IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
AgFeed USA, LLC, *et al.*,[1]	Case No. 13-11761 (BLS)
Debtors.	Jointly Administered

DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE WITH RESPECT TO THE DEBTORS' SECOND AMENDED CHAPTER 11 PLAN OF LIQUIDATION AND SUPPORTED BY THE OFFICIAL COMMITTEE OF EQUITY SECURITY HOLDERS

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THIS DISCLOSURE STATEMENT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT. THE FILING AND DISSEMINATION OF THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS A SOLICITATION OF ACCEPTANCES OF THE PLAN. ACCEPTANCES OF THE PLAN MAY NOT BE SOLICITED UNTIL THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE. THE DEBTORS MAY SUPPLEMENT OR AMEND THIS DISCLOSURES STATEMENT OR ANY EXHIBITS ATTACHED HERETO AT ANY TIME PRIOR TO THE HEARING TO APPROVE THIS DISCLOSURE STATEMENT

YOUNG CONAWAY STARGATT & TAYLOR, LLP
Robert S. Brady (No. 2847)
Donald J. Bowman, Jr. (No. 4383)
Ian J. Bambrick (No. 5455)
Ashley E. Markow (No. 5635)
1000 N. King Street
Rodney Square
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

Counsel for the Debtors and Debtors in Possession

Dated: July 22, 2014

[1] The Debtors and the last four digits of their federal tax identification numbers are: AgFeed USA, LLC (8748), AgFeed Industries, Inc. (7168); TS Finishing, LLC (8748); New York Finishing, LLC (8748); Pork Technologies, LC (2076); New Colony Farms, LLC (9246); Heritage Farms, LLC (8141); Heritage Land, LLC (8129); Genetics Operating, LLC (1921); M2P2 Facilities, LLC (8748); MGM, LLC (8748); M2P2 General Operations, LLC (8748); New Colony Land Company, LLC(5834); M2P2 AF JV, LLC (8748); Midwest Finishing, LLC (8748); and Genetics Land, LLC (1921). The Debtors' mailing address is 816 Congress Avenue, Suite 1280, Austin, TX 78701.

TABLE OF CONTENTS

Page

I. INTRODUCTION 1

A. Overview 1
B. Qualification Concerning Summaries Contained in this Disclosure Statement 2
C. Source of Information Contained in this Disclosure Statement 2
D. Reliance on Disclosure Statement 2
E. No Duty to Update 3
F. Representations and Inducements Not Included in this Disclosure Statement 3
G. Authorization of Information Contained in this Disclosure Statement 3
H. Legal or Tax Advice 3
I. Forward-Looking Statements 4

II. THE PLAN VOTING INSTRUCTIONS AND PROCEDURES 4

A. Notice to Holders of Claims and Interests 4
B. Solicitation Package 5
C. Voting Procedures, Ballots and Voting Deadline 5
D. Confirmation Hearing and Deadline for Objections to Confirmation 6

III. OVERVIEW OF THE PLAN 8

A. Settlement By and Between Debtors and the Equity Holders' Committee 9
B. Identification of Classes of Claims Against and Interests In the Consolidated AgFeed USA Debtors 10
C. Identification of Classes of Claims Against and Interests In AgFeed Industries 11

IV. HISTORY OF THE DEBTORS AND COMMENCEMENT OF THE CASES 15

A. Corporate Structure and History and Overview of Business Operations 15
1. Corporate Structure and History. 15
2. Overview and Business Operations. 16
B. Pre-Petition Secured Debt Structure 17
C. Events Leading to the Debtors' Chapter 11 Cases 17
1. Hormel Settlement. 19
2. Farm Credit Forbearance Agreement 21
D. Special Committee Investigation into Accounting Irregularities in China Operations 21
1. Hog Farm Assets. 22
2. Purchase Price Accounting. 24
3. Feed Mills Accounts Receivable. 26

4. Miscellaneous Restatement Matters. 29
5. Effect of Accounting Irregularities and Restatement Process. 32
E. Prepetition Litigation 33
1. Derivative Class Action Litigation. 33
2. Class Action Litigation. 33
3. Securities and Exchange Commission Investigation and Litigation. 34
F. National Economic Research Associates, Inc. (NERA) Analysis 35
G. Director and Officer Insurance Coverage and Relation to Prepetition Litigation 35
1. Overall Coverage. 35
2. Issues Regarding Payments Under D&O Coverage. 36

V. THE CHAPTER 11 CASES 37

A. Commencement of Chapter 11 Cases 37
B. First Day Orders 38
C. AgFeed USA Sale 38
D. AgFeed Industries Stock Sale 40
E. Key Employee Programs 42
F. U.S. Trustee's Motion to Appoint an Examiner 43
G. U.S. Trustee's Motion to Appoint a Trustee 43
H. AF Sellco Settlement 43
I. Class Action Settlement 44
J. McGladrey Settlement 45
K. Exclusivity 46
L. Mediation 46
M. Claims Process and Bar Date 46
1. Schedules and Statements. 46
2. Bar Date. 47
N. Preparation of Claims Estimates and Recoveries. 47
O. Assets of the Estates 47
1. Consolidated AgFeed USA Debtors. 47
2. AgFeed Industries. 48
3. Potential Causes of Action. 48

VI. SUMMARY OF THE PLAN OF LIQUIDATION 48

A. Introduction 48
B. Overall Structure of the Plan 49
C. Classification and Treatment of Claims and Equity Interests Under the Plan 51
1. Classification Generally. 51
2. Unclassified Claims Under the Plan. 52
3. Summary of Classes. 54
4. Treatment of Classified Claims and Interests Under the Plan. 55

D. Miscellaneous Provisions....58
1. Reservation of Rights Regarding Claims and Interests. 58
2. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code. 58
3. Controversy Concerning Impairment. 59
4. Elimination of Vacant Classes. 59
E. Means for Implementation of the Plan....59
1. Substantive Consolidation. 59
2. Plan Funding. 60
3. The Liquidating Trust. 60
4. Transfer Taxes 66
5. Settlement of Claims and Controversies....66
6. Subordination of Certain Claims 66
7. Closing the Chapter 11 Cases 66
8. Cancellation of Instruments and Stock 67
9. Operating Reports 67
10. Disposition of Books and Records....68
11. Corporate Action....68
12. Corporate Existence and Dissolution of Debtors....68
F. Reserves and Distributions 69
1. Establishment of Accounts Reserves. 69
2. Funding of Reserves. 69
3. Establishment of Class Fund and SEC Fairness Fund. 70
4. Disbursing Agent. 70
5. Distributions by Disbursing Agent. 71
6. Timing of Distributions....71
7. Distributions Upon Allowance of Disputed Claims or Disputed Interests....74
8. Undeliverable and Unclaimed Distributions....74
9. Interest on Claims. 75
10. No Distribution in Excess of Allowed Amount of Claim....75
11. Means of Cash Payment....75
12. Delivery of Distribution. 75
13. Record Date for Distributions. 75
14. No Distributions Pending Allowance. 76
15. Withholding and Reporting Requirements. 76
16. Setoffs. 76
17. De Minimis Distributions. 76
18. Extensions of Time. 77
G. Procedures for Claims Objections and Estimation of Claims....77
1. Claims Objection Deadline; Prosecution of Claims Objections. 77
2. Estimation of Claims....77

H. Executory Contracts and Leases 78
1. Executory Contracts and Unexpired Leases Deemed Rejected 78
2. Insurance Policies. 78
3. Bar Date for Rejection Damages Claims. 78

VII. CONFIRMATION AND CONSUMMATION OF THE PLAN 79

A. Each of the following is a condition precedent to the occurrence of the Effective Date 79
1. Conditions Precedent to the Effective Date. 79
B. Notice of Effective Date 79
C. Waiver of Condition Precedent to the Effective Date 79
D. Effect of Nonoccurrence of Conditions 79

VIII. EFFECTS OF CONFIRMATION OF THE PLAN 80

A. Exculpation and Releases 80
1. Exculpation and Limitation of Liability. 80
2. Releases by the Debtors. 80
3. Injunction. 81
B. Term of Bankruptcy Injunction or Stays 82

IX. RETENTION OF JURISDICTION 82

A. Exclusive Jurisdiction of Bankruptcy Court 82

X. MISCELLANEOUS PROVISIONS 85

A. Modification of the Plan 85
B. Substantial Consummation 85
C. Revocation, Withdrawal, or Non-Confirmation of the Plan 85
D. Binding Effect 85
E. Subordination Rights 86
F. Severability of Plan Provisions 86
G. Dissolution of the Committees 86
H. Exemption from Section 1146 87
I. Filing of Additional Documents 87
J. Insurance 87
K. Successors and Assigns 87
L. Governing Law 87
M. Exhibits and Schedules 87
N. Computation of Time 88

XI. CERTAIN RISK FACTORS TO BE CONSIDERED 88

A. Financial Information; Disclaimer 88
B. Failure to Confirm Plan 88
C. Nonconsensual Confirmation 89

D. Delays of Confirmation or Effective Date 89
E. Certain Bankruptcy Considerations 90
F. Certain Tax Considerations 90
G. No Duty to Update 90
H. No Representations Outside This Disclosure Statement Are Authorized 90
I. Claims Could Be More Than Projected, Assets Could Be Less Than Projected 90
J. No Legal Or Tax Advice Is Provided To You By This Disclosure Statement 90

XII. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN 91

A. Certain U.S. Federal Income Tax Consequences to Holders of Claims and Interests 93
B. Certain U.S. Federal Income Tax Consequences to the Debtors 95
C. Consequences of the Liquidating Trust 95

XIII. PROCESS OF VOTING AND CONFIRMATION 97

A. Voting Instructions 97
B. Confirmation Hearing 99
C. Statutory Requirements for Confirmation of the Plan 100
1. Best Interests of Creditors Test. 101
D. Plan Feasibility 102
E. Section 1129(b): Unfair Discrimination and the "Fair and Equitable" Test 102
1. No Unfair Discrimination. 102
2. Fair and Equitable Test: "Cramdown" 103

XIV. ALTERNATIVES TO THE PLAN 104

A. Liquidation Under Chapter 7 104
B. Dismissal 104
C. Alternative Plan of Reorganization 104

XV. RECOMMENDATION 104

XVI. CONCLUSION 105

DISCLAIMER

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

ALL CREDITORS AND INTEREST HOLDERS SHOULD READ THIS DISCLOSURE STATEMENT AND ALL EXHIBITS HERETO, INCLUDING THE PLAN, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN AND THE EXHIBITS ANNEXED TO THE DISCLOSURE STATEMENT AND THE PLAN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN. THE TRANSMISSION OF THIS DISCLOSURE STATEMENT SHALL NOT CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION STATED SINCE THE DATE HEREOF. AFTER THE DATE HEREOF, THERE CAN BE NO ASSURANCE THAT (A) THE INFORMATION AND REPRESENTATIONS CONTAINED HEREIN WILL BE MATERIALLY ACCURATE, AND (B) THIS DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE, AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY LAW. THIS DISCLOSURE STATEMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE SEC, NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. THIS DISCLOSURE STATEMENT WAS PREPARED TO PROVIDE HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTORS WITH "*ADEQUATE INFORMATION*" (AS DEFINED IN THE BANKRUPTCY CODE) SO THAT THEY CAN MAKE AN INFORMED JUDGMENT ABOUT THE PLAN. PERSONS OR ENTITIES TRADING IN, OR OTHERWISE PURCHASING, SELLING, OR TRANSFERRING, SECURITIES OF THE DEBTORS SHOULD NOT RELY UPON THIS DISCLOSURE STATEMENT FOR SUCH PURPOSES AND SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, AS A STIPULATION OR AS A WAIVER, BUT, RATHER, AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER

PARTY, NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE LIQUIDATION OR THE PLAN ON HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTORS.

I.

INTRODUCTION

A. Overview

On July 15, 2013, (the "Petition Date"), AgFeed USA, LLC ("AgFeed USA") and its above-captioned affiliated debtors and debtors in possession (collectively, the "Debtors"), each Filed voluntary petitions under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), thereby commencing these chapter 11 cases (the "Chapter 11 Cases") currently pending before the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

On December 18, 2013, the Debtors Filed the Debtors' Joint Chapter 11 Plan of Liquidation [Docket No. 699]. On May 9, 2014, the Debtors Filed the Debtors' First Amended Chapter 11 Plan of Liquidation Supported by the Official Committee of Equity Security Holders (including all exhibits thereto and as amended, modified or supplemented from time to time, the "Plan"). A copy of the Plan is attached hereto as **Exhibit A**. The Debtor strongly urges all Creditors to vote in favor of the Plan.

This Disclosure Statement describes certain aspects of the Plan, the Debtors' operations, history and significant events that occurred during the Chapter 11 Cases, the process relating to confirmation of the Plan by the Bankruptcy Court, and related matters. This introduction is intended solely as a summary of the Plan and is qualified in its entirety by the Plan and the other portions of this Disclosure Statement. If there is any inconsistency between the Plan (including the exhibits and schedules attached thereto and any supplements to the Plan) and the descriptions in the Disclosure Statement, the terms of the Plan (and the exhibits and schedules attached thereto and any supplements to the Plan) will control.

Capitalized terms used in this Disclosure Statement and not otherwise defined herein are defined in the Plan.

For a description of the Plan as it relates to Holders of Claims against and Interests in the Debtors, please see Article VI ("Summary of the Plan of Liquidation").

FOR A COMPLETE UNDERSTANDING OF THE PLAN, YOU SHOULD READ THE DISCLOSURE STATEMENT, THE PLAN, AND THE EXHIBITS THERETO IN THEIR ENTIRETY.

This Disclosure Statement, the Plan and any documents attached or referred to in the Disclosure Statement and the Plan are the only materials that Holders of Claims and Interests should use to determine whether to vote to accept or reject the Plan. A Ballot for accepting or rejecting the Plan is being submitted to Holders of Claims and Interest that the Debtors believe are entitled to vote to accept or reject the Plan.

The last day to vote to accept or reject the Plan is [_____], 2014. To be counted, your Ballot must actually be received by the Voting Agent (identified below) by the "Voting Deadline": **[_____], 2014 at 5:00 p.m. (prevailing Eastern Time)**. Any Ballots received

after the Voting Deadline will not be counted. Claimants must return their Ballots to the Voting Agent in accordance with the Voting Instructions that accompany the Ballots. The Voting Agent's address is BMC Group, Inc., Attn: AgFeed USA, LLC Ballot Processing, P.O. Box 3020, Chanhassen, MN 55317-3020. If a Proof of Claim is sent by overnight mail, overnight courier, or hand delivery, the address is: BMC Group, Inc., Attn: AgFeed USA, LLC Ballot Processing, 18675 Lake Drive East, Chanhassen, MN 55317.

[_____], 2014 is the "Voting Record Date," which is the date on which the identity of Holders of Claims against and Interest in the Debtors will be determined for the purpose of establishing an entitlement, if any, to receive certain notices and vote on the Plan.

By the Disclosure Statement Approval Order dated [_____], 2014, the Bankruptcy Court approved this Disclosure Statement for dissemination to Holders of Claims against and Interest in the Debtors. Approval of this Disclosure Statement by the Bankruptcy Court does not constitute a determination by the Bankruptcy Court as to the fairness or merits of the Plan. The Debtors believe that approval of the Plan maximizes the recovery to Creditors.

The Debtors strongly urge Creditors to vote to accept the Plan by completing and returning their Ballots so that they will be received on or before the Voting Deadline of **[_____], 2014 at 5:00 p.m., prevailing Eastern Time.**

B. Qualification Concerning Summaries Contained in this Disclosure Statement

This Disclosure Statement contains summaries of certain provisions of the Plan, certain statutory provisions, certain documents related to the Plan, certain events in the Chapter 11 Cases, and certain financial information. Although the Debtors believe that the summaries of the Plan and related document summaries contained herein are fair and accurate, such summaries are qualified to the extent that they do not set forth the entire text of such documents, statutory provisions or financial information. All of the exhibits to the Plan and this Disclosure Statement and other pleadings and orders relating to the Chapter 11 Cases are available for inspection at http://bmcgroup.com/restructuring/geninfo.aspx?ClientID=323.

C. Source of Information Contained in this Disclosure Statement

Factual information contained in this Disclosure Statement has been provided from numerous sources, including (1) the Debtors' books and records, (2) the Debtors' management and professional advisors and (3) pleadings Filed with the Bankruptcy Court. The Debtors are unable to warrant or represent that the information contained herein, including the financial information, is without any inaccuracy or omission.

D. Reliance on Disclosure Statement

This Disclosure Statement may not be relied on for any purpose other than to determine whether to vote to accept or reject the Plan, and nothing stated herein shall constitute an admission of any fact or liability by any party, or be admissible in any proceeding involving any Debtor or any other party other than proceedings to approve this Disclosure Statement and confirm the Plan, or be deemed evidence of the tax or other legal effects of the Plan on any Debtor or Holders of Claims or Interests. Holders of Claims or Interest entitled to vote should

read this Disclosure Statement and the Plan carefully and in their entirety and may wish to consult with counsel prior to voting on the Plan.

E. No Duty to Update

The statements contained in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Debtors do not have a duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

F. Representations and Inducements Not Included in this Disclosure Statement

No representations concerning or related to any Debtor, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. You should not rely on any representations or inducements made to secure your acceptance or rejection of the Plan not contained in this Disclosure Statement.

Further, the Liquidating Trust Agreement and various of the other agreements or forms referred to herein are exhibits hereto and/or to the Plan and are incorporated herein by reference. The summary of certain provisions of these documents is qualified in its entirety by reference thereto. The descriptions of these documents and the copies of these documents included as exhibits hereto and/or to the Plan have been included to provide information regarding the terms of these documents. These documents contain representations and warranties made by and to the parties thereto as of specific dates. The representations and warranties of each party set forth in each document have been made solely for the benefit of the other party to such document. In addition, such representations and warranties (1) may have been qualified by confidential disclosures made to the other party in connection with such document, (2) may be subject to a materiality standard which may differ from what may be viewed as material by other readers, (3) were made only as of the date of such documents or such other date as is specified therein and (4) may have been included in such documents for the purpose of allocating risk between or among the parties thereto rather than establishing matters as facts.

