumer Claim. The following summary of the Plan's material U.S. federal income tax consequences is for informational purposes only and is no substitute for careful tax planning and advice based on a Holder's particular circumstances. This summary does not cover all potential U.S. federal income tax consequences that could possibly arise under the Plan and does not address the Plan's U.S. federal income tax consequences to any Holder that is a partnership (or other pass-through entity) or otherwise subject to special tax rules. This summary is based on the laws in effect on the date of this Disclosure Statement and existing judicial and administrative interpretations thereof, all of which are subject to change, possibly with retroactive effect. Holders should consult their own tax advisors as to the Plan's specific federal, state, local, and foreign income and other tax consequences.

Whether a Holder recognizes any income from the receipt of any payment under the Plan depends upon whether the Holder originally received a Cashable Voucher in connection with a purchase of property or delivery of services. If a Holder received a Cashable Voucher in

connection with a purchase of property, the Holder must reduce, as and when any payment is received under the Plan with respect to the Cashable Voucher, the property's tax basis by an amount equal to the payment. Any depreciation deductions on the property must also be reduced concurrently to reflect the basis reduction (including the possible recapture of prior depreciation deductions). If a Holder received a Cashable Voucher in connection with a delivery of services and the Holder either claimed an expense deduction for or capitalized the payment for the services, then the Holder must: (i) in the case where the service payment was capitalized and added to the tax basis of any property, reduce the property's tax basis and adjust any associated depreciation to reflect amounts received under the Plan (in the same manner as discussed above in the case of a Cashable Voucher received in connection with a property purchase); or (ii) in the case where the Holder deducted as an expense the service payment, recognize as ordinary income amounts received under the Plan.

It should be noted that the tax treatment of the Cashable Vouchers is not entirely clear and the Internal Revenue Service could take a different view of the Cashable Vouchers and payments under the Plan. For example, the Internal Revenue Service could treat a Cashable Voucher as a contract right with a value separate and apart from the associated goods or services and argue that the Cashable Voucher should be treated as a bad debt or other loss. Holders are urged to consult with their own tax advisors as to the specific tax consequences of the Plan under their particular circumstances.

THE DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY HOLDER FOR THE PURPOSE OF AVOIDING PENALTIES. THE DISCUSSION HEREIN WAS WRITTEN TO SUPPORT THE TRANSACTIONS DESCRIBED IN THIS DISCLOSURE STATEMENT. EACH HOLDER SHOULD SEEK ADVICE BASED UPON THE HOLDER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

C. Holders of Class 2 General Unsecured Claims Residing in Canada

The following is, as of the date of this Disclosure Statement, a summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the "Canadian Tax Act") in respect of the Plan generally applicable to a Holder who, for purposes of the Canadian Tax Act, at all relevant times, is an individual, a trust or a corporation that is resident in Canada.

This summary is based upon the provisions of the Canadian Tax Act in force at the date of this Disclosure Statement and counsel's understanding of the current published administrative and assessing practices of the Canada Revenue Agency (the "CRA") and takes into account all specific proposals to amend the Canadian Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Disclosure Statement (the "Tax Proposals"). There can be no assurance that any Tax Proposals will be implemented in their current form or at all. This summary is not exhaustive of all possible Canadian federal tax considerations applicable to the Plan and, except for the Tax Proposals does not otherwise take into account or anticipate any changes in the administrative or assessing practices of the CRA or in law, whether by legislative, governmental or judicial decision or action, and does not take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed in this Disclosure Statement.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary does not address any federal excise or provincial tax considerations. This summary is not intended to be, and should not be construed to be, legal, business or tax advice to any Holder, each of whom should consult their own tax advisors as to the tax consequences of the Plan in their particular circumstances, and no representations with respect to the income tax consequences to any such Holder are made. This summary is not intended or written to be used, and cannot be used, by any Holder for the purpose of avoiding penalties.

1. Holders Resident in Canada

The following portion of the summary is applicable to a Holder who is or is deemed to be, at all relevant times, a resident of Canada for purposes of the Canadian Tax Act (a “Canadian Resident Holder”).

The relevant treatment of the payment under the Plan will depend on whether or not the Canadian Resident Holder claimed an expense deduction under the Canadian Tax Act in connection with the purchase.

If a Canadian Resident Holder received a Cashable Voucher in connection with the purchase of property, and did not claim an expense deduction under the Canadian Tax Act, the Canadian Resident Holder will be required to reduce the property’s cost base by an amount equal to the payment received under the Plan. Any capital cost allowance deductions on the property, if so claimed, must be reduced concurrently to reflect the lower cost base (including a possible recapture of prior deductions). The reduction in the cost base of any property may affect the class of depreciable property to which the property belongs under the Canadian Tax Act. If the Canadian Resident Holder received a Cashable Voucher in connection with the purchase of services that were capitalized, then the same treatment will also apply.

However, if the Canadian Resident Holder received a Cashable Voucher in connection with the purchase of property or services and the Canadian Resident Holder claimed an expense deduction for the property or services, any amount received under the Plan will be income to the Canadian Resident Holder.