G. Authorization of Information Contained in this Disclosure Statement

For the purposes of this Disclosure Statement and the confirmation of the Plan, no representations or other statements concerning any Debtor, the Chapter 11 Cases, or the Plan, including, but not limited to, representations and statements regarding asset valuation, are authorized by any Debtor, other than those expressly set forth in this Disclosure Statement.

H. Legal or Tax Advice

The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each Holder of a Claim or Interest should consult his, her, or its own legal counsel and accountant as to legal, tax and other matters concerning his, her, or its Claim or Interest.

This Disclosure Statement is not legal advice to you. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

I. Forward-Looking Statements

This Disclosure Statement contains forward-looking statements with respect to the Plan.

Forward-looking statements include:

- descriptions of plans and litigation;
- projections of income tax and other contingent liabilities, and other financial items; and
- any descriptions of assumptions underlying or relating to any of the foregoing.

Forward-looking statements discuss matters that are not historical facts. Because they discuss future events or conditions, forward-looking statements often include words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "project," "target," "can," "could," "may," "should," "will," "would" or similar expressions. Forward-looking statements should not be unduly relied upon. They indicate the Debtors' expectations about the future and are not guarantees. Forward-looking statements speak only as of the date they are made and the Debtors have no obligation to update them to reflect changes that occur after the date they are made. There are several factors, many beyond the Debtors' control, which could cause results to differ significantly from expectations. For examples of such factors refer to Article XI, "Certain Factors to be Considered."

II.

THE PLAN VOTING INSTRUCTIONS AND PROCEDURES

A. Notice to Holders of Claims and Interests

This Disclosure Statement is being transmitted to Holders of certain Claims against and Interests in the Debtors. The primary purpose of this Disclosure Statement is to provide those parties voting on the Plan with adequate information to make a reasonably informed decision with respect to the Plan before voting to accept or to reject the Plan.

On [_____], 2014, the Bankruptcy Court entered the Disclosure Statement Approval Order approving this Disclosure Statement, finding that it contains information of a kind and in sufficient detail to enable the Holders of Claims against and Interests in the Debtors that are entitled to vote to make an informed judgment about the Plan. THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT CONSTITUTES NEITHER A GUARANTY OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN, NOR AN ENDORSEMENT OF THE PLAN BY THE BANKRUPTCY COURT.

IF CONFIRMED BY THE BANKRUPTCY COURT, THE PLAN WILL BIND ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN EACH OF THE DEBTORS, WHETHER OR NOT THEY ARE ENTITLED TO VOTE OR DID VOTE ON THE PLAN AND WHETHER OR NOT THEY RECEIVE OR RETAIN ANY DISTRIBUTIONS OR PROPERTY UNDER THE PLAN. THUS, YOU ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT CAREFULLY. IN PARTICULAR, HOLDERS OF IMPAIRED CLAIMS WHO ARE ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND ANY EXHIBITS HERETO, THE PLAN, AND ANY EXHIBITS TO THE PLAN CAREFULLY AND IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR TO REJECT THE PLAN.

CERTAIN OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS BY ITS NATURE FORWARD LOOKING OR CONTAINS OR MAY CONTAIN ESTIMATES, ASSUMPTIONS AND PROJECTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL FUTURE RESULTS.

Except as otherwise specifically and expressly stated herein, this Disclosure Statement does not reflect any events that may occur after the date hereof and that may have a material impact on the information contained in this Disclosure Statement. Further, the Debtors do not anticipate that any amendments or supplements to this Disclosure Statement will be distributed to reflect such occurrences. Accordingly, the delivery of this Disclosure Statement shall not under any circumstance imply that the information herein is correct or complete as of any time after the date hereof.

B. Solicitation Package

In addition to approving this Disclosure Statement, the Bankruptcy Court approved certain voting procedures, scheduled the Confirmation Hearing at which the Bankruptcy Court will consider confirmation of the Plan, and approved the form of the Confirmation Hearing Notice. Accompanying this Disclosure Statement are copies of (1) the Plan (**Exhibit A**); (2) the Confirmation Hearing Notice, which provides notice of, among other things, the time for submitting Ballots to accept or reject the Plan, the date, time and place of the hearing to consider confirmation of the Plan and related matters, and the time for filing objections to confirmation of the Plan; and (3) for Holders of Claims or Interest who are classified in an Impaired Class, one or more Ballots (and return envelopes) to be used in voting to accept or to reject the Plan. If you did not receive a Ballot and believe that you should have, please contact the Voting Agent identified below in the next subsection.

C. Voting Procedures, Ballots and Voting Deadline

If you are entitled to vote to accept or reject the Plan, a Ballot is enclosed for the purpose of voting on the Plan. After carefully reviewing the Plan, this Disclosure Statement, and the detailed instructions accompanying your Ballot, please (1) indicate your acceptance or rejection of the Plan by checking the appropriate boxes and providing requested information on the enclosed Ballot and (2) complete and sign your original Ballot (copies will not be accepted) and return it in the envelope provided to the Voting Agent (defined below) so that it is **RECEIVED** by the Voting Deadline (as defined below), **[_____], 2014 at 5:00 p.m. (ET)**.

Each Ballot has been coded to reflect the Class of Claims and Interests it represents. Accordingly, in voting to accept or reject the Plan, you must use only the coded Ballot or Ballots sent to you with this Disclosure Statement. If you believe you received the wrong Ballot, please contact the Voting Agent.

FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED AS SET FORTH ABOVE AND IN ACCORDANCE WITH THE VOTING INSTRUCTIONS ACCOMPANYING THE BALLOT AND RECEIVED NO LATER THAN THE VOTING DEADLINE, **[_____], 2014 AT 5:00 P.M., PREVAILING EASTERN TIME**, BY THE VOTING AGENT at the following address:

Via Post office:

BMC Group, Inc.
Attn: AgFeed USA, LLC Ballot Processing
PO Box 3020
Chanhassen, MN 55317-3020

Via FedEx or hand-delivery:

BMC Group, Inc.
Attn: AgFeed USA, LLC Ballot Processing
18675 Lake Drive East
Chanhassen, MN 55317

Any Ballot that is executed and returned but does not indicate an acceptance or rejection of the Plan will not be counted.

DO NOT RETURN ANY DEBT OR EQUITY INSTRUMENTS WITH YOUR BALLOT.

If you have any questions about the procedure for voting your Impaired Claim or with respect to the packet of materials that you have received, please contact the Voting Agent at **(888) 909-0100**.

If you wish to obtain, at your own expense (unless otherwise specifically required by Bankruptcy Rule 3017(d)), an additional copy of the Plan, this Disclosure Statement, or any exhibits to such documents, please contact the Voting Agent.

D. Confirmation Hearing and Deadline for Objections to Confirmation

The Bankruptcy Court has scheduled the Confirmation Hearing for **[_____], 2014 at [_____] (prevailing Eastern Time)**, or as soon thereafter as counsel may be heard, before the Honorable Brendan L. Shannon, United States Bankruptcy Judge, in the United States Bankruptcy Court, 824 North Market Street, 6th Floor, Courtroom 1, Wilmington, Delaware 19801. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan must be Filed with the Clerk of the Bankruptcy Court, in accordance with the electronic filing

requirements as set forth online at www.deb.uscourts.gov and served so that they are **RECEIVED** on or before **[_____], 2014 at 5:00 p.m. (prevailing Eastern Time)** by:

Counsel for the Debtors and Debtors-in-Possession

YOUNG CONAWAY STARGATT & TAYLOR, LLP
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Attn: Robert S. Brady, Esq. (No. 2847)
Donald J. Bowman, Jr., Esq. (No. 4383)

Office of the United States Trustee

Office of the United States Trustee for the District of Delaware
844 King Street, Suite 2207, Lockbox 35
Wilmington, Delaware 19801
Attn: David L. Buchbinder, Esq.

Counsel for the Official Committee of Unsecured Creditors

LOWENSTEIN SANDLER, LLP
65 Livingston Avenue
Roseland, New Jersey 07068
Attn: Jeffrey D. Prol, Esq.
Timothy R. Wheeler, Esq.

LOWENSTEIN SANDLER, LLP
1251 Avenue of the Americas
New York, New York 10020
Attn: Bruce Nathan, Esq.

-and-

GREENBERG TRAURIG, LLP
77 West Wacker Drive, Suite 3100
Chicago, Illinois 60601
Attn: Nancy Peterman, Esq.
Matthew T. Gensburg, Esq.

-and-

GREENBERG TRAURIG, LLP
The Nemours Building
1007 North Orange Street, Suite 1200

Wilmington, Delaware 19801
Attn: Sandra Selzer, Esq. (No. 4283)

Counsel for the Official Committee of Equity Security Holders

ELLIOTT GREENLEAF
1105 Market Street, Suite 1700
Wilmington, Delaware 19801
Attn: Rafael X. Zahralddin, Esq.
Eric M. Sutty, Esq.
-and-

SUGAR FELSENTHAL GRAIS & HAMMER, LLP
30 N. LaSalle Street, Suite 3000
Chicago, Illinois 60602
Attn: Aaron L. Hammer, Esq.
Mark S. Melickian, Esq.

The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

III.

OVERVIEW OF THE PLAN

THE FOLLOWING IS A BRIEF SUMMARY OF THE TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN. THE DESCRIPTION OF THE PLAN SET FORTH BELOW CONSTITUTES A SUMMARY ONLY. CREDITORS AND OTHER PARTIES IN INTEREST ARE URGED TO FULLY REVIEW THE MORE DETAILED DESCRIPTION OF THE PLAN CONTAINED IN THIS DISCLOSURE STATEMENT AND THE PLAN ITSELF, WHICH IS ATTACHED AS **EXHIBIT A** TO THIS DISCLOSURE STATEMENT.

The Plan provides for substantive consolidation of the Consolidated AgFeed USA Debtors and the liquidation of the Debtors' assets. The majority of the Debtors' assets have been liquidated pursuant to the AgFeed USA Sale and the AgFeed Industries Stock Sale. The Plan further provides for the Estates' Assets to be allocated in accordance with the terms of the Plan and distributed to holders of the Allowed Claims and Interests. On the Effective Date, all of the Estates' Assets will vest in and be transferred to the Liquidating Trust. The Liquidating Trust shall be administered by the Liquidating Trustee who shall, among other things, liquidate the remaining Estates' Assets, resolve any disputed Claims, wind-down the affairs of the Debtors, and make initial and final Distributions pursuant to the Plan.

A. **Settlement By and Between Debtors and the Equity Holders' Committee**

Pursuant to Section 1123(b)(3)(A) and Bankruptcy Rule 9019, the Plan incorporates a settlement, by and between the Debtors and the Equity Holders' Committee or the Plan Supporter on the allocation of Cash and future recoveries between the Holders of Subordinated Claims and Interests. Under the Plan, the SEC and Class Plaintiffs are granted Allowed Claims and in turn contribute all or a portion of their respective Allowed Claims to the Liquidating Trust for Distribution to Holders of Subordinated Claims and/or Interests in accordance with the Plan.

More specifically, the Plan provides that, on the Effective Date of the Plan, the SEC, in full and final satisfaction of any and all Claims (including its proof of claim) or cause of action it has or may have against any of the Debtors, shall have an Allowed Claim in the amount of $18.0 million payable from the AgFeed Industries Net Distributable Cash which the SEC shall immediately contribute to the Liquidating Trust, with $12.5 million designated for Distribution to the Holders of Class 5B Interests and $5.5 million designated for the SEC Fairness Fund established under the Plan. On the Effective Date, the Liquidating Trustee shall also allocate the Cash remaining, after payment of all Allowed Administrative Claims, Allowed Priority Claims, Allowed Secured Claims and Allowed General Unsecured Claims or the establishment of appropriate reserves in accordance with the Plan, plus any unallocated or unreserved Cash as a result of the claims administration process from the AgFeed Industries Net Distributable Cash for Distribution, to the Holders of Class 5B Interests as of the Distribution Record Date. The Holders of Class 5B Interests as of the Distribution Record Date shall receive their Pro Rata share of the Cash available for Distribution from the funds contributed by the SEC and allocated from the AgFeed Industries Net Distributable Cash and any Cash remaining after Distributions are made from the Class Fund in accordance with the Class Fund Distribution Procedures, attached hereto as **Exhibit H**, and the SEC Fairness Fund in accordance with the SEC Fairness Fund Distribution Procedures, attached hereto as **Exhibit I**. Additionally, Class 5B Interests shall be entitled to additional Distributions from the net proceeds, if any, available as the result of the Liquidating Trustee's pursuit of Causes of Action.

On the Effective Date of the Plan, the Class Plaintiffs shall receive, in full and final settlement of any and all Claims (including proofs of claim) or causes of action against the Debtors or any defendant in the Class Action Litigation, an Allowed Claim in the amount of $7.0 million, approximately $3.15 million of which shall be paid from the AgFeed Industries Net Distributable Cash and approximately $3.85 million of which shall be paid from available insurance proceeds. The Class Plaintiffs' counsel shall be entitled to payment of legal fees and expenses in connection with the Class Action Litigation in an amount up to $2.1 million (or 30% of the Allowed Claim), plus expenses up to $115,000, payable from the Allowed Class Plaintiff's Claim. The Class Plaintiffs shall immediately contribute the balance of the $7.0 million, (an amount of at least $4.785 million), to the Class Fund for distribution to Holders of Allowed Class 6B Subordinated Claims in accordance with the Class Fund Distribution Procedures. To the extent applicable, the Holders of Allowed Subordinated Claims, including the Class Action Plaintiffs, shall also receive their pro rata Distributions from the SEC Fairness Fund in accordance with the SEC Fairness Fund Distribution Procedures.

Holders of Allowed Class 7B Insider Subordinated Claims shall receive their pro rata Distribution from the SEC Fairness Fund in accordance with the SEC Fairness Fund Distribution

Procedures only upon completion of the Liquidating Trustee's investigation into potential Causes of Action

Additionally, on the Effective Date, all existing stock and equity interests in AgFeed Industries shall be deemed canceled and extinguished and AgFeed Industries shall reissue one (1) share of common stock to the Liquidating Trust. Upon the closing of the bankruptcy cases, the Liquidating Trustee will have authority to take any and all steps necessary to dissolve the Debtors.

A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim or Interest is also placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim in that Class and such Claim or Interest has not been paid, released or otherwise settled prior to the Effective Date. Unless otherwise specified, the information in the following table is based on calculations as of the date hereof.

B. Identification of Classes of Claims Against and Interests In the Consolidated AgFeed USA Debtors

CLASS	DESCRIPTION	TREATMENT	ENTITLED TO VOTE	ESTIMATED ALLOWED AMOUNTS ($)	ESTIMATED RECOVERY (%)
Not classified	Administrative Claims (including Professional Fee Claims)	Unimpaired; payment in full, in Cash, of the Allowed amount of such Claim (or as otherwise agreed).	No	$259,599	100%
Not classified	Priority Tax Claims	Unimpaired, payment in full, in Cash of the Allowed amount of such Claim (or as otherwise agreed).	No	[TO BE DETERMINED]	100%
1A	Priority Non-Tax Claims	Unimpaired; payment in full, in Cash, of the Allowed amount of such Claim (or as otherwise agreed).	No	[TO BE DETERMINED]	100%
2A	Secured Claims	Unimpaired; payment in full, in Cash, of the Allowed amount of such Claim (or as otherwise agreed), or return of the collateral.	No	$1,456	100%

CLASS	DESCRIPTION	TREATMENT	ENTITLED TO VOTE	ESTIMATED ALLOWED AMOUNTS ($)	ESTIMATED RECOVERY (%)
3A	General Unsecured Claims	Unimpaired; payment in full, in Cash, of the Allowed amount of such Claim plus Post-Petition Interest (or as otherwise agreed)	No	$3,761,971	100%
4A	Intentionally Omitted	Intentionally Omitted	Intentionally Omitted	Intentionally Omitted	Intentionally Omitted
5A	Interests	Unimpaired; payment in full, in Cash, of the Allowed amount of such Claim (or as otherwise agreed)	No	[TO BE DETERMINED]	100%

C. Identification of Classes of Claims Against and Interests In AgFeed Industries

CLASS	DESCRIPTION	TREATMENT	ENTITLED TO VOTE	ESTIMATED ALLOWED AMOUNTS ($)	ESTIMATED RECOVERY (%)
Not classified	Administrative Claims (including Professional Fee Claims)	Unimpaired; payment in full, in Cash, of the Allowed amount of such Claim (or as otherwise agreed).	No	$2,011,151	100%
Not classified	Priority Tax Claims	Unimpaired, payment in full, in Cash of the Allowed amount of such Claim (or as otherwise agreed).	No	$10,490	100%
1B	Priority Non-Tax Claims	Unimpaired; payment in full, in Cash, of the Allowed amount of such Claim (or as otherwise agreed).	No	[TO BE DETERMINED]	100%
2B	Secured Claims	Unimpaired; payment in full, in Cash, of the Allowed amount of such Claim (or as otherwise agreed), or return of the collateral.	No	[TO BE DETERMINED]	100%

CLASS	DESCRIPTION	TREATMENT	ENTITLED TO VOTE	ESTIMATED ALLOWED AMOUNTS ($)	ESTIMATED RECOVERY (%)
3B	General Unsecured Claims	Unimpaired; shall receive payment in full, in Cash, of the Allowed amount of such Claim plus Post-Petition Interest (or as otherwise agreed)	No	$15,012,667	100%
4B	SEC Claim	Impaired; shall receive in full and final satisfaction, settlement, and release of and in exchange for such allowed Class 4B Claim, $18.0 million in Cash from the AgFeed Industries Net Distributable Cash which the SEC shall immediately contribute to the Liquidating Trust with $12.5 million designated for Distribution to the Holders of Class 5B Interests and $5.5 million designated for the SEC Fairness Fund established pursuant to the Plan	Yes	$18.0 million	N/A

CLASS	DESCRIPTION	TREATMENT	ENTITLED TO VOTE	ESTIMATED ALLOWED AMOUNTS ($)	ESTIMATED RECOVERY (%)
5B	Interests[2]	Impaired; shall receive (i) their Pro Rata share of the Cash available for Distribution from contributions from the SEC and from the AgFeed Industries Net Distributable Cash which shall include any amounts remaining in the Class Fund and SEC Fairness Fund after Distributions have been made in accordance with the Class Fund Distribution Procedures and SEC Fairness Fund Distribution Procedures (or as otherwise agreed); (ii) their Pro Rata share of any net proceeds recovered from settlement, litigation or otherwise on account of the Liquidating Trustee's pursuit of Causes of Action; and (iii) certain of the Holders of Class 5B Interests, to the extent that they were damaged as the result of the purchase or sale of securities of the AgFeed Industries, may also be Holders of Class 6B Subordinated Claims and may therefore, share in the Distributions to such Holders described in the Plan, in accordance with the Class Fund Distribution Procedures and the SEC Fairness Fund Distribution Procedures (or as otherwise agreed).	Yes	[TO BE DETERMINED]	[TO BE DETERMINED]

[2] A copy of the shareholder report, as of February 5, 2014, is attached hereto as **Exhibit B**.

CLASS	DESCRIPTION	TREATMENT	ENTITLED TO VOTE	ESTIMATED ALLOWED AMOUNTS ($)	ESTIMATED RECOVERY (%)
6B	Subordinated Claims	Impaired; shall receive their pro rata Distributions from the Class Fund and the SEC Fairness Fund, in accordance with the Class Fund Distribution Procedures and the SEC Fairness Fund Distribution Procedures (or as otherwise agreed)	Yes	[TO BE DETERMINED]	[TO BE DETERMINED]
7B	Insider Subordinated Claims	Impaired; shall be deemed Disputed unless and until Allowed after the completion of the Liquidating Trustee's investigation into potential Causes of Action against that Insider. If Allowed, Holders shall receive the Insider Subordinated Claim Recovery Percentage, or such other amounts or treatment as the parties may agree (or as otherwise agreed)	Yes	[TO BE DETERMINED]	[TO BE DETERMINED]

Notwithstanding any of the foregoing, Insider Interests shall be deemed Disputed unless or until Allowed after the completion of the Liquidating Trustee's investigation into potential Causes of Action. Accordingly, Holders of Insider Interests shall not receive their Pro Rata share of the above Distributions until the Liquidating Trustee completes his or her investigation into potential Causes of Action against that Insider and the Insider Interests are subsequently Allowed.

Only Holders of Class 5B Interests on the Distribution Record Date shall receive Distributions pursuant to the Plan. Parties who become Holders of Class 5B Interests after the Distribution Record Date shall not receive any Distributions pursuant to the Plan on account of their Interests.

NO REPRESENTATION CAN BE OR IS BEING MADE WITH RESPECT TO WHETHER EACH ESTIMATED RECOVERY SHOWN IN THE TABLE ABOVE WILL BE REALIZED BY THE HOLDER OF AN ALLOWED CLAIM OR INTEREST IN ANY PARTICULAR CLASS. ALTHOUGH THE DEBTORS BELIEVE FROM THEIR REVIEW OF THE CLAIMS THAT THEIR ESTIMATION OF CLAIMS AND RECOVERIES IS REASONABLE, THERE IS NO ASSURANCE THAT THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN EACH CLASS WILL NOT MATERIALLY EXCEED THE ESTIMATED AGGREGATE AMOUNTS SHOWN HEREIN. THE DEBTORS ARE

CONTINUING THEIR INVESTIGATION OF THE CLAIMS AND HAVE NOT MADE A FINAL DETERMINATION OF ALL THE CLAIMS THAT MAY BE OBJECTED TO, AS SUCH DETERMINATION MAY BE MADE BY THE DEBTORS. THE ACTUAL RECOVERIES UNDER THE PLAN WILL BE DEPENDENT UPON A VARIETY OF FACTORS INCLUDING, BUT NOT LIMITED TO, WHETHER, AND IN WHAT AMOUNT, CONTINGENT CLAIMS, IF ANY, AGAINST ANY OF THE DEBTORS BECOME NON-CONTINGENT AND FIXED AND WHETHER, AND TO WHAT EXTENT DISPUTED CLAIMS, IF ANY, ARE RESOLVED IN FAVOR OF THE ESTATES RATHER THAN THE CLAIMANTS.

IV.

HISTORY OF THE DEBTORS AND COMMENCEMENT OF THE CASES

A. Corporate Structure and History and Overview of Business Operations

1. Corporate Structure and History.

AgFeed Industries was established in 1995 as a feed producer in China and has subsequently become one of the leading hog producers in China. Its operations are conducted through its various non-Debtor foreign subsidiary entities in China and the British Virgin Islands. At its inception, its primary focus was the sale of pre-mix feed product which was developed for use at various stages of a hog's life. It subsequently became a public company and listed on the NASDAQ. In 2007, in an effort to establish itself as a larger market participant and to better utilize its feeding mills, AgFeed Industries, through its non-Debtor foreign subsidiary entities, expanded its operations in China by entering the Chinese hog production market, thus also making it a leading hog producer in China.

AgFeed Industries subsequently sought to further expand its operations into the U.S. hog production market and take advantage of the more advanced and modernized production facilities and management techniques in the U.S. market. Accordingly, in September 2010, AgFeed Industries purchased (the "M2P2 Acquisition") a leading U.S. hog producer, M2P2, LLC (now known as AgFeed USA) and each of its subsidiaries from AF Sellco ("AF Sellco").

Accordingly, AgFeed USA, a Delaware limited liability company, is a wholly-owned subsidiary of AgFeed Industries. M2P2 General Operations, LLC ("M2P2 General"), MGM, LLC ("MGM"), TS Finishing, LLC ("TS Finishing"), New York Finishing, LLC ("New York Finishing"), M2P2 Facilities, LLC ("M2P2 Facilities") and M2P2 AF, JV, LLC ("M2P2 AF"), each Delaware limited liability companies, are wholly-owned subsidiaries of AgFeed USA. Midwest Finishing, LLC ("Midwest Finishing"), a Delaware limited liability, Genetics Operating LLC ("Genetics Operating"), a Colorado limited liability company, Pork Technologies, L.C. ("Pork Technologies"), an Iowa limited liability company, New Colony Farms, LLC ("New Colony Farms"), a North Carolina limited liability company and Heritage Farms, LLC ("Heritage Farms"), a Colorado limited liability company, are each wholly-owned subsidiaries of M2P2 General. Heritage Land, LLC ("Heritage Land"), a Colorado limited liability company, New Colony Land Company, LLC ("New Colony Land"), a North Carolina limited liability company, and Genetics Land, LLC ("Genetics Land") are wholly-owned subsidiaries of M2P2

Facilities. For the convenience of parties in interest, a corporate organizational chart is attached hereto as **Exhibit C**.

2. Overview and Business Operations.

a. **AgFeed Industries and Its Non-Debtor Subsidiaries**

AgFeed Industries oversaw and managed the Chinese operations (the "Chinese Operations") of its non-Debtor Chinese affiliates through its subsidiary, AgFeed Industries, Inc. (BVI) ("AgFeed Industries BVI") (collectively, the "Foreign Non-Debtors"). Through the Chinese Operations, the Foreign Non-Debtors maintain twenty-one (21) commercial farms and five (5) feed mills in China which produced over a quarter million hogs annually. AgFeed Industries employed five (5) full-time staff whose expertise in the hog production field provides oversight and management services to both the Foreign Non-Debtors and to AgFeed USA and its Debtor subsidiaries. Pursuant to a management services agreement, AgFeed USA paid for the services provided to it and its subsidiaries through monthly intercompany transfers from AgFeed USA to AgFeed Industries.

b. **AgFeed USA and Its Debtor Subsidiaries**

As the result of the M2P2 Acquisition in September 2010, AgFeed USA and its Debtor subsidiaries retained the then existing purchase and supply arrangements with Hormel Foods Corporation ("Hormel") and immediately became one of the leading hog producers in the U.S. Through their approximately 200 full-time and part-time employees and their integrated use of ten (10) sow farms in North Carolina, Oklahoma and Colorado and two (2) feed mills located in North Carolina and Colorado, the Debtors produced over one (1) million hogs annually.[3] The hog production operation was known in the industry as a "Two Site Production," which included all hog production phases from breeding, to farrowing, to grow-finishing, to producing the actual finished hogs to market.

As a part of their U.S. operations, certain of the Debtors either purchased their hogs or bred their hogs at one of their sow farms using boars purchased from certain third parties. The Debtors' feed mill in North Carolina produced Sow feed products for use at the Debtors' North Carolina sow farms, and the feed mill in Colorado produced Sow feed products for the Debtors' Colorado and Oklahoma sow farms.

Once the hogs were weaned from the sow they were transported to one of the contracted finishing farms (collectively, the "Finishing Farms") located in Iowa until the hog reaches approximately 265 lbs. In accordance with the terms and conditions of separate agreements, the "finishing" was conducted on a "finishing farm" by one of the Debtors' approximately 200 independent contractors known as "contract growers" (collectively, the "Contract Growers"). The Contract Growers, the vast majority of which were family farmers, were responsible for all aspects involved in getting the hogs to market, including, but not limited to, feeding and providing veterinary care. The Debtors, however, procured the feed used by the Contract

[3] The Debtors also maintained offices in Turbin, Oklahoma; Lamar, Colorado; and Columbia, North Carolina to manage day-to-day operations at their sow farms and feed mills.

Growers from eight (8) separate independent feed mills in Iowa. At the completion of the finishing process, the Debtors' hogs were marketed and sold, almost exclusively to Hormel, pursuant to certain hog procurement agreements and weanling agreements (as subsequently amended or modified) which are more fully described below.

In 2012, the Debtors' gross revenue as the result of the U.S. business operations was approximately $244 million.

B. Pre-Petition Secured Debt Structure

Prior to the Petition Date, AgFeed USA and certain of its Debtor subsidiaries, as borrowers (collectively, the "Borrowers"), and Farm Credit Services of America, PCA and Farm Credit Services of America, FLCA, as the lenders, were parties to that certain Credit Agreement, dated June 7, 2006, as amended, supplemented or otherwise modified from time to time (the "Farm Credit Loan Agreement"), pursuant to which Farm Credit made available to the Debtors certain credit facilities (collectively, the "Farm Credit Facility"). As of the Petition Date, the Farm Credit Facility consisted of a revolving loan in the approximate amount of $60.1 million (the "Farm Credit Revolving Loan") and a term loan in the approximate amount of $8.4 million (the "Farm Credit Term Loan").[4]

On the Petition Date, the principal balance on the Farm Credit Revolving Loan was approximately $60.1 million. Pursuant to the Farm Credit Loan Agreement, the Borrowers made monthly payments on the accrued interest and it matured on or about February 1, 2013. On the Petition Date, the principal balance on the Farm Credit Term Loan was approximately $8.4 million. Pursuant to the Farm Credit Loan Agreement, the Borrowers made monthly installment payments, on account of the Farm Credit Term Loan, in the approximate amount of $181,500. The Farm Credit Term Loan also matured on or about February 1, 2013. The Borrowers' obligations under the Farm Credit Loan Agreement were secured by substantially all of the Borrowers' assets.

C. Events Leading to the Debtors' Chapter 11 Cases

Prepetition, certain of the Debtors and affiliates of Hormel were parties to two (2) long-term weanling agreements; namely, (i) that certain Weanling Pig Sales Agreement, dated January 1, 2010, by and between TS Finishing, LLC and Mountain Prairie, LLC (the "TS Finishing Weanling Agreement"), and (ii) that certain Weanling Pig Sales Agreement, dated January 1, 2010, by and between Midwest Finishing, LLC and CHAMP, LLC (the "Midwest Weanling Agreement," and together with the TS Finishing Weanling Agreement, the "Weanling Agreements"). Pursuant to the Weanling Agreements, Hormel agreed to sell and the Debtors agreed to buy approximately 640,000 weanling pigs per year or roughly a little more than half of the Debtors' hog supply. The balance of the Debtors' hogs that are ultimately produced to market are almost exclusively bred by the Debtors at their own sow farms.

[4] As described more fully in Article V(D), all obligations and indebtedness related to the Farm Credit Facility have been satisfied from the proceeds from the AgFeed USA Sale.

In addition, certain of the Debtors (collectively, the "Producers") were also parties to three (3) long-term hog procurement agreements with Hormel; namely, (i) that certain Hog Procurement Agreement, dated January 1, 2010, by and between MGM, LLC, as producer, and Hormel (the "MGM Procurement Agreement"), (ii) that certain Hog Procurement Agreement, dated January 1, 2010, by and between Midwest Finishing, LLC, as producer, and Hormel (the "Midwest Finishing Procurement Agreement"), and (iii) that certain Hog Procurement Agreement, dated January 1, 2010, by and between TS Finishing, LLC, as producer, and Hormel (the "TS Finishing Procurement Agreement," and together with the Midwest Finishing Procurement Agreement and the MGM Procurement Agreement, collectively, the "Procurement Agreements"). It is through the Weanling Agreements and Procurement Agreements (together, the "Hormel Agreements") that the Debtors produce their finished hogs.

Pursuant to the Procurement Agreements, certain Debtors, as producers, agreed to sell, and Hormel agreed to buy, the Debtors' entire hog output. Through the use of various independent shippers, the hogs that were produced were delivered to one of Hormel's two largest processing facilities located in Austin, Minnesota and Fremont, Nebraska. In the fiscal year 2012, the Debtors delivered over 1.3 million hogs to the Hormel facilities, making the Debtors the largest supplier of hogs to those locations. All of the Producers' obligations under the Procurement Agreements were guaranteed by AgFeed USA.

Pursuant to the Procurement Agreements, Hormel agreed to pay the Debtors, upon delivery of a load of hogs to their facility, an agreed upon percentage of the actual market price (the "Market Price") of the hog as reported on a weekly basis by the USDA Market News. These payments were typically made within one (1) week of a delivery of a lot of hogs.

The Procurement Agreements also each utilized certain pricing mechanisms; namely, market ledgers, production ledgers and quarterly settlements which were designed to lessen the negative impact on AgFeed USA of market fluctuations in production costs and the market prices for hogs. In addition, the parties contemporaneously executed a Sales Price Adjustment Addendum which was also designed to further adjust for the fluctuations in market price and production costs. As the result of these pricing mechanisms, Hormel essentially absorbed any temporary imbalances in the market pricing and the appropriate adjustments were made on a quarterly basis through the quarterly settlements and the Sales Price Adjustment Addendum (as defined in the *Keith A. Maib Declaration in Support of First Day Pleadings*, Docket No. 4 (the "First Day Declaration")).

On August 31, 2012, as the result of the previously described business relationship, Hormel initiated an arbitration proceeding over the alleged misallocation of certain overhead costs of AgFeed Industries to AgFeed USA which resulted in an alleged overstatement with respect to AgFeed USA's production costs. On September 12, 2012, AgFeed USA Filed a counterclaim against Hormel for damages as the result of Hormel supplying the Debtors with unhealthy hogs and for its failure to make certain payments due to the Debtors under the Hormel Agreements.

On September 10, 2012, Hormel also gave written notice of its intent to terminate the Weanling Agreements. Thus, pursuant to its terms, the Midwest Weanling Agreement was set to

terminate on September 10, 2014 (or two (2) years after the notice was given), and the TS Finishing Weanling Agreement was set to terminate on April 27, 2018. Simultaneously, Hormel also gave written notice of its intent to terminate the MGM Procurement Agreement and the TS Finishing Procurement Agreement. By its terms, the MGM Procurement Agreement was set to terminate either on (i) September 10, 2014 if the Market Ledger Balance (as defined in the First Day Declaration) was zero or (ii) such date after September 10, 2014 when the Market Ledger Balance became zero. Per the agreement, the TS Finishing Procurement Agreement would terminate either on (i) October 5, 2018 if the Market Ledger Balance was zero or (ii) such date after October 5, 2018 when the Market Ledger Balance became zero. The Midwest Finishing Procurement Agreement terminated when the last hogs from the Midwest Weanling Agreement were delivered to Hormel.

In connection with the arbitration, on January 9, 2013, the arbitrator issued a partial final award pursuant to which he found in favor of Hormel with respect to the misallocation of AgFeed Industries' overhead costs and the overstatement of production costs and found in favor of the Debtors with respect to the poor health of certain of the hogs supplied to the Debtors and the late payment in certain quarters. The arbitrator's decision resulted in Hormel receiving a net award of $7.9 million which was satisfied in full by a setoff against amounts that were otherwise payable by Hormel to the Debtors in January 2013 as part of the quarterly settlements under the Procurement Agreements.

Hormel subsequently initiated a second arbitration proceeding seeking changes to the standard prices used in calculating the quarterly settlement payments under the Procurement Agreements and seeking unspecified monetary damages. The Debtors believed that a major portion of the arbitration award to Hormel, as well as some of the new claims that were asserted by Hormel in the second arbitration proceeding, were attributable to the accounting practices employed by M2P2, LLC with respect to the Hormel Agreements prior to the Sale. Accordingly, the Debtors believed that they were entitled to indemnification from AF Sellco with respect to certain portions of the arbitrator's award. Accordingly, on November 29, 2012 and January 16, 2013, the Debtors delivered their demand for indemnification to AF Sellco and, on the Petition Date, were in the process of pursuing those claims. As more fully described in Article V(H) of the Plan, the parties subsequently entered into a settlement agreement resolving the Debtors' claims against AF Sellco and certain of AF Sellco's claims against the Debtors.

The aforementioned arbitration decision constituted an event of default under the Farm Credit Loan Agreement.

In addition, the obligations under the Farm Credit Facility matured on or about February 1, 2013, and, as of the Petition Date, the Borrowers had not repaid the amounts due thereunder.