It should be noted that the tax treatment of the Cashable Vouchers is not entirely clear and the CRA could take a different view of the Cashable Vouchers and payment under the Plan. For example, the CRA could treat a Cashable Voucher as a contract right with a value separate and apart from the associated goods and services, resulting in an income inclusion. Canadian Resident Holders are urged to consult with their own tax advisors as to the specific tax consequences of the Plan under their particular circumstances.

2. Holders Not Resident in Canada

This summary does not address any Canadian federal income tax considerations applicable to non-residents of Canada, and non-residents should consult their own tax advisors regarding the tax consequences of the Plan.

VI. VOTING PROCEDURES AND REQUIREMENTS

IT IS IMPORTANT THAT THE HOLDERS OF CLASS 2 GENERAL UNSECURED CLAIMS TIMELY EXERCISE THEIR RIGHT TO VOTE TO ACCEPT OR REJECT THE PLAN AND GRANT (OR NOT GRANT) THE SOLICITOR TRUSTEE RELEASE. HOLDERS OF CLASS 2 GENERAL UNSECURED CLAIMS

SHOULD READ THE BALLOT CAREFULLY AND FOLLOW THE INSTRUCTIONS CONTAINED ON THE BALLOT.

IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE RECEIVED AT THE FOLLOWING ADDRESS BEFORE THE VOTING DEADLINE OF [REDACTED].

**The Consumers Trust Ballot Processing
c/o Bankruptcy Services LLC
Grand Central Station
P.O. Box 5295
New York, NY 10163-5295**

A return envelope has been provided to holders of Class 2 General Unsecured Claims for that purpose. Alternatively, holders of Class 2 General Unsecured Claims who wish to deliver their Ballot in person or by overnight delivery, may do so at the following address:

**The Consumers Trust Ballot Processing
c/o Bankruptcy Services LLC
757 Third Avenue, 3rd Floor
New York, NY 10017**

If a Ballot is damaged or lost, you may contact Katten Muchin Rosenman LLP at the address on the front of this Disclosure Statement. Any Ballot that is properly signed and returned but which does not indicate an acceptance or rejection of the Plan will be deemed to be an acceptance of the Plan.

VII. CONFIRMATION OF THE PLAN

The Bankruptcy Court will confirm the Plan only if all of the requirements of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation are that the Plan is (i) accepted by all impaired classes of Claims entitled to vote or, if rejected by an impaired Class, that the Plan “does not discriminate unfairly” and is “fair and equitable” as to such Class and as to the impaired Classes of Claims that are deemed to reject the Plan; (ii) feasible; and (iii) in the “best interests” of the holders of Claims impaired under the Plan.

A. Acceptance of the Plan

The Bankruptcy Code defines acceptance of a chapter 11 plan by a class of creditors as acceptance by creditors holding two-thirds (2/3) in dollar amount and a majority in number of the claims in such class (other than any such creditor designated under section 1126(e) of the Bankruptcy Code), but for that purpose counts only those creditors that actually cast ballots. Holders of claims that do not vote are not counted as either accepting or rejecting a plan.

B. No Unfair Discrimination/Fair Equitable Test

In the event that any impaired Class does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Debtor if the Plan “does not discriminate unfairly” and is “fair and equitable” as to the rejecting Class.

The “unfair discrimination” test applies to claims that are of equal priority and are receiving different treatment under the Plan. A chapter 11 plan does not discriminate unfairly, within the meaning of the Bankruptcy Code, if the legal rights of a dissenting class are treated in

a manner consistent with the treatment of other classes whose legal rights are substantially similar to those of the dissenting class and if no class of claims receives more than it legally is entitled to receive for its claims. The test does not require that the treatment be the same or equivalent, but that such treatment be “fair” in comparison to other similar classes.

The “fair and equitable” test applies to classes of different priority and status (e.g., secured versus unsecured, creditors versus equity holders) and includes the general requirement that no class of claims receive more than 100% of the allowed amount of the claims in such class. As to the rejecting class, the test sets different standards, depending on the type of claims or interests in such class.

The Debtor and the Committee believe that the Plan satisfies the “fair and equitable” requirement as to Class 3 Missouri Consumer Claims and Class 6 Equity Claims for the reasons set forth in Article III.G. of this Disclosure Statement.

C. Best Interest Test

The Bankruptcy Code requires that each holder of an impaired claim either (i) accept the Plan; or (ii) 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 Debtor was liquidated under chapter 7 of the Bankruptcy Code. The first step in determining whether this test has been satisfied is to determine the dollar amount that would be generated from the liquidation of the Debtor’s assets and properties in the context of a chapter 7 liquidation case. The gross amount of cash that would be available for satisfaction of Claims would be the sum consisting of the proceeds resulting from the disposition of the unencumbered assets and properties of the Debtor, augmented by the unencumbered cash held by the Debtor at the time of the commencement of the liquidation case. The next step is to reduce that gross amount by the costs and expenses of liquidation and by such additional administrative and priority claims that might result from the use of chapter 7 for the purposes of liquidation. Any remaining net cash would be allocated to creditors and shareholders in strict priority in accordance with section 726 of the Bankruptcy Code. Finally, the present value of such allocations (taking into account the time necessary to accomplish the liquidation) are compared to the value of the property that is proposed to be distributed under the Plan on the Effective Date.