1. Hormel Settlement.

Notwithstanding Hormel's notice of intent to terminate the Hormel Agreements and the ongoing arbitration, the parties initiated negotiations in an effort to reach a global resolution with respect to the business relationship going forward and the ongoing disputes related thereto. As the result of subsequent discussions, AgFeed USA, Midwest Finishing, LLC, MGM, LLC, and TS Finishing, LLC (collectively, the "AgFeed USA Parties") and Hormel Foods Corporation,

Hormel Financial Services Corporation, Champ, LLC, and Mountain Prairie, LLC (collectively, the "Hormel Parties") entered into that certain Termination and Settlement Agreement, dated April 1, 2013 (the "Settlement and Termination Agreement"), which provided for, among other things, (i) the winding down of the business relationship by December 31, 2013 through the termination or amendment of certain procurement and weanling agreements, (ii) the dismissal of the arbitration action against the AgFeed USA Parties, (iii) the granting of mutual releases between the AgFeed USA Parties and the Hormel Parties, and (iv) the issuance of a non-interest bearing, unsecured note in the approximate amount of $2.84 million by certain of the Debtors to Hormel, payable on December 31, 2014.[5]

As part of AgFeed Industries' due diligence in connection with the M2P2 Acquisition, AF Sellco provided AgFeed Industries with copies of M2P2's financial statements for the years 2007 through 2009, and with its unaudited consolidated and combined balance sheet for the portion of the year 2010 ending on August 14th. Likewise during the due diligence process, AF Sellco procured from Hormel and delivered to AgFeed Industries a letter dated September 1, 2001 (the "Estoppel Letter") addressing various facets of the Hormel/M2P2 relationship. The Estoppel Letter stated, among other things, that to Hormel's knowledge "none of the M2P2 Entities have violated, breached, or defaulted any term or provision of the Hormel Agreements." AgFeed Industries has not released any claims and defenses that may arise under the Estoppel Letter.

Contemporaneously upon entry into the Settlement and Termination Agreement, certain of the Debtors entered into three (3) new short-term hog procurement agreements with Hormel; namely, (i) that certain Hog Procurement Agreement, dated April 1, 2013, by and between MGM, LLC, as producer, and Hormel (the "2013 MGM Procurement Agreement"), (ii) that certain Hog Procurement Agreement, dated April 1, 2013, by and between Midwest Finishing, LLC, as producer, and Hormel (the "2013 Midwest Finishing Procurement Agreement"), and (iii) that certain Hog Procurement Agreement, dated April 1, 2013, by and between TS Finishing, LLC, as producer, and Hormel (together with the MGM Procurement Agreement and the Midwest Finishing Procurement Agreement, collectively, the "2013 Procurement Agreements").[6] Pursuant to the 2013 Procurement Agreements, certain of the Debtors agreed to sell, and certain Hormel entities agreed to buy, all of the hogs that the Debtors produce to market at an agreed upon base price for each hog produced minus certain agreed upon deductions. Under the terms of the 2013 Procurement Agreements, the agreements terminate the earlier of: (i) December 31, 2013; or (ii) the date on which the last hog purchased by a Debtor under the Weanling Agreements (as amended) is delivered to Hormel.

---

[5] The Debtors believe, as part of the Hormel Settlement, that AgFeed Industries did not release any of the potential causes of action that it may have against Hormel, and therefore, it still retains those potential causes of action as further described in Article V(L) of the Disclosure Statement. It should be noted that Hormel has taken the position, however, that pursuant to the terms of the Hormel Settlement, AgFeed Industries also released any potential claims that it may have against Hormel.

[6] The descriptions of the 2013 Procurement Agreements are being provided for the benefit of the Bankruptcy Court and other parties-in-interest. However, to the extent that there are inconsistencies between the descriptions provided herein and the actual terms and conditions of the 2013 Procurement Agreements, the actual terms and conditions of the 2013 Procurement Agreements shall govern.

Also, in connection with the Termination and Settlement Agreement, on April 1, 2013, certain of the Debtors and Hormel also executed amendments to the TS Finishing Weanling Agreement and the Midwest Weanling Agreement which, among other things, terminated the Weanling Agreements effective June 30, 2013.

2. Farm Credit Forbearance Agreement.

As the result of subsequent negotiations between the Debtors and Farm Credit, the parties entered into that certain forbearance agreement by and between the Debtors and Farm Credit, dated February 1, 2013, as subsequently amended, supplemented or otherwise modified from time to time (the "Forbearance Agreement"), pursuant to which Farm Credit agreed not to take any action to enforce its rights under the Farm Credit Loan Agreement as the result of the Borrowers' default until the earlier of (i) the Borrowers' breach of the Forbearance Agreement or (ii) July 1, 2013, to enable the Debtors and Farm Credit time to explore restructuring options. The Forbearance Agreement was not extended, but Farm Credit took no action to exercise remedies since the expiration.

D. Special Committee Investigation into Accounting Irregularities in China Operations

In 2011, the Board of Directors of AgFeed Industries discovered certain accounting irregularities related to certain of the Chinese farm assets. As a result, in September 2011, the Board of Directors appointed a special committee (the "Special Committee") to investigate, among, other things, (i) the accounting relating to certain Chinese farm assets (acquired during 2007 and 2008) used in AgFeed Industries' hog production business and (ii) the validity and collectability of certain of the Company's accounts receivable relating to its Chinese animal nutrition business. The Special Committee, whose members were Milton P. Webster, III and Bruce Ginn, were authorized to retain experts and advisers to carry out its investigation. To that end, the Special Committee engaged the law firm of Latham & Watkins, LLP and FTI Consulting, Inc. who conducted the investigation (the "Special Committee Investigation") which focused on determining the existence of fraud and the effects that such a fraud may have on AgFeed Industries' previously reported results and financial positions..

On or about December 2011, at the conclusion of the Special Committee Investigation, the Special Committee found that there was evidence to suggests that there were, in fact, accounting irregularities in AgFeed Industries' legacy farm hog operations and feed mills in China, including the misstatement of revenues, inventory, property and equipment, and cost of goods sold and that the periods affected by these practices included the 2008 fiscal year and the subsequent periods through the first two quarters of 2011. Specifically, there was evidence that there were practices in China during that time period designed to increase the profitability in the legacy hog farms by artificially inflating several different accounts such as sales, inventory of feed and hogs, construction in process, fixed assets and accounts receivable. In addition, the Special Committee discovered evidence that the Chinese management falsified documents to support these transactions and maintained two separate sets of books – one real set of books and one that would be sent to management and the Board in the U.S. It was further determined by the Special Committee that the parties solely responsible for these accounting irregularities were Chinese nationals based in China and that no members of the U.S. management team of the Debtors or their U.S. subsidiaries were involved.

As the result of the Special Investigation, the Board of Directors of AgFeed Industries terminated all of the parties that it believed were involved in the accounting irregularities, reconstituted the Board of Directors, and restructured the management team. Additionally, on January 31, 2012, AgFeed Industries concluded that its audited financial statements for the year ended December 31, 2008 should no longer be relied upon. Accordingly, as described more fully below, management and the Board of Directors engaged a U.S. based consulting firm with significant operations in China to assist with the process of restating its historical financials for the affected periods, and it voluntarily delisted from the NASDAQ on February 1, 2012.

In the first quarter of 2012, and as the result of the Special Committee Investigation, the Debtors engaged Marcum Bernstein & Pinchuk LLP ("Marcum"), AgFeed Industries' accounting consultant, to assist management with the restatement process leading to restated financial statements to be subjected to audit. As part of the restatement process, Marcum, from its China office and under the supervision of AgFeed Industries' management, among other things, (i) inspected the hog farms and feed mills, (ii) interviewed the then current management of the hog farms and feed mills, and (iii) reviewed electronic and hard copy accounting records.

Management and the Board of Directors further engaged its independent auditors, McGladrey, LLP ("McGladrey") to review and comment on management's restatement approach. Additionally, Goldman Kurland Mohidin, LLP ("Goldman"), the Debtor's predecessor independent auditors to McGladrey, were engaged to opine on the opening balance sheet related to the Debtor's intended Securities and Exchange Commission filings of its restated financials.

The restatement process was conducted over a 14-month period prior to its cessation in May 2013. During this time, AgFeed Industries, Marcum, McGladrey and Goldman coordinated their restatement process efforts, which lead to management's development of a restatement tool reflecting management's internal representation of the restated financial results (balance sheets and income statements). Neither McGladrey nor Goldman concluded their respective audits of the restated results. Accordingly, the adjustments discussed subsequently and reflected in the restated balance sheets and income statements are presented as internal and unaudited.

1. Hog Farm Assets.

As the result of the restatement process, it was confirmed that certain of AgFeed Industries' twenty-nine (29) "Legacy" farms reported fictitious purchase and sale transactions involving hog inventory during 2008, 2009, 2010 and the first half of 2011. In the second quarter of 2012, AgFeed Industries visited each of the hog farms, interviewed the current management of the farms, and reviewed the available electronic and hard copy accounting records. As part of the restatement process, AgFeed Industries, through Marcum, identified the questionable customer sales and supplier purchases related to those questionable accounts receivable by, among other things:

a. Identifying "questionable" customer accounts and sales, where the various information regarding those customer accounts and the underlying sales to those customer accounts have led AgFeed Industries to conclude that such

customer accounts did not truly reflect customer activity and such sales did not in fact occur;

b. Identifying "questionable" supplier accounts and purchases, where the various information regarding those supplier accounts and the underlying purchase from those suppliers have led AgFeed Industries to conclude that such supplier accounts did not truly reflect supplier activity and such purchases did not in fact occur;

c. Identifying "questionable" products, which are products purportedly sold in the questionable sales transactions;

d. Further supporting the identification of "questionable" products by comparing the gross profit ratio of such products to the ratios for other AgFeed feed products and corresponding industry data, as well as conducting detailed transaction testing on a scope basis; and

e. Calculating proposed adjustments by taking the previously reported amounts, reduced by the amounts of the questionable transactions/

As the result of the restatement process, AgFeed Industries, through Marcum, identified the questionable customer sales and supplier purchases based on overall indicia of questionable transactions such as evidence of (i) abnormally large purchase or sale amounts, (ii) insufficient supporting documentation, (iii) significant sales just before a period ended, and (iv) sales made to unnamed customers for cash with the proceeds immediately used to settle a related questionable purchase. After identifying the questionable transactions, AgFeed Industries and adjusted the previously reported amounts based on that analysis. A summary of the results of those adjustments are as follows:

USD Thousands	**2008**	**2009**	**2010**	**6 mos. ended 6/30/2011**
Amounts reported:				
Revenues	91,916	109,556	64,613	24,708
Cost of goods sold	71,243	97,283	71,774	21,096
Gross Profit	20,673	12,273	(7,161)	3,612
Less: Adjustments – (questionable transactions)				
Revenues	53,474	50,412	21,264	2
Cost of goods sold	41,816	42,518	24,376	1,153
Restated amounts:				
Revenues	38,442	59,144	43,349	24,706
Cost of goods sold	29,427	54,765	47,398	19,943
Gross profit	9,015	4,379	(4,049)	4,763

Accordingly, AgFeed Industries believes that the following adjustments should be made 2008 through the first half of 2011:

USD Thousands

Account	2008	2009	2010	6 mos. ended 6/30/2011
Dr. Revenues	53,474	50,412	21,264	2
Cr. Cost of goods sold	(41,816)	(42,518)	(24,376)	(1,153)
Dr. Retained earnings, opening	-	11,658	19,552	15,957
Cr. Operating expenses	-	-	(511)	(330)
Dr. (Cr.) Other income (expense)	-	-	28	(663)
Cr. Accounts receivable	(465)	(2,309)	(76)	(601)
Cr. Advance to suppliers	-	(446)	-	-
Cr. Inventory	(1,700)	(4,281)	(672)	(357)
Cr. Due from intercompany	(3,089)	(2,019)	(2,619)	(2,671)
Cr. Fixed assets, net	(2,661)	(5,358)	(12,571)	(11,476)
Cr. Construction-in-process	(5,938)	(5,109)	-	-
Dr. Goodwill	420	420	435	443
Cr. Other non-current assets	-	(214)	(1,173)	(1,086)
Dr. Due to intercompany	3,089	2,019	2,619	2,671
Dr. Other current liabilities	264	289	-	-
Difference	1,578	2,544	1,900	736

2. Purchase Price Accounting.

In August or September 2011, AgFeed Industries also discovered the existence of two sets of "Schedule C's" for eighteen (18) of the twenty-eight (28) "Legacy" farms purchased in 2008. There was one Schedule C used to support the purchase price allocation, as recorded (the "Reported Schedule C's"), that had different quantities than a subsequently identified Schedule C representing the schedule supporting the contract (the "Original Schedule C's"). AgFeed Industries reviewed both Schedule C's and determined that neither Schedule C was more reliable than the other.

For each of the purchase transactions, AgFeed Industries acquired inventoried livestock, medicine and animal feed, breeding herds (sows, gilts and boars), long-term leases pertaining to animal and worker buildings and land use rights. Under pre-codification SFAS 141, the definition of a business is "an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or other economic benefits directly to investors or other owners, members, or participants." SFAS 141 refers to EITF 98-3, which further classifies the elements of the transferred set to include inputs, processes and outputs. Following are the elements and what was acquired in the transactions that satisfy the elements:

- Inputs—breeding herd, long-term leases for buildings, equipment for animal and worker housing and long-term land-use rights;
- Processes—systems, standards, protocols, conventions and rules are in place for normal, self-sustaining operations. The breeding herd and existence of marketable livestock, medicine and feed are indicative of an operating commercial hog-production farm; and
- Outputs—access to markets through customers (generally brokers) is available.

Based on satisfying the necessary elements and viewing the subsequent securing of business licenses for the assets purchased provides additional assurance supporting the satisfaction of these elements as well as contemporaneous comments in investor presentations, which correlate acquisitions to current year multiples, the Company concluded that the asset purchases individually constitute a business combination subject to SFAS 141.

Based on the review and analysis of the Schedule Cs by AgFeed Industries, the Original Schedule C documents reflect the total purchase value being allocated completely to assets other than goodwill. AgFeed Industries found significant differences in the live animal counts, weight adjustments and values used in the Original Schedule Cs compared to the Reported Schedule Cs. Given the differences, AgFeed Industries performed a legal review of the contracts for references to finality at signing versus allowing for post-closing adjustments, legal authorization based on Chop or other legal authorizations customary to Chinese contracts of this type and calculating an expected production flow for the farms for comparison to the purchased breeding herd and inventoried offspring.

Although it was determined that the original counts for 6 of the 18 farm entities were the more likely reflection of the breeding stock and inventoried animals purchased, AgFeed Industries concluded overall that neither the Original Schedule C's nor the Reported Schedule C's provided definitive clarity as to which was the more accurate reflection of the purchased assets. As a result, AgFeed Industries decided to (1) recreate the opening balance sheets under purchase price accounting through analytics and inquiries regarding original source documents, including the respective Schedule Cs, and third party information where available and (2) expand its procedures and analysis to cover all 28 farms purchased in 2008.

AgFeed Industries recalculated the value of acquired live animal inventory using published historical market prices for pigs and piglets derived from websites to correlate market prices with the projected market hog production flows of the purchased farms. Based on such market prices and assuming that the purchased inventory would be valued in accordance with SFAS 141's general valuation guidance (i.e., estimated selling prices, less the cost to complete the growth of the purchased inventory (pigs) to market weights and a reasonable gross profit margin), AgFeed Industries calculated a potential understatement of acquired inventory value.

In accordance with SFAS 141, the breeding herd for a commercial farm operation aligns itself with plant and equipment for purposes of valuation. Under SFAS 141 guidance, the value would be set at the current replacement cost for similar capacity unless the expected future use of the assets indicates a lower value. Under this guidance, AgFeed Industries viewed the makeup of the farm's herd as representative of a commercial hog production operation with internal breeding herd replacement practices. Consistent with this view, AgFeed Industries estimated the cost to replace a sow and boar using an internally developed formula based on the then current market prices for feed inputs and estimates of other costs (e.g. labor and overhead).

Based on the foregoing, AgFeed Industries made the following adjustments to the 2008 legacy farm entity acquisitions:

From Schedule C analysis:

Amounts in USD (Thousands)	Implied Understatement (Overstatement) vs. Reported
Inventory	548
Fixed assets	62
Accumulated depr.	(21)
Goodwill	(610)
Depreciation expense	21

From the SFAS 141 analysis:

Amounts in USD (Thousands)	Implied Understatement (Overstatement) vs. Reported
Inventory	2,162
Fixed assets	(3,863)
Accumulated depr.	364
Construction in process	(489)
Goodwill	(8,545)
Depreciation expense	(364)
Cost of goods sold	10,735

3. Feed Mills Accounts Receivable.

During the restatement process, it was discovered that AgFeed Industries five (5) feed mills reported fictitious purchase and sale transactions involving feed inventory for parts of 2007, 2008, 2009, 2010 and the first half of 2011. As the result of the restatement, AgFeed Industries believes that the "Founders" inflated or created fraudulent account receivables and then sold those invalid or fraudulent account receivable balances to certain agents at an approximately 40% discount. As part of the restatement process, AgFeed Industries, through Marcum, identified the questionable customer sales and supplier purchases related to those questionable accounts receivable by, among other things:

a. Identifying "questionable" customer accounts and sales, where the various information regarding those customer accounts and the underlying sales to those customer accounts have led AgFeed Industries to conclude that such customer accounts did not truly reflect customer activity and such sales did not in fact occur;

b. Identifying "questionable" supplier accounts and purchases, where the various information regarding those supplier accounts and the underlying purchase from those suppliers have led AgFeed Industries to conclude that such supplier accounts did not truly reflect supplier activity and such purchases did not in fact occur;

c. Identifying "questionable" products, which are products purportedly sold in the questionable sales transactions;

d. Further supporting the identification of "questionable" products by comparing the gross profit ratio of such products to the ratios for other AgFeed feed products and corresponding industry data, as well as conducting detailed transaction testing on a scope basis; and

e. Calculating proposed adjustments by taking the previously reported amounts, reduced by the amounts of the questionable transactions.

AgFeed Industries concluded that all customer accounts whose receivables were factored (the "Factored Accounts") were questionable customer accounts or accounts not involving a true customer and to whom sales did not truly occur. AgFeed Industries then reviewed data in the accounts receivable sub-module in the feed mills' EAS and K3 accounting systems and identified common characteristics of the Factored Accounts, such as all sharing the same unusual account number sequence, sharing the same unusual credit terms, having the same unusual account representative designated in the accounting system and no transactions after the factoring in May 2011. Other customer accounts that shared these common characteristics were also considered to be questionable customers.

By reviewing the EAS and K3 accounts receivable sub-ledger information for the questionable customers, AgFeed Industries identified certain products (including series of products) that it considered to be questionable. Such questionable product had all [or most of] the following characteristics at each feed mill: (i) they were sold to [most or] all of the of the Factored Customers; (ii) they had unusually high volumes of sales to the Factored Customers compared to volumes sold to other customers; (iii) they had unusually high gross profit margins in years prior to 2011 compared to other AgFeed products and industry averages; (iv) they had no inventory quantities as of the 2007 – 2010 year ends (so the overstatement could not have been detected by year-end physical inventories) and at June 30, 2011; and (v) the production and sale of such products suddenly declined or ceased in May or June 2011, in spite of their high margins.

AgFeed Industries then identified any other customer accounts that purchased the questionable products as additional "questionable" accounts. AgFeed Industries attempted to contact all of the questionable customers to gather more information about the accounts receivable, but either could not reach a person behind each questionable account or found them to be uncooperative, putting the validity of the receivables and related sales into further doubt. All sales to questionable customer accounts were considered to be questionable sales that should be reversed.

AgFeed Industries identified questionable supplier accounts or accounts not involving a true supplier and from whom purchases did not truly occur by reviewing data in the accounts payable and inventory sub-module in the feed mills' EAS and K3 accounting systems and reviewing on-line public records of the local Tax Bureau and the local Industrial and Commercial Bureau. Questionable supplier accounts had some combination of the following or other unusual characteristics: (i) no purchase transactions occurred after the factoring transactions; (ii) the sharing of the same unusual account number sequence; (iii) the expiration of the tax certificate of the supplier, (iv) un-renewed business license of the supplier; (v) the People's Republic of China tax invoice issued by this supplier could not be validated; (vi) the supplier was a natural person or otherwise a person that would not be expected to be a supplier of feed raw materials; (vii) and the authorized business scope of the supplier per its business license did not include the sales of the inventory that the feed mill purportedly purchased from the supplier. The purchases from these suppliers increased significantly in 2009 and 2010, before declining precipitously in May and June 2011, consistent with the surge and sudden drop in questionable sales described above.

By scrutinizing the EAS and K3 inventory sub-ledgers, AgFeed Industries identified questionable products and inventory, products sharing the same unusual account number sequence and no period-ending balances of inventory for certain of the products. Finally, AgFeed Industries identified irregularities in the bills of materials for the questionable products, which placed the production and sales of those products into further doubt.

All purchases from questionable suppliers, purchases of questionable raw materials and the inventory buildup of questionable products (finished goods inventory) were considered to be questionable transactions that should be reversed.

Based on its work, AgFeed Industries concluded that only two of the feed mills overstated sales and gross margins in 2007 and only three of the feed mills overstated sales and gross margins in 2008. Because less information was available for 2007 and 2008, AgFeed Industries had to make certain changes in its procedures and make certain assumptions or estimates when calculating the restatements for those periods in order to complete the restatement. In particular, because no purchasing detail was available, AgFeed Industries assumed that the gross profit on questionable sales was the same for 2007 and 2008 as the corresponding average gross profit on such questionable sales for 2009 and 2010.and adjusted the previously reported amounts based on that analysis. A summary of the results of those adjustments are as follows:[7]

USD Thousands	2007	2008	2009	2010	6 mos. ended 6/30/2011
Amounts reported:					
Revenues	36,075	51,745	63,648	106,682	40,950

[7] Based on the restatement efforts, AgFeed concluded that only two of the feed mills overstated sales and gross margins in 2007 and only three of the feed mills overstated sales and gross margins in 2008. Because less information was available for 2007 and 2008, AgFeed Industries made certain assumptions or estimates when calculating the restatements for those periods in order to complete the restatement. In particular, AgFeed Industries assumed that the gross profit on the questionable sales was the same in 2007 and 2008 as the corresponding gross profit on such questionable sales for 2009 and 2010 because less information was available for 2007 and 2008.

Cost of goods sold	25,698	37,981	49,378	88,048	36,397
Gross profit	10,377	13,764	14,270	18,634	4,553
Less: Adjustments – (questionable transactions)					
Revenues	7,860	19,515	21,368	56,811	16,083
Cost of goods sold	5,140	13,020	16,178	46,538	15,585
Restated amounts:					
Revenues	28,215	32,230	42,280	49,871	24,867
Cost of goods sold	20,558	24,961	33,200	41,510	20,812
Gross profit	7,657	7,269	9,080	8,361	4,055

Accordingly, AgFeed Industries believes that the following adjustments be made for 2007 through the first half of 2011:

USD Thousands

Account	2007	2008	2009	2010	6 mos. ended 6/30/2011
Dr. Revenues	7,860	19,515	21,368	56,811	16,083
Cr. Cost of goods sold	(5,140)	(13,020)	(16,178)	(46,538)	(15,585)
Dr. Retained earnings, opening	-	2,720	9,215	14,452	25,023
Dr. G&A expense	-	-	-	-	585
Cr. Receivables written down					(8,920)
Dr. Non-operating expense			47	297	71
Cr. Accounts receivable	(2,904)	(5,190)	(9,319)	(15,954)	(12,185)
Cr. Inventory	-	-	-	(3,428)	
Cr. Other current assets	-	-	-	(886)	
Cr. Fixed assets, net	-	-	-	(447)	(427)
Difference	(184)	4,025	5,133	4,307	4,645

4. Miscellaneous Restatement Matters.

During the course of the restatement process, AgFeed Industries discovered other facts that were not related to the Special Committee Investigation, but that nonetheless warranted adjustments to the company's financials. These adjustments include reversals and recalculations of prior-period recordings impacted by the restatement process, adoption of liability accounting for outstanding warrants, and other adjustments surfacing from the in-depth nature of the restatement effort.

a. Goodwill

Given the nature of the investigation findings and adjustments related to the goodwill-bearing legacy farms and the Hainan Hopejia feed mill, AgFeed Industries determined that testing for impairment of goodwill under pre-codification SFAS 142 was warranted beginning with 2008, the year of acquisition. AgFeed Industries prepared discounted cash flow models by reporting unit (e.g. regions) to estimate fair value of the reporting unit. The discounted cash flow

models incorporated a third-party determined discount rate and key assumptions formulated for marketed pigs, feed conversion, marketed weight and CPI adjustments to cost drivers. The model further considered other restatement process adjustments prior to determining the impairment to the adjusted goodwill balance. Accordingly, the table below reflects the comparative adjustments to the income statement by period.

USD Thousands	2008	2009	2010	6 mos. ended 6/30/2011
Reported amounts				
Goodwill impairment	0	0	21,612	0
Restated amounts:				
Goodwill impairment	13,447	10,476	8,640	0

If the testing for impairment of goodwill resulted in impairment to the reporting unit, the long-lived assets of the reporting unit were tested for recoverability under pre-codification SFAS 144 using a non-discounted cash flow model. The comparative calculated impairments to long-lived assets by period is as follows:

USD Thousands	2008	2009	2010	6 mos. ended 6/30/2011
Reported amounts				
Asset impairment	0	0	9,022	0
Restated amounts:				
Asset impairment	0	685	3,560	0

b. Warrant/Convertible Debt Accounting

In 2008 and 2009, AgFeed Industries entered into securities purchase agreements with institutional investors granting the investors warrants to purchase the common stock of AgFeed Industries at contracted exercise prices. At initial accounting for the warrants, they were deemed qualifying for equity treatment under EITF 00-19. Under this treatment, a warrant typically represents a one-time expense upon issuance based on the Black-Scholes Pricing Model. Subsequently, a review of the agreements highlighted a cash buyout provision available to the investors under specific events. The cash buyout provision subjects the warrants to liability accounting for derivative instruments. This treatment requires the warrant to be reported as a liability on the balance sheet that is marked-to market each reporting period based on a binomial pricing model, with the changes in market value recorded to the income statement.

The adjustments for converting the warrants to liability accounting from equity accounting follow:

USD Thousands

Account	2008	2009	2010	6 mos. ended 6/30/2011
Cr. Accrued expenses	(3,448)	(9,936)	(4,417)	(1,036)
Cr. Convertible notes	1,028	145	19	-

Cr. Additional paid in capital	(2,180)	(9,020)	(11,799)	(12,286)
Dr. Retained earnings, opening	-	4,601	18,811	16,197
Cr. Non-operating income	(4,918)	(931)	-	-
Dr. Interest and financing costs	6,141	883	126	19
Dr. (Cr.) Change in derivative liability	3,377	14,258	(2,740)	(2,894)
Difference	0	0	0	0

c. Ganzhou Green Legacy Farm Entity

In May 2009, AgFeed Industries entered into an agreement to exchange its 60% ownership interest in Ganzhou AgFeed farm for the minority-owned 40% interest in Ganzhou Green (LvFeng) and RMB 14,700,000. AgFeed Industries recorded the ownership exchange in 2009 and in 2012 reached agreement with the counterparty to settle the outstanding cash amount due for RMB 10,000,000.

The following adjustments have been recorded:

USD Thousands

Account	2008	2009	2010	6 mos. ended 6/30/2011
Dr. Other receivables	-	983	1,016	1,036
Dr. (Cr.) Fixed assets, net	1,225	(235)	(244)	(249)
Cr. Other assets	-	(288)	(62)	(63)
Dr. (Cr.) Change in exchange rate	-	-	(19)	(34)
Cr. Additional paid in capital	-	(640)	(640)	(640)
Cr. Retained earnings, opening	-	(1,225)	179	(50)
Dr. (Cr.) cost of goods sold	(1,225)	1,405	(230)	
Difference	0	0	0	0

d. Other Reversals and Adjustments

During the normal course, adjustments are made to the accounting books at the local and consolidated level for U.S. GAAP reporting. These adjustments record lower of cost or market changes to inventory, changes in the valuation of unborn pigs, general accruals, income taxes, post-closing, but pre-reporting adjustments, and goodwill, which is carried on the consolidated books and not the local books.

The following adjustments primarily result from or "respond" to the overall restatement process adjustments:

USD Thousands

Account	2008	2009	2010	6 mos. ended 6/30/2011
Dr. Accounts receivable	230	-	-	-
Dr. Advances to suppliers	-	460	-	-

Dr. Inventory	(121)	(151)	(641)	(2,263)
Dr. Other receivables	-	-	663	676
Dr. Fixed assets, net	-	-	7,053	(7)
Dr. Intangible assets	1,089	-	-	-
Dr. Goodwill	(1,089)	(1,502)	20,609	(1,584)
Cr. Other assets	-	(460)	1,162	(591)
Cr. Short-term loan	-	-	(77)	(78)
Cr. Accrued expenses	-	-	(500)	(510)
Cr. Tax and welfare payable	-	-	(344)	-
Cr. Change in exchange rate	(2)	3	(724)	159
Cr. Retained earnings, opening	-	(107)	1,650	4,198
Dr. (Cr.) Cost of goods sold	(107)	256	509	-
Dr. (Cr.) G&A expenses	-	-	500	-
Cr. Asset impairment	-	-	(8,583)	-
Dr. Goodwill impairment	-	1,501	(21,612)	-
Cr. Other income (expense)	-	-	335	-
Dr. Income tax expense	-	-	-	-
Difference	0	0	0	0

Attached hereto as **Exhibit D**, is an unaudited balance sheet and income statements for 2007 through June 2013 which incorporates the projected restatement amounts as described above in this Article IV(D).

5. Effect of Accounting Irregularities and Restatement Process.

Based on the findings of the Special Committee, AgFeed Industries made every reasonable effort to produce restated financials, and in doing so, spent millions of dollars in professional fees. In the first quarter of 2012, the Debtors began to run out of time and money as they began to experience a liquidity crisis which was due, in part, to the cost of the Special Committee Investigation, along with the declining performance of the Chinese hog farm and feed mills, exacerbated by adverse movements in China's commodity prices for feed and market hogs. Accordingly, in an effort to raise capital, in February 2012, AgFeed Industries retained BDA Advisors and its parent company Business Development Asia (HK) Ltd. ("BDA") to assist the AgFeed Industries in seeking a possible investor(s) or pursuing a possible divesture, joint venture, or other strategic partnership with any third party involving the sale of either their legacy farms or feed business. However, despite extensive marketing efforts, the inability to get the restatements completed (due to the complexity of the situation and the extremely high costs associated with the restatement) hampered AgFeed Industries' ability to raise capital outside of bankruptcy. Ultimately, in July 2013, the Debtors, in consultation with their professionals, concluded that it was in the Debtors' best interest to terminate the restatement process and commence the Chapter 11 Cases in order to implement an orderly sale process, under the supervision of the Bankruptcy Court designed to maximize the estates value for the benefit of all creditors and stakeholders. The Debtors believe that the restatement process is internally complete to the point of producing restated balance sheets and income statements reflecting restated amounts in the areas of findings identified by the Special Committee and other areas identified by the Debtor in the course of the restatement process. The restated balance sheets and income statements remain subject to full independent auditor comments and possible

adjustments. Accordingly, the restated balance sheets and income statements, attached hereto as Exhibit D, are presented as unaudited.

E. Prepetition Litigation

In connection with the above described accounting irregularities, at the time of the filing of these Chapter 11 Cases, AgFeed Industries and a number of its current and former executive officers and directors were parties to certain class action litigation commenced by a number of shareholders and were also the subjects of an investigation conducted by the Securities and Exchange Commission. Attached hereto as **Exhibit E** is a list identifying the directors and officers of AgFeed Industries beginning in 2006, some of which may or may not be parties to the below described litigation.

1. Derivative Class Action Litigation.

This is a consolidation of three (3) shareholder derivative suits brought in the Middle District of Tennessee against several of AgFeed Industries' current and former officers and directors, consolidated under the case captioned, *Arshi v. Stadler, et al.*, United States District Court for the Middle District of Tennessee, Case No. 3-11-cv-01087, which alleges, among other things, breaches of fiduciary duties, gross mismanagement, abuse of control, waste of corporate assets, unjust enrichment, contribution and indemnification.[8] AgFeed Industries is named as a nominal defendant, which means that the suits are actually brought on behalf of AgFeed Industries and any recovery in connection with the Derivative Class Action Litigation would go to AgFeed Industries. The suit seeks to recover certain amounts alleged to have been lost by AgFeed Industries as the result of the alleged misconduct. As a derivative cause of action, the Derivative Class Action Litigation became property of the AgFeed Industries Estate upon the filing of the Chapter 11 Cases. Although the Derivative Class Action Litigation was subsequently dismissed, any and all causes of action in connection therewith shall remain property of the AgFeed Industries Estate and may be subsequently prosecuted by the Liquidation Trustee in accordance with the terms of the Plan.

2. Class Action Litigation.

This is a consolidation of two (2) separate actions brought against AgFeed Industries and certain of its current and former officers and directors by certain shareholders in the United States District Court for the Middle District of Tennessee which were filed in 2011 and which have been consolidated as *Blitz v. AgFeed Industries, Inc., et al.*, Case No. 3-11-cv-0992. The Class Action Litigation, brought on behalf of shareholders (the "Class Plaintiffs") who purchased or other acquired shares in AgFeed Industries between March 16, 2009 through September 29, 2011 (the "Class Period") filed against AgFeed Industries, certain of its former and current officers and directors, and certain of its professionals, as the defendants, alleges damages resulting from violations of Sections 10(b) and 20(a) of the Securities and Exchange Act of 1934,

[8] The three cases that comprise the consolidated Derivative Class Action Litigation are captioned as follows: (i) *Miller v. Stadler et al.*, Middle District of Tennessee, Case No. 3-11-cv-01069; (ii) *Ashi v. Stadler, et al.*, Middle District of Tennessee, Case No. 3-11-cv-01087, and (iii) *Spinella v. Stadler, et al.*, Middle District of Tennessee, Case No. 3-11-cv-1223.

15 U.S.C. §§ 78J(b) and 78t(a), and SEC Rule 10b05 promulgated thereunder by SEC, 17 C.F.R. § 240.10b-5. The Class Action Litigation alleges, among other things, that AgFeed Industries raised funds from Wall Street investors and sustained its stock price through fraudulent means by creating overstating the assets of the Chinese operations, including its accounts receivable. At the time of the filing of the Chapter 11 Cases, the Class Action Litigation was the subject of numerous motions to dismiss, including one such motion filed by AgFeed Industries. However, upon the filing of the Chapter 11 Cases, the Class Action Litigation, as it relates to AgFeed Industries, has been stayed pursuant to Section 362 of the Bankruptcy Code.[9]

3. Securities and Exchange Commission Investigation and Litigation.

The Securities and Exchange Commission (the "SEC") issued a formal order of investigation on January 3, 2012 (In the Matter of AgFeed Industries, Inc. (D-03246)). The scope of the AgFeed Industries investigation related primarily to the financial reporting issues raised by the Special Committee Investigation. The SEC completed its investigation in August 2013. The SEC's position is that United States management was apprised of a number of "red flags," which show the existence of fraud and the falsity of AgFeed Industries' financial reporting, and that United States management was aware of the falsity of AgFeed Industries' financial statements when AgFeed Industries filed its August 9, 2011 Form 10-Q. On August 29, 2013, the SEC issued Wells notices ("Wells Notices") to AgFeed Industries, as well as to four former officers or directors of AgFeed (the "Individual Defendants"). These notices indicated that the SEC made a preliminary determination to recommend that the SEC file enforcement actions against AgFeed Industries and the Individual Defendants, alleging violations of: Section 17(a) of the Securities Act of 1933, Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B), and 13(b)(5) of the Securities Exchange Act of 1934, and Rules 10b-5, 12-20, 13a-11, and 13a-13 thereunder.