As described in Article IV above, the Debtor’s costs of liquidation under chapter 7 would include the fees payable to a trustee in bankruptcy, as well as those fees that might be payable to attorneys and other professionals that such trustee might engage. Other liquidation costs include the expenses incurred during the chapter 11 case allowed in the chapter 7 cases, such as compensation for attorneys and accountants and the Committee’s counsel. Such claims would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay any unsecured Claims. Moreover, it is assumed that a chapter 7 trustee would seek to afford similar treatment to holders of Class 3 Missouri Consumer Claims as an equitable matter and to avoid potential fraudulent conveyance litigation with the Missouri Attorney General and/or recipients of funds from the Missouri Attorney General. The Proponents submit that each holder of a Class 2 General Unsecured Claim or Class 3 Missouri Consumer Claims will receive under the Plan a recovery at least equal in value to the recovery they would receive pursuant to a liquidation of the Debtor under chapter 7.

D. Feasibility

Section 1129(a)(11) of the Bankruptcy Code provides that a chapter 11 plan may be confirmed only if the Bankruptcy Court finds that the plan is feasible. A feasible plan is one which will not lead to a need for further reorganization or liquidation of the debtor. Since the Plan provides for the liquidation of the Debtor, the Bankruptcy Court will find that the Plan is

feasible if it determines that the Debtor will be able to satisfy the conditions precedent to the Effective Date and otherwise have sufficient funds to meet its post-Confirmation Date obligations to pay for the costs of administering and fully consummating the Plan. Accordingly, the Debtor and the Committee believe that the Plan satisfies the financial feasibility requirement imposed by the Bankruptcy Code.

E. Classification of Claims Under the Plan

The Debtor and the Committee believe that the Plan meets the classification requirements of the Bankruptcy Code which require that a chapter 11 plan place each claim into a class with other claims that are “substantially similar.” The Plan establishes Classes of Claims as required by the Bankruptcy Code and as summarized above.

F. Confirmation Hearing

1. The Confirmation Hearing The Confirmation Hearing is scheduled for [REDACTED] in courtroom 621 at the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004.

2. Objections to Confirmation Any objection to confirmation of the Plan must (i) be in writing; (ii) set forth the name of the objector; (iii) state the legal and factual bases for the objection and the specific grounds therefor; (iv) be filed with Bankruptcy Court; and (v) be served upon (a) counsel for the Debtor, Katten Muchin Rosenman LLP, 575 Madison Avenue, New York, New York 10022 (Attention: Jeff J. Friedman, Esq.), (b) counsel to the Committee, Fulbright & Jaworski LLP, 666 Fifth Avenue, New York, NY 10103-3198 (Attention: David L. Barrack, Esq.), and (c) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attention: Brian Masumoto, Esq.) so as to be actually received by **no later than 4:00 p.m.** (Eastern Time) on [REDACTED].

UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

G. Canadian Recognition and Confirmation

For the Effective Date of the Plan to occur once the Bankruptcy Court enters an order confirming the Plan, the Supreme Court of British Columbia must have pronounced an order recognizing and confirming the Bankruptcy Court’s order for purposes of the Canadian Proceeding.

The Supreme Court of British Columbia’s hearing to consider recognizing and confirming the Bankruptcy Court’s order confirming the Plan is scheduled to be heard at The Supreme Court of British Columbia, The Law Courts, 800 Smithe Street, Vancouver, British Columbia, Canada V6Z 2E1 on [REDACTED] at [REDACTED]. Objections to the pronouncement of such order must (i) be in writing; (ii) set forth the name of the objector; (iii) state the legal and factual bases for the objection and the specific grounds therefor; (iv) be filed with the Supreme Court of British Columbia; and (v) be served upon (a) Canadian counsel to the Debtor, Fraser Milner Casgrain LLP, 15th Floor, 1040 West Georgia Street, Vancouver, British Columbia V6E 4H8 (Attention: Christopher J. Ramsay, Esq.); (b) counsel for the Debtor, Katten Muchin Rosenman LLP, 575 Madison Avenue, New York, New York 10022 (Attention: Jeff J. Friedman, Esq.), and (c) counsel to the Committee, Fulbright & Jaworski LLP, 666 Fifth Avenue, New York, NY 10103-3198 (Attention: David L. Barrack, Esq.) so as to be actually received by **no later than 4:00 p.m.** (Pacific Time) on [REDACTED].

VIII. CONCLUSION

The Receivers and the Committee believe the Plan is in the best interests of all creditors and urge the holders of Class 2 General Unsecured Claims to vote to accept the Plan and to grant the Solicitor Trustee Release as directed on the Ballot.

Dated: London, England
July 6, 2007

THE CONSUMERS TRUST

By: /s/ Henry Lan
Name: Henry Lan
Title: Receiver

Dated: New York, New York
July 6, 2007

KATTEN MUCHIN ROSENMAN LLP

Attorneys for The Consumers Trust as
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July 6, 2007

FULBRIGHT & JAWORSKI L.L.P.

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