As a result of the SEC's investigation, on March 11, 2014, the SEC filed a complaint in the United States District Court for the Middle District of Tennessee styled the *Securities and Exchange Commission v. AgFeed Industries, Inc.* et. al. (Case No. 3:14-cv-00663) (the "SEC Litigation"), pursuant to which the SEC alleges, from May 1, 2008 through December 19, 2011, violations of: Section 17(a) of the Securities Act of 1933, Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B), and 13(b)(5) of the Securities Exchange Act of 1934, and Rules 10b-5, 12-20, 13a-11, and 13a-13 by AgFeed Industries and certain officers and directors in connection with the financial reporting and disclosures made by AgFeed Industries.[10] By the SEC Litigation, in part because of the alleged damages incurred by the Defrauded Investors (as defined below), the SEC seeks an order: (i) finding that each of the defendants committed the violations alleged in the SEC Litigation; (ii) an injunction permanently retraining and enjoining each of the defendants from violating the laws and rules alleged in the SEC Litigation; (iii) permanently prohibiting each of the defendants from acting as an officer or director of a public company; (iv) disgorgement of any ill-gotten gains; (v) payment of civil monetary penalties; and (vi) reimbursement of bonuses, incentive-based and equity-based compensation, and/or profits

---

[9] In connection with the Class Action Litigation, the Class Plaintiffs have filed a proof of claim in these Chapter 11 Cases in the amount of $26 million.

[10] The individual defendants in the SEC Litigation are: Junhong Xiong, Selina Jin, Songyan Li, Shaobo Ouyang, Edward J. Pazdro and K. Ivan Gothner.

received by Selina Jin, Junhong Xiong and Edward J. Pazdro as the result of the AgFeed Industries Stock Sale (as defined herein).[11]

Additionally, in connection with the SEC investigation, AgFeed Industries and the SEC entered into a settlement agreement (the "SEC 12(j) Settlement Agreement") addressing AgFeed Industries' failure to file the (i) restated financial reports with the SEC or the annual report on Form 10-K since March 16, 2011 or (ii) periodic or quarterly reports on Form 10-Q for the fiscal period subsequent to its fiscal quarter ending June 30, 2011. Pursuant to the SEC 12(J) Settlement Agreement, AgFeed Industries consented to, among other things, the revocation of its registration pursuant to section 12(j) of the Exchange Act.

On March 11, 2014, pursuant to Bankruptcy Rule 9019, AgFeed Industries filed a motion [Docket No. 961] (the "SEC 9019 Motion") in the Bankruptcy Court, seeking approval of the SEC 12(j) Settlement Agreement. On March 31, 2014, the Court entered an order [Docket No. 1001] approving the relief requested and the SEC 12(j) Settlement Agreement.

F. National Economic Research Associates, Inc. (NERA) Analysis

In December 2013, the Equity Holders' Committee engaged National Economic Research Associates, Inc. ("NERA") as an economic consultant. As the composition of the Holders of Interests in AgFeed Industries, on the one hand, and the composition of the purchasers of shares in AgFeed Industries prior to December 19, 2011 (the "Defrauded Investors"), on the other hand, potentially impacted the timing and the structure of any proposed plan of liquidation, NERA was instructed by the Equity Holders' Committee, as part of its engagement conduct an analysis into the extent of any overlap of the Holders of Interests in AgFeed Industries and the Defrauded Shareholders. That analysis, the "NERA Analysis", is attached hereto as **Exhibit F**.

G. Director and Officer Insurance Coverage and Relation to Prepetition Litigation

1. Overall Coverage.

In the ordinary course of business, the Debtors maintained insurance policies which provided primary coverage and, in certain instances, excess umbrella coverage for, among other things, workers compensation, automobile liability, general liability, farm and ranch liability, equipment breakdown, property, and directors' and officers' liability (collectively, the "Policies"). The Policies were and continue to be essential to the preservation of Debtors' assets. As one of their First Day Pleadings filed with the Bankruptcy Court, the Debtors Filed a motion [Docket No. 10] which sought authority, in their discretion, honor insurance policies and to continue financing arrangements for the Policies. At the time of the filing of the Chapter 11

[11] Also, in connection with the SEC investigation, on or about March 11, 2014, AgFeed Industries' former chairman and interim Chief Executive Officer, John A. Stadler, consented to an order from the SEC (the "Stadler Cease and Desist Order"), which among other things, barred him from acting as an officer or director of a publicly-traded company and required him to pay a $100,000 civil penalty. Additionally, on or about March 11, 2014, AgFeed Industries former Chief Financial Officer, Clayton T. Marshall, consented to an order from the SEC (the "Marshall Cease and Desist Order"), which among other things, (i) suspended him from practicing as an accountant on behalf of any publicly-traded company or other entity regulated by the SEC for at least five (5) years and (ii) required him to cease and desist from committing or violating any future violations of the Exchange Act.

Cases, the Debtors' director and officer liability insurance provided coverage in the aggregate amount of $10 million and provided coverage for claims for wrongful acts and omissions committed by directors and officers in their capacity as such. The Bankruptcy Court entered an order [Docket No. 32] granting the relief requested. In addition, on November 7, 2013, the Debtors Filed a motion to acquire additional director and officer liability insurance [Docket No. 559] which provided $5 million in coverage for the Debtors' directors and officers, for a term of one year beginning on October 23, 2013. On November 22, 2013, the Bankruptcy Court entered an order granting the relief requested on an interim basis. *See* Docket No. 627. On December 16, 2013, the Bankruptcy Court entered an order granting the relief requested on a final basis. *See* Docket No. 692. The Debtors' interests in these Policies, including any director and officer insurance policies become Liquidating Trust Assets and are a potential source of recovery for Holders of Allowed Claims and Allowed Interests.

2. Issues Regarding Payments Under D&O Coverage.

The applicable directors and officers liability insurance coverage ("D&O Coverage") for the pending Class Action and Derivative lawsuits against AgFeed Industries and certain of its current and former officers and directors, as well as for costs related to the SEC investigations involving certain current and former officers and directors, is found in policies issued for the 2010-2011 policy years. These policies provide per claim and aggregate coverage limits totaling $20 million, subject to various limitations. These limits are generally depleted by both defense costs and the costs of any settlements or judgments arising from a covered claim.

The majority of the governing terms and conditions for the D&O Coverage are found in a primary policy (the "Primary Policy") that was issued by Chartis Insurance Company China Limited ("Chartis") and PICC Property and Casualty Company Limited ("PICC"). The Primary Policy contains a $5 million per claim and aggregate coverage limit. Each of Chartis and PICC are responsible for 50% of this limit. After the Primary Policy, there are three follow form excess policies, each of which provide limits of $5 million per claim and in the aggregate.

a. **Derivative Class Action Litigation and Class Action Litigation**

There are currently few, if any, issues relative to coverage for costs directly arising from the Class Action and Derivative lawsuits. Thus, the full $20 million of coverage limits should be available to pay for defense costs and any settlement or judgment arising from these matters. In this regard, Chartis has issued a fairly minimal reservation of rights letter relative to these lawsuits, and the Debtors believe it will provide reimbursement for defense costs and any judgment or settlement to which it consents, up to its $2.5 million (50%) share of the limits of this policy. However, PICC, has neither taken an active role in the claim nor acknowledged its coverage obligations. PICC has hired outside legal counsel, who has discussions with the Debtors concerning the claim, and has requested various additional information relative to the placement of the policy and the underlying claims. The Debtors have responded to these inquiries and have provided PICC's outside counsel with many of the requested documents. However, PICC remains unwilling to acknowledge its coverage obligations under the insurance policies.

If PICC ultimately does not admit to coverage and live up to its coverage obligations, it would effectively create a coverage gap which AgFeed Industries or individual directors and officers would then need to fill that gap, in order to gain access to the limits of the excess policies, likely while separately pursuing litigation against PICC to force it to live up to its coverage obligations.

b. **Securities and Exchange Investigation**

The Primary Policy contains a $1 million sublimit of coverage for "Investigation Costs" related to the SEC investigation of current and former officers and directors. The costs related to the representation of individual directors and officers that received SEC subpoenas already far exceed this amount, and Chartis has paid its share of the sublimit ($500,000). The Debtors continue to pursue PICC for its 50% share of the sublimit.

After exhaustion of the $1 million sublimit, there is no further coverage under either the Primary Policy, or the excess policies, for Investigation Costs arising from SEC subpoenas issued to individual directors and officers (either for costs already incurred in excess of $1 million, or for any future costs that are incurred and which are associated with the SEC investigation). Furthermore, there is no D&O Coverage for costs associated with any investigation of AgFeed Industries, as an entity, by the SEC. It should also be noted that Wells Notices served on any individual are subsumed within the definition of an "investigation" under the D&O Coverage. Therefore, the costs associated with defending individuals relative to any Wells Notice would fall within the Investigation Cost sublimit, which has been exhausted. However, if the SEC were to institute a formal proceeding against an individual director or officer, the costs associated with such a proceeding would generally be eligible for reimbursement under the D&O Coverage, as such proceedings fall outside the policy definition of an "Investigation" and into the policy definition of a "Claim," which is subject to the full policy limits.

V.

THE CHAPTER 11 CASES

A. Commencement of Chapter 11 Cases

On July 15, 2013, the Debtors Filed a voluntary petition under chapter 11 of the Bankruptcy Code and continued in the management and possession of their business and properties as a debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. On July 23, the Official Committee of Unsecured Creditors (the "Creditors' Committee") was appointed. On August 23, 2013, the Equity Holders' Committee (together with the Creditors' Committee, the "Committees") was appointed. No trustee or examiner has been appointed in the Chapter 11 Cases.

An immediate effect of the filing of the Chapter 11 Cases was the imposition of the automatic stay under the Bankruptcy Code, which, with limited exceptions, enjoins the commencement or continuation of all collection efforts by Creditors, the enforcement of liens

against property of the Debtors and the continuation of litigation against the Debtors. The automatic stay of an act against property of the Debtors' Estates remains in effect, unless modified by the Bankruptcy Court, until such property no longer is property of the Debtors' Estates; the stay of all other acts encompassed by the automatic stay continues until the earlier of the time the Debtors' chapter 11 cases are closed or dismissed.

B. First Day Orders

Concurrent with the filing of their chapter 11 petitions, the Debtors Filed several "first-day" applications and motions (collectively, the "First Day Pleadings") with the Bankruptcy Court. The First Day Pleadings, as set forth more fully therein, were intended to minimize the adverse effects of the Chapter 11 Cases on the Debtors and were necessary to enable the Debtors to operate effectively as chapter 11 debtors in possession. Pursuant to the First Day Pleadings, the Debtors sought and obtained Bankruptcy Court approval to, among other things: (i) jointly administer the Chapter 11 Cases [Docket No. 26], (ii) authorize the Debtors' continuation of the prepetition cash management system [Docket No. 28], (iii) establish, initially on an interim and thereafter on a final basis, adequate assurance procedures with respect to its utility providers [Docket Nos. 33 and 161]; (iv) honor prepetition obligations to certain feed component providers, finishing farms and feed providers [Docket No. 30], (v) pay prepetition claims of shippers [Docket No. 31], (vi) honor and continue prepetition insurance coverage and premium financing agreements [Docket No. 32] and (vii) use cash collateral [Docket Nos. 34, 104, 25, 310 and 416].

C. AgFeed USA Sale

Prepetition, the Debtors, in consultation with their professional advisors, diligently evaluated a number of options to address their current liquidity issues. Based on the Debtors' evaluation, the Debtors concluded that a sale of all or substantially all of the assets of Consolidated AgFeed USA Debtors was the best way to maximize value for their stakeholders. To that end, on or about March 25, 2013, the Debtors and their professional advisors began a robust and aggressive marketing effort which resulted in several expressions of interests. After consideration of the various expressions of interest, the Consolidated AgFeed USA Debtors entered into that certain Asset Purchase Agreement Among The Maschhoffs, LLC ("The Maschhoffs"), as buyer, and AgFeed USA, LLC, M2P2 General Operations, LLC, Midwest Finishing LLC, Genetics Operating LLC, Pork Technologies, L.C., New Colony Farms LLC, Heritage Farms LLC, MGM, LLC, TS Finishing, LLC, M2P2 Facilities, LLC, Heritage Land, LLC, New Colony Land Company, LLC, Genetics Land, LLC, and M2P2 AF JV, LLC, as sellers, dated July 15, 2013, pursuant to which, subject to Court approval, The Maschoffs agreed to purchase substantially all of the assets of the Consolidated AgFeed USA Debtors for approximately $79 million, subject to certain working capital adjustments. The Debtors determined that the floor established by the proposed sale to The Maschhoffs, acting as the stalking horse bidder and subject to higher and better bids with approval of the Bankruptcy Court in an open auction process pursuant to section 363 of the Bankruptcy Code, afforded the Consolidated AgFeed USA Debtors the best opportunity to maximize value for their stakeholders.

Accordingly, on July 17, 2013, the Debtors Filed the *Debtors' Motion for Entry of (A) an Order (I) Scheduling a Hearing on the Approval of the Sale of All or Substantially All of the Assets of AgFeed USA, LLC and Its Debtor Subsidiaries, and the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (II) Approving Certain Bidding Procedures, Certain Assumption and Assignment Procedures, the Break-Up Fee, and the Expense Reimbursement, and the Form and Manner of Notice Thereof, and (IV) Granting Related Relief; and (B) an Order (I) Approving a Certain Asset Purchase Agreement, (II) Authorizing the Sale of All or Substantially All of the Sellers' Assets Free and Clear of All Encumbrances, (III) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (IV) Granting Related Relief* [Docket No. 43] (the "AgFeed USA Sale Motion"), pursuant to which the Debtors sought entry of an order, which, among other things approved certain bidding procedures, scheduled an auction and provided for certain bidding protections for The Maschhoffs as the stalking horse bidder. On August 1, 2013, the Bankruptcy Court entered an order approving the bidding procedures [Docket No. 103] (the "AgFeed USA Bidding Procedures Order").

Pursuant to the AgFeed USA Bidding Procedures Order, the Debtors conducted an auction on August 26, 2013, at the conclusion of which a competing bid submitted by High Plains Pork, LLC, Cohoma Pork, LLC and Murphy-Brown LLC was selected as the Prevailing Bidders (as defined in the AgFeed USA Bidding Procedures Order). The Debtors valued the net bid value of the Prevailing Bidders, after payment of certain fees and expenses and proceeds to be received from the sale and collection of assets not being acquired at $79,228,406. On August 29, 2013, the Bankruptcy Court held a hearing (the "AgFeed USA Sale Hearing") to consider the relief requested in the AgFeed USA Sale Motion. For the reasons set forth on the record, the Bankruptcy Court entered the order [Docket No. 257] (the "AgFeed USA Sale Order") which approved the sale (the "AgFeed USA Sale") of substantially all of the assets of the Consolidated AgFeed USA Debtors to Plains Pork, LLC, Cohoma Pork, LLC and Murphy-Brown LLC (the "AgFeed USA Purchasers"). The AgFeed USA Sale closed on September 12, 2103.

Pursuant to the asset purchase agreement with the AgFeed USA Purchasers which was approved by the AgFeed USA Sale Order, the Consolidated AgFeed USA Debtors assumed and assigned many of their unexpired leases and executor contracts to the AgFeed USA Purchasers, and in conjunction therewith, subsequently rejected those outstanding leases and contracts that the AgFeed USA Purchasers elected not to acquire. In addition, pursuant to the asset purchase agreement, the AgFeed USA Purchasers, who did not acquire the Consolidated AgFeed USA Debtors' North Carolina finishing herd as part of the AgFeed USA Sale, agreed to manage that finishing herd which had been previously marketed to Hormel. As a result, the Consolidated AgFeed USA Debtors were able to market the finishing herd to Hormel were able to realize the receivable due from Hormel under certain procurement agreements.

The AgFeed USA Sale closed on September 17, 2013, at which time AgFeed USA paid Farm Credit $48 million from the AgFeed USA Sale proceeds to pay down a portion of the prepetition indebtedness, with the remainder of the prepetition indebtedness to be paid from the proceeds from the hogs sold to Hormel during the wind down process. On November 12, 2013, the Debtors paid the remainder of their indebtedness with respect to Farm Credit and Farm Credit released any and all liens and claims related to the Farm Credit Facility.

The Consolidated AgFeed USA Debtors' known remaining assets consist of primarily Cash on hand.

D. AgFeed Industries Stock Sale[12]

Prepetition, the Debtors, in consultation with their professional advisors, also evaluated a number of options with respect to AgFeed Industries to address their current liquidity issues. To that end, the Debtors and their professional advisors began a robust and aggressive marketing effort on behalf of AgFeed Industries and its foreign subsidiaries in an effort to maximize the value of the AgFeed Industries estate for the benefit of its stakeholders. The marketing effort resulted in several expressions of interest. After consideration of the various expressions of interests, AgFeed Industries entered into that certain Agreement for Sale and Purchase of Shares among AgFeed Industries, Inc., as Seller, and Good Charm International Development Ltd, as Purchaser ("Good Charm" or the "Purchaser") and Ningbo Tech-Bank Co., Ltd., as Parent ("NTB"), dated September 13, 2013 (the "SPA"). Pursuant to the SPA, subject to Bankruptcy Court approval, Good Charm agreed to purchase and AgFeed Industries has agreed to sell 100% of the outstanding shares of AgFeed Industries, Inc. (British Virgin Islands) (the "Target Shares") for $50.5 million.[13] The Debtors determined that the floor established by the proposed sale to Good Charm, acting as the stalking horse bidder and subject to higher and better bids with approval of the Bankruptcy Court in an open auction process pursuant to section 363 of the Bankruptcy Code, afforded AgFeed Industries the best opportunity to maximize value for their stakeholders.

Accordingly, on September 18, 2013, the Debtors Filed the *AgFeed Industries, Inc.'s Motion for Entry of (A) an Order (I) Scheduling a Hearing on the Approval of the Proposed Stock Purchase Agreement Regarding the Sale and Purchase of the Stock of AgFeed Industries, Inc. (British Virgin Islands), (II) Approving Certain Bidding Procedures, Certain Assumption and Assignment Procedures, the Break-Up Fee, and the Expense Reimbursement, and the Form and Manner of Notice Thereof, and (IV) Granting Related Relief; and (B) an Order (I) Authorizing and Approving AgFeed Industries, Inc.'s Sale of the Stock of AgFeed Industries, Inc. (British Virgin Islands), (II) Approving a Certain Stock Purchase Agreement, (III) Authorizing and Approving AgFeed Industries, Inc.'s Entry Into and Consummation of the Stock Purchase Agreement, and (IV) Granting Related Relief* [Docket No. 331] (the "AgFeed Industries Stock Sale Motion"), pursuant to which the Debtors sought entry of an order, which, among other things approved certain bidding procedures, scheduled an auction and provided for certain bidding protections for Good Charm as the stalking horse bidder. On October 10, 2013, the Bankruptcy Court entered an order approving the bidding procedures [Docket No. 436] (the "AgFeed Industries Bidding Procedures Order").

In accordance with the AgFeed Industries Bidding Procedures Order, Good Charm was deemed the Highest and Best Bidder and its bid the Highest and Best Bid. However, despite exhaustive marketing efforts by the Debtors and their professionals, no other Qualified Bids (as

[12] Capitalized terms in this section not herein defined shall have the meaning ascribed to them in the AgFeed Industries Stock Sale Order or the SPA, as applicable.

[13] The purchase price represents the Base Purchase Price (as defined in Section 2.4 of the SPA) of $52.88 million minus certain adjustments as set forth in Section 2.5.2 of the SPA in the approximate amount of $2.38 million.

defined in the AgFeed Industries Bidding Procedures Order) were received prior to the Bid Deadline (as defined in the AgFeed Industries Bidding Procedures Order). As a result, the auction was cancelled on November 13, 2013 and Good Charm was deemed the Highest and Best Bidder. After no competing Qualified Bids were received for AgFeed Industries' assets, AgFeed Industries began discussions with Good Charm to attempt to quantify the extent of the Purchase Price Adjustments (as defined in the SPA) and address other issues raised by Good Charm in connection with closing on the SPA. Specifically, Good Charm raised concerns over the exposure to historical taxes relating to the Shangdong feed mill operations, AgFeed Industries' estimated cost of remediating environmental issues at the Xinyu farm, the overall deterioration of the feed mill operations, and the payment of the Sale Bonuses (as defined in the SPA) pursuant to Section 2.5.2 of the SPA. At the conclusion of the negotiations, the parties reached an agreement on an amendment to the SPA (the "First Amendment"), that provided for, among other things, (i) a reduction of $3,450,000 to the Base Purchase Price which resulted in an adjusted Purchase Price of $47.13 million, (ii) the Sale Bonuses to be paid by Good Charm at the Closing, (iii) the Company's Group (as defined in the SPA) to use commercially reasonable best efforts basis to cause Xinyu farm operations to commence any capital expenditures relating to the Xinyu farm that Good Charm or NTB directs and approves, including seeking approval from the requisite local authorities, and (iv) Good Charm and NTB to close the sale on or before December 6, 2013.

On November 26, 2013, the Bankruptcy Court held a hearing (the "AgFeed Industries Stock Sale Hearing") to consider the relief requested in the AgFeed Industries Sale Motion. For the reasons set forth on the record, the Bankruptcy Court entered the order [Docket No. 640] (the "AgFeed Industries Stock Sale Order") which approved the SPA (as amended) and the sale (the "AgFeed Industries Stock Sale") of the Target Shares to Good Charm.

At Closing, the Purchaser was to pay AgFeed Industries the Base Purchase Price, minus the Cash Deposit, plus or minus the Estimated Adjustment as determined by AgFeed Industries (the "Closing Payment"). One component of the Estimated Adjustment (as defined in the SPA) was AgFeed Industries' Estimated Net Working Capital Amount for the Company Group[14] as of November 30, 2013 (the "Cut-off Date"). In accordance with the methodology prescribed by the SPA, AgFeed Industries prepared a calculation of the Estimated Adjustment and submitted the calculation to the Purchaser and NTB. The calculated Estimated Adjustment indicated that, at Closing, AgFeed Industries was entitled to additional consideration of $558,431.99. Nonetheless, a dispute arose between the parties concerning the calculation of the Estimated Adjustment. To resolve Purchaser's objection to payment of the Estimated Adjustment as required by the SPA and in order to facilitate the Closing, AgFeed Industries, the Purchaser, and NTB entered into a side-letter agreement to amend the SPA that provided for $558,431.99, the amount of the Estimated Adjustment, to be held in escrow (the "Escrowed Funds") pending determination of the Post-Closing Adjustment contemplated by the SPA. The AgFeed Industries Stock Sale closed on December 6, 2013.

Subsequent to the Closing, the Purchaser and NTB submitted a calculation of the Post-Closing Adjustment that indicated that the Purchaser was entitled to a Post-Closing Adjustment in excess of $2,000,000. In accordance with the SPA, AgFeed Industries submitted a timely

[14] The Company Group was AgFeed BVI and its subsidiaries as set forth in the SPA.

objection to the Post-Closing Adjustment indicating that the Post-Closing Adjustment proposed by the Purchaser and NTB was not calculated in accordance with the methodology mandated by the SPA for calculation of the Post-Closing Adjustment and that calculation of the Post-Closing Adjustment in accordance with the required methodology would not yield an amount that would entitle the Purchaser to payment of a Post-Closing Adjustment.

Despite efforts to resolve the matter, the parties have been unable to reach a final resolution. Accordingly, on July 7, 2014, AgFeed Industries filed AgFeed Industries' Motion for Entry of an Order (i) Enforcing the Sale Order in Connection with the AgFeed Industries, Inc. Stock Sale, (ii) Directing U.S. Bank National Association, as Escrow Agent, to Release the Escrowed Funds Which Represents the Unpaid Closing Payment to AgFeed Industries, Inc., and (iii) Granting Related Relief [Docket No. 1165] (the "AgFeed Industries Stock Sale Enforcement Motion") pursuant to which AgFeed Industries seeks entry of an order by the Bankruptcy Court directing the escrow agent to release the Escrowed Funds to AgFeed Industries. The AgFeed Industries Stock Sale Enforcement Motion is scheduled to be heard on July 29, 2014 at 9:30 a.m. (ET).

AgFeed Industries' known remaining assets consist of primarily Cash on hand as a result of the AgFeed Industries Stock Sale.

E. Key Employee Programs

On July 31, 2013, the Debtors Filed the *Debtors' Motion Pursuant to Sections 105, 363(b) and 503(c) of the Bankruptcy Code, for Entry of an Order: (I) Authorizing the Debtors to Honor Obligations in Connection with Certain Key Executive Employment and Incentive Agreements with Edward Pazdro and Gerard R. Daignault, (II) Approving the Debtors' Key Executive Incentive Plan and Key Manager Incentive Plan, and (III) Authorizing Payment of Earned Bonus Program Holdbacks to Certain Key Executives* [Docket No. 96] (the "KEIP Motion"). By the KEIP Motion, the Debtors sought authorization to implement a key employee incentive plan (the "KEIP") for four (4) of their executive officers and a key manager incentive plan ("KMIP") for two (2) of their key operational, non-insider employees (the KEIP, together with the KMIP, the "Key Employee Programs"). The Key Employee Programs were designed to ensure that the Debtors' key employees remained with the Debtors throughout the Consolidated AgFeed USA and/or AgFeed Industries sale processes. On August 29, 2013, the Bankruptcy Court entered an order approving the Key Employee Programs (as modified) [Docket No. 256] (the "KEIP Order").

On November 4, 2013, the United States Trustee for the District of Delaware (the "U.S. Trustee") Filed a motion to reconsider the KEIP Order as they related to Messrs. Pazdro and Daignault [Docket No. 546] (the "Reconsideration Motion"), arguing that the Wells Notices and the information gathered in connection with Examiner Motion (defined below) constituted "newly discovered evidence" pursuant to Bankruptcy Rules 9023 and 9024. The Debtors objected to the Reconsideration Motion [Docket No.586] and the matter was heard by the Bankruptcy Court on November 21, 2013, at the conclusion of which the Bankruptcy Court took the matter under advisement. At the hearing on November 26, 2013, ruling from the bench, the Bankruptcy Court denied the Reconsideration Motion. *See* Docket No. 651.

F. U.S. Trustee's Motion to Appoint an Examiner

On September 13, 2013, the U.S. Trustee Filed the United States Trustee's Motion for Entry of an Order, Pursuant to 11 U.S.C. § 1104(c)(1), Directing the Appointment of an Examiner [Docket No. 307] (the "Examiner Motion"). By the Examiner Motion, the U.S. Trustee argued that the given the allegations of prepetition misconduct against the Debtors and certain of its officers and directors, the Bankruptcy Court should exercise its discretion in appointing an examiner to conduct a review of the existence and the nature of the AgFeed Industries' Chinese assets and to report on potential causes of action that may exist as the result of the Debtors' operations in China. The Debtors Filed an objection [Docket No. 307] arguing, among other things that (i) the appointment of an examiner would put the proposed AgFeed Industries Stock Sale in jeopardy as it may have been deemed an event of default under the SPA, (ii) it would have been a waste of estate resources given the fact that an investigation was already conducted by the Special Committee, and (iii) it would have served as a distraction of the Debtors' professionals and management at a crucial time in the Chapter 11 Cases; namely the proposed AgFeed Industries Stock Sale. The Creditors' Committee, the Equity Holders' Committee and AF Sellco also filed objections to the Examiner Motion [Docket Nos. 358, 360 and 367]. A hearing on the Examiner Motion was held on September 30, 2013, at the conclusion of which, the Bankruptcy Court denied the Examiner Motion, without prejudice. See Docket No. 409.

G. U.S. Trustee's Motion to Appoint a Trustee

On November 4, 2013, the U.S. Trustee Filed the Motion of the United States Trustee for an Order Directing the Appointment of a Trustee [Docket No. 550] (the "Trustee Motion"). By the Trustee Motion, the U.S. Trustee sought entry of an order appointing a trustee pursuant to Section 1104(a) of the Bankruptcy Code, arguing that cause existed to appoint a trustee because the was evidence of fraud, dishonest, incompetence or gross mismanagement by the current management both pre-and postpetition. The U.S. Trustee argued, among other things, that the issuance of Wells Notices in connection with the SEC investigation and the Debtors failure to issue restated financials justified the appointment of a trustee in the Chapter 11 Cases. The Debtors intend to oppose the Trustee Motion. However, in light of the ongoing progress in these Chapter 11 Cases, Debtors and the U.S. Trustee have agreed to adjourn the Trustee Motion until a date and time to be agreed upon by the parties.

H. AF Sellco Settlement

Pursuant to the terms of the M2P2 Acquisition, at closing, AgFeed Industries (i) paid approximately $11.3 million and (ii) executed a promissory note (as amended) (the "AF Sellco Secured Note"), in the approximate amount of $8.6 million. Additionally, AgFeed Industries was required to deliver to AF Sellco certain shares of AgFeed Industries' common stock. AF Sellco has alleged that a pre-petition event of default occurred under the Note. In connection with the M2P2 Acquisition, AgFeed Industries and AF Sellco also executed a Pledge Agreement, dated September 13, 2010 (the "Pledge Agreement"), pursuant to which AgFeed Industries pledged to and granted AF Sellco a perfected first priority lien on and security interest in all of the outstanding membership interest of AgFeed USA as collateral for AgFeed Industries' obligations under the AF Sellco Secured Note. On November 4, 2013, AF Sellco filed proof of

claim number 168 (the "Proof of Claim") against AgFeed Industries in connection with the AF Sellco Secured Note and the M2P2 Acquisition. By the Proof of Claim, AF Sellco asserted a secured claim in the amount of $8,600,985.77 for sums allegedly due under the AF Sellco Secured Note. However, as discussed in Article IV(C) above, the Debtors believed that a major portion of the arbitration award to Hormel, as well as some of the new claims that were asserted by Hormel in the second arbitration proceeding, were attributable to the accounting practices employed by M2P2, LLC with respect to the Hormel Agreements prior to the Sale. Accordingly, the Debtors believed that they were entitled to indemnification from AF Sellco with respect to certain portions of the arbitrator's award. Accordingly, on November 29, 2012 and January 16, 2013, the Debtors delivered their demand for indemnification to AF Sellco and, on the Petition Date, were in the process of pursuing those claims.

As the result of subsequent substantial good faith postpetition discussions between the Debtors and AF Sellco, the parties reached an agreement which fully and finally resolved AF Sellco's claims against AgFeed Industries and any potential indemnification claims that the Debtors had against AF Sellco. Pursuant to the terms of the stipulation (the "AF Sellco Stipulation") which was approved by order of the Bankruptcy Court, dated March 13, 2014 [Docket No.965], (i) AF Sellco received an Allowed Claim in the amount of $4,300,000, (ii) upon payment, AF Sellco agreed to withdraw, with prejudice, any and all unresolved objections that it may have filed in the Chapter 11 Cases, (iii) upon payment, AF Sellco agreed to release all liens held by AF Sellco on the equity interest of AgFeed USA, and (iv) the Debtors and AF Sellco granted mutual releases. The AF Sellco Allowed Claim was paid on or about March 17, 2014.

I. Class Action Settlement

As the result of extensive negotiations between the Class Plaintiffs, the Debtors, and certain defendants in the Class Action Litigation, the Class Plaintiffs, on behalf of themselves and all persons who purchased or otherwise acquired AgFeed Industries common stock during the Class Period (together, the "Settlement Parties"), and defendants John A. Stadler, Gerard Daignault, Clay Marshal, Edward Pazdro, Arnold Staloff, Frederic Rittereiser, and K. Ivan Gothner (collectively, the "U.S. Defendants"), AgFeed Industries, and McGladrey (together with the U.S. Defendants and AgFeed Industries (the "Class Action Settling Defendants" and together with the Settlement Parties, the "Class Action Settling Parties") entered into that certain stipulation and settlement release agreement, dated on or about July 21, 2014] (the "Class Action Settlement Agreement"), which subject to approval by the Tennessee District Court, fully and finally resolves all issues between the Class Action Settlement Parties as they related to the Class Action Litigation.[15]

More specifically, the Class Action Settlement Agreement provides, among other things, that: (i) the Class Action Litigation be certified pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure and the Class Plaintiffs be appointed representatives of the class; (ii) lead counsel to the Class Plaintiffs be appointed counsel to the Settlement Class (as defined in

[15] The Class Plaintiffs have begun the process of filing the appropriate pleadings in the Tennessee District Court seeking approval of the Class Action Settlement Agreement and anticipate obtaining such approval prior to Plan confirmation.

the Class Action Settlement Agreement) and authorized to submit one vote on behalf of the Class Plaintiffs and the Settlement Class to either accept or reject the Plan, (iii) the Debtors pay $7 million to the Class Plaintiffs to be distributed in accordance with the Class Fund Distributions Procedures[16] , and (iv) the Settlement Parties release each of the Class Action Settling Parties from any and all claims (including Unknown Claims), debts, demands, damages, losses, rights, obligations, liabilities, suits, actions, causes of action, allegations, and arguments of every nature and description whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law, or any other law, rule, or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or unliquidated, at law or in equity, matured or unmatured, known or unknown, whether class or individual in nature, and whether or not concealed or hidden, that have been asserted or could have been asserted in the Class Action or any forum by Class Plaintiffs or any Class Member (as defined in the Class Action Settlement), arising from, relating in any way to, or in connection with: (a) the facts alleged in the Class Action; (b) investments (including, but not limited to, purchases, sales, exercises, and decisions to hold) in securities issued by AgFeed during the class period; (c) any disclosures, or registration statements, or other statements by AgFeed, including, and any other any disclosures, registration statements, or other statements disclosed, made, released, distributed, or disseminated during the time period covered by the Class Action complaint; or (d) any alleged negligence, gross negligence, recklessness, intentional conduct, breach of duty of care and/or breach of duty of loyalty, unjust enrichment, fraud, or breach of fiduciary duty, arising from, or relating in any way to, or in connection with the facts alleged in the Class Action, except as against Non-Settling Defendants.

Fifty percent of the Subordinated Claims Distribution Expenses shall be paid from the Class Fund.

J. McGladrey Settlement

On October 25, 2013, McGladrey filed a proof of claim, ("Claim 87") in the amount of $1,632,774 for prepetition services rendered to the AgFeed Industries as part of the restatement process. However, as discussed in Article IV(E)(2) above, McGladrey, as one of AgFeed Industries professionals during the Class Period, was also named as a defendant in the Class Action Litigation and the Debtors believe that they have causes of action in connection with the Class Action Litigation against certain other parties, including, but not limited to cross claims against McGladrey for its role in the filing of certain 10-K Reports during the Class Period as well as defenses to Claim 87.

As the result of subsequent good faith negotiations between the Debtors and McGladrey, the parties have reached an agreement in principle (the "McGladrey Settlement") which fully and finally resolves the Debtors' potential causes of action against McGladrey and Claim 87. Accordingly, the Debtors intend to file a motion pursuant to Bankruptcy Rule 9019, which will seek approval of the McGladrey Settlement. Pursuant to the terms of the McGladrey Settlement,

[16] As stated previously, the Class Plaintiffs' counsel shall be entitled to payment of legal fees and expenses in connection with the Class Action Litigation in an amount up to $2.1 million (or 30% of the Allowed Claim), plus expenses up to $115,000, payable from the $7 million.

among other things, (i) McGladrey shall pay the AgFeed Industries Estate $500,000; (ii) McGladrey agrees to entry of an order disallowing Claim 87; and (iii) the parties agree to mutual releases.

K. Exclusivity

The Bankruptcy Code grants a debtor an initial period of 120 days after the commencement of a chapter 11 case during which time the debtor has the exclusive right to propose and to File a plan of reorganization or liquidation. If a debtor proposes and Files a plan within this initial 120-day exclusivity period, then the debtor has until the end of the period ending on the 180th day after the commencement of a chapter 11 case to solicit and to obtain acceptances of such plan. These exclusive periods may be extended for a limited period of time by an order of the court. The Debtors have received subsequent extensions from the Bankruptcy Court to propose and File a plan of reorganization [Docket Nos. 605, 841, 1080], the last of which extended the deadlines to June 5, 2014, to File a plan and August 4, 18, 2014, to solicit and obtain acceptances of such plan. On June 4, 2014, the Debtors filed their fifth motion to extend the exclusivity periods to July 21, 2014, to File a plan and September 19, 2014, to solicit and obtain acceptances of such plan. On July 21, 2014, the Debtors filed a supplemental motion seeking to further extend the exclusivity periods to October 3, 2014 and December 2, 2014, respectively.[17] The motion (as supplemented) is scheduled to be heard on July 29, 2014 at 2:30 p.m. (ET).

L. Mediation

Subsequent to the Debtors filing the Debtors' Joint Plan of Liquidation on December 18, 2013, the Debtors and certain constituencies agreed to engage in mediation in an effort to reach a consensual resolution with respect to several issues related to the Plan confirmation process. To that end, on February 13, 2014, a mediation was convened at the offices of Debtors' counsel. Representatives of the Debtors, the Creditors' Committee, the Equity Holders' Committee, the SEC, the Class Plaintiffs, several indemnification claimants, several of the Debtors' insurers attended with Judge William Cahill serving as the mediator. Although the mediation did not result in an immediate resolution, the continuing discussions did provide the vehicle upon which the settlements embodied in the Plan were s reached with the Plan Supporter and the Class Plaintiffs.

M. Claims Process and Bar Date

1. Schedules and Statements.

On August 23, 2013, the Debtors Filed their (i) Schedules of Assets and Liabilities (as amended) and (ii) Statements of Financial Affairs. In the aggregate, the Schedules identified secured claims of $82,842,894, priority claims of $1,494,962, and general unsecured claims in the approximate amount of $69,182,206.

[17] Pursuant to Local Rule 9006-2, the filing of the fourth motion to extend the exclusivity periods prior to the expiration of the current exclusivity periods automatically extended the exclusivity periods until the Court acts on the motion. The motion is scheduled to be heard on May 28, 2014 at 1:30 p.m. (ET).

2. Bar Date.

By order entered on September 27, 2013 (the "Bar Date Order") [Docket No. 379], the Court established November 12, 2013, at 4:00 p.m. (ET) as the deadline by which an Entity, other than Governmental Units, asserting (i) a Claim against any of the Debtors (including Claims arising under Section 503(b)(9) of the Bankruptcy Code) that arose prior to the Petition Date and/or (ii) an administrative expense claim pursuant to Section 503 of the Bankruptcy Code against the Consolidated AgFeed USA Debtors arising post-petition through September 12, 2013 must File a proof of claim (the "General Bar Date"). The Bar Date Order also established January 13, 2014, at 4:00 p.m. (ET) as the deadline by which Governmental Units asserting a Claim that arose prior to the Petition Date must File a proof of claim (the "Governmental Bar Date").

To date, approximately 500 Claims have been Filed in the Chapter 11 Cases. Any Holder of an Administrative Claim against any of the Consolidated AgFeed USA Debtors that accrued on or before September 12, 2013, that was required to File a Proof of Claim for such Administrative Claim and did not File a Proof of Claim for such Administrative Claim so as to be received by the Claims Agent by the aforesaid bar date, or, for Claims accruing after September 12, 2013, by thirty (30) days after the Effective Date, absent an order from the Bankruptcy Court shall be forever barred from asserting such Administrative Claim against any of the Debtors, their Estates, their respective successors or their respective property, and such Administrative Claim shall be deemed discharged and released as of the Effective Date.

N. Preparation of Claims Estimates and Recoveries.

The Debtors have prepared their estimates of Claims and recoveries by Holders of such Claims based primarily on: (a) projections based on anticipated future Claim reconciliations and Claim objections and (b) other legal and factual analyses unique to particular types of Claims.

The Debtors' estimates of Allowed Claims are identified in the chart set forth in Article III ("Overview of the Plan") above and form the basis of projected recoveries in each of the Classes. NOTWITHSTANDING THE DEBTORS' EFFORTS IN DEVELOPING THEIR CLAIMS ESTIMATES, THE PREPARATION OF SUCH ESTIMATES IS INHERENTLY UNCERTAIN, AND, ACCORDINGLY, THERE IS NO ASSURANCE THAT SUCH ESTIMATES WILL ACCURATELY PREDICT THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN THE DEBTORS' CHAPTER 11 CASES. AS A RESULT, THE ACTUAL AMOUNT OF ALLOWED CLAIMS MAY DIFFER MATERIALLY FROM THE DEBTORS' CLAIMS ESTIMATES CONTAINED HEREIN.

O. Assets of the Estates

1. Consolidated AgFeed USA Debtors.

As of the Confirmation Date, the Debtors anticipate that the Consolidated AgFeed USA Debtors will have approximately $6.55 million in Cash remaining from the AgFeed USA Sale and the liquidation of the remaining AgFeed USA Assets.

2. AgFeed Industries.

As of the Confirmation Date, the Debtors anticipate that AgFeed Industries Estate Assets will include, but may not be limited to (i) Cash, (ii) security deposits, (iii) accounts receivable, (iv) certain personal property, (v) net proceeds from the AgFeed Industries Stock Sale, (vi) the Initial Distributable AgFeed USA Estate Assets, with an aggregate value of approximately $3.37 million, plus the Remaining Distributable AgFeed USA Estate Assets. In addition, the AgFeed Industries Estate shall also include the Debtors' interests in the Debtors' insurance policies and all Causes of Action and the books and records preserved and retained by AgFeed Industries.

3. Potential Causes of Action.

Causes of Action which shall become part of the Estates' Assets shall be all actions, causes of action, choses in action, suits, debts, dues, damages, defenses, judgments, third-party claims, counterclaims, and cross claims, involving any of the Debtors or the Estates that are or may be pending or existing on the Effective Date or may subsequently be brought against any Person, Entity or Debtor, based in law or equity, including, but not limited to, under the Bankruptcy Code except for causes of action arising under Section 547, whether direct, indirect, known or unknown, derivative, or otherwise and whether asserted or unasserted as of the date of entry of the Confirmation Order, including the Unknown Causes of Action that have not been previously settled by the Debtors or released by the Plan, or any other order of the Bankruptcy Court, and including, without limitation, potential Causes of Action (i) the Debtors may have against certain of their current and/or former directors and officers and professionals, including, but not limited to Goldman as the result of the facts alleged in the Class Action Litigation and the SEC Investigation allegations, (ii) the Debtors may have against PICC for its unwillingness to acknowledge its coverage obligations under the insurance policies, and (iii) AgFeed Industries may have against Hormel that arise under the Estoppel Letter and the M2P2 Acquisition.

VI.

SUMMARY OF THE PLAN OF LIQUIDATION

A. Introduction

This Article provides a summary of the terms and provisions of the Plan, including the classification and treatment of Claims and Interests under the Plan and the means for implementation of the Plan. The summary is qualified in its entirety by reference to the Plan, which is attached to this Disclosure Statement as **Exhibit A**. The statements contained in this Disclosure Statement include summaries of the provisions contained in the Plan and in documents referred to therein. The statements contained in this Disclosure Statement do not purport to be precise or complete statements of all the terms of the Plan or the documents referred to therein; reference is made to the Plan and to such documents for the full and complete statements of such terms.

The Plan itself and the documents referred to therein control the actual treatment of Claims against and Interests in the Debtors under the Plan and will, upon the Effective Date, be

binding upon all Holders of Claims against and Interests in the Debtors, their Estates and other parties in interest.

The structure of the Plan and the Distributions to Holders of Claims and Interests thereunder reflect the result of negotiations among the Debtors and the Committees. After careful review of the estimated recoveries in a chapter 11 plan scenario and a chapter 7 liquidation scenario, the Debtors have concluded that the recoveries to Creditors will be maximized by consummating and making Distributions pursuant to the Plan. The Debtors believe that their Estates have value that would not be fully realized by Creditors in a chapter 7 liquidation primarily due to: (1) the additional administrative expenses that would be incurred in a chapter 7 liquidation and (2) the additional delay in distributions that may occur if the Debtors' chapter 11 cases were converted to cases under chapter 7.

Accordingly, the Debtors believe that the Estates are worth more to their stakeholders if the Debtors' liquidation is completed as described above, and Distributions are made, under chapter 11 pursuant to the Plan.

B. Overall Structure of the Plan

The Plan incorporates a settlement, by and between the Debtors and the Plan Supporter which provides for the SEC and Class Plaintiffs to contribute all or a portion of their respective Allowed Claims to the Liquidating Trust for Distribution in accordance with the Plan. As more fully described in the Plan, the contributions from the SEC and Class Plaintiffs shall fund the SEC Fairness Fund and Class Fund each of which shall be distributed in accordance with the SEC Fairness Fund Distribution Procedures and Class Fund Distribution Procedures.

More specifically, the Plan provides that, on the Effective Date of the Plan, the SEC, in full and final satisfaction of any and all Claims (including its proof of claim) or cause of action it has or may have against any of the Debtors, shall have an Allowed Claim in the amount of $18.0 million payable from the AgFeed Industries Net Distributable Cash which the SEC shall immediately contribute to the Liquidating Trust, with $12.5 million designated for Distribution to the Holders of Allowed Class 5B Interests and $5.5 million designated for the SEC Fairness Fund established under the Plan for Distribution to Allowed Class6B Subordinated Claims in accordance with the SEC Fairness Fund Procedures approved by the Bankruptcy Court. Fifty percent of the Subordinated Claims Distribution Expenses shall be paid from the SEC Fairness Fund. On the Effective Date, the Liquidating Trustee shall also allocate the Cash remaining, after payment of all Allowed Administrative Claims, Allowed Priority Claims, Allowed Secured Claims and Allowed General Unsecured Claims or the establishment of appropriate reserves in accordance with the Plan, plus any unallocated or unreserved Cash as a result of the claims administration process from the AgFeed Industries Net Distributable Cash for Distribution, to the Holders of Class 5B Interests as of the Distribution Record Date. The Holders of Class 5B Interests as of the Distribution Record Date shall receive their Pro Rata share of the Cash available for Distribution from the funds contributed by the SEC and allocated from the AgFeed Industries Net Distributable Cash and any Cash remaining after Distributions are made from the Class Fund (as more fully described below) and the SEC Fairness Fund in accordance with the SEC Fairness Fund Distribution Procedures. Additionally, Class 5B Interests shall be entitled to additional Distributions from the net proceeds, if any, available as the result of the Liquidating

Trustee's pursuit of Causes of Action.

On the Effective Date of the Plan, the Class Plaintiffs shall receive, in full and final settlement of any and all Claims (including proofs of claim) or causes of action against the Debtors or any defendant in the Class Action Litigation, an Allowed Claim in the amount of $7.0 million, approximately $3.15 million of which shall be paid from the AgFeed Industries Net Distributable Cash and approximately $3.85 million of which shall be paid from available insurance proceeds. The Class Plaintiffs' counsel shall be entitled to payment of legal fees and expenses in connection with the Class Action Litigation from the Allowed Class Plaintiffs' Claim, in the amount approved by the United States District Court for the Middle District of Tennessee (the "Tennessee District Court"), provided that Class Plaintiffs' counsel shall not request allowance or payment of fees in excess of $2.1 million plus expenses up to $115,000. Upon approval of Class Plaintiffs' counsel fees and expenses, or as soon thereafter as practicable, the Class Plaintiffs shall contribute the balance of the $7.0 million to the Class Fund for distribution to Holders of Allowed Class 6B Subordinated Claims in accordance with the Class Fund Distribution Procedures approved by the Tennessee District Court and Bankruptcy Court. Fifty percent of the Subordinated Claims Distribution Expenses shall be paid from the Class Fund.

Holders of Allowed Class 7B Insider Subordinated Claims shall receive shall receive the Insider Subordinated Claim Recovery Percentage, or such other amounts or treatment as the parties may agree only upon completion of the Liquidating Trustee's investigation into potential Causes of Action.

The Plan further provides for the treatment of Claims against the Debtors and Interests in the Debtors. As described in detail in Article IV of this Disclosure Statement, the majority of the Debtors' assets have been liquidated pursuant to the AgFeed USA Sale and the AgFeed Industries Stock Sale (together, the "Sales"). Thus, the Plan provides for the Estates' Assets to be allocated in accordance with the terms of the Plan and distributed to holders of the Allowed Claims and Interests. Pursuant to the Plan, on the Effective Date, all of the Estates' Assets will vest in and be transferred to the Liquidating Trust. The Liquidating Trust shall be administered by the Liquidating Trustee who shall, among other things, liquidate the remaining Estates' Assets, resolve any disputed Claims, wind-down the affairs of the Debtors, prosecute Causes of Action and make initial and final Distributions pursuant to the Plan. On the Effective Date, all existing stock and equity interest in AgFeed Industries shall be deemed canceled and extinguished and AgFeed Industries shall reissue one (1) share of common stock to the Liquidating Trust. Upon the closing of the Chapter 11 Cases, the Liquidating Trustee will have authority to take any and all steps necessary to dissolve the Debtors.

The Debtors believe that the Plan provides the best and most prompt possible recovery to Holders of Claims or Interests. Under the Plan, Claims against and Interests in the Debtors are divided into different Classes. Under the Bankruptcy Code, "claims" and "equity interests" are classified rather than "creditors" and "shareholders" because such entities may hold claims or equity interests in more than one class. For purposes of this Disclosure Statement, the term "Holder" refers to the holder of a Claim or Interest, respectively, in a particular Class under the Plan. If the Plan is confirmed by the Bankruptcy Court and consummated, then on the Effective Date or within the time periods set forth in the Plan, the Debtors and/or the Liquidating

Trustee shall make Distributions in respect of certain Classes of Claims or Interests as provided for in the Plan. The Classes of Claims against and Interests in the Debtors created under the Plan, the treatment of those Classes under the Plan and Distributions to be made under the Plan are described below.

C. Classification and Treatment of Claims and Equity Interests Under the Plan

1. Classification Generally.

The Plan provides for the substantive consolidation of the Consolidated AgFeed USA Debtors. Accordingly, the Plan provides for classification and treatment of the Claims against and Interest in (i) the Consolidated AgFeed USA Debtors and (ii) AgFeed Industries.

Section 1123 of the Bankruptcy Code provides that, except for administrative expense claims and priority tax claims, a plan of reorganization must categorize claims against and equity interests in a debtor into individual classes. Although the Bankruptcy Code gives a debtor significant flexibility in classifying claims and interests, section 1122 of the Bankruptcy Code dictates that a plan may only place a claim or an equity interest into a class containing claims or equity interests that are substantially similar.

The Plan creates several "Classes" of Claims and Interests. These Classes take into account the differing nature and priority of Claims against and Interests in the Debtors. Administrative Expense Claims and Priority Tax Claims are not classified for purposes of voting or receiving Distributions under the Plan, but are treated separately as unclassified Claims.

A Claim or Interest shall be deemed classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class. A Claim or Interest is in a particular Class only to the extent that such Claim or Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date.

The Plan provides specific treatment for each Class of Claims or Interests. Only Holders of Allowed Claims are entitled to vote on and receive Distributions under the Plan.

Unless otherwise provided in the Plan or the Confirmation Order, the treatment of any Claim or Interest under the Plan will be in full satisfaction, settlement, release and discharge of, and in exchange for, such Claim or Interest.

The categories of Claims and Interests and their treatment listed below classify Claims and Interests for all purposes, including voting, confirmation and Distribution pursuant to the Plan, except as otherwise provided herein or in the Plan, and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code.

For purposes of brevity and convenience, the classification of Claims and Interests set forth below applies to each Debtor individually. Unclassified Claims are Unimpaired by the Plan. The following are the unclassified Claims: Administrative Expense Claims and Priority Tax Claims.

2. Unclassified Claims Under the Plan.

a. **Administrative Expense Claims**

Administrative Expense Claims are Claims for costs and expenses of administration of the Chapter 11 Cases allowed under Sections 503(b), 507(b) or, if applicable, 1114(e)(2) of the Bankruptcy Code, including but not limited to: (a) any actual and necessary costs and expenses incurred after the Petition Date of preserving the Estates and operating the businesses of the Debtors (including, but not limited to, wages, salaries, commissions for services and payments in connection with unfinished hogs, leased equipment and premises) and Claims by Governmental, Units for taxes (including Claims related to taxes which accrued after the Petition Date, but excluding Claims related to taxes which accrued on or before the Petition Date); (b) compensation for legal, financial, advisory, accounting and other services and reimbursement of expenses allowed by the Bankruptcy Court under Sections 328, 330, 331, 363 or 503(b) of the Bankruptcy Code to the extent incurred on or prior to the Effective Date; (c) all fees and charges assessed against the Debtors' Estates under Section 1930, chapter 123 of title 28 of the United States Code; (d) any 503(b)(9) Claims, and (e) any Claims that have been designated "Administrative Expense Claims" by order of this Court.

Bar Date for Administrative Expense Claims. Holders of Administrative Expense Claims (other than Professional Fee Claims) either (i) against the Consolidated AgFeed USA Debtors accruing after September 12, 2013, through the Effective Date, or (ii) against AgFeed Industries accruing from the Petition Date through the Effective Date, shall File with the Claims Agent and serve on the Debtors or the Liquidating Trustee, as applicable, requests for payment, in writing, together with supporting documents, substantially complying with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, **so as to actually be received on or before the Second Administrative Expense Bar Date**. Any such Claim not Filed by the Second Administrative Expense Bar Date shall be deemed waived and the Holder of such Claim shall be forever barred from receiving payment on account thereof. The notice of Confirmation and Plan Effective Date to be delivered pursuant to Bankruptcy Rules 2002(c)(3) and 2002(f) shall set forth the Second Administrative Expense Bar Date and shall constitute notice of such Bar Date. The Liquidating Trustee shall have ninety (90) days following the Second Administrative Expense Bar Date to review and object to such Administrative Expense Claims, which time may be extended upon request of the Liquidating Trustee without notice or a hearing if the Liquidating Trust Oversight Committee unanimously consents, or otherwise, upon notice and a hearing.

Claims for Substantial Contribution by Ad Hoc Equity Holders' Committee. In recognition of the contribution of the Ad Hoc Committee of Equity Security Holders and its professionals, as demonstrated by the record in these Chapter 11 Cases, including without limitation their contribution to the formation of the Equity Holders' Committee and its substantial role as Plan Supporter and otherwise in these Chapter 11 Cases, and as further demonstrated on the record at the Confirmation Hearing to the extent requested or required, the professionals retained by the Ad Hoc Committee of Equity Security Holders ("Ad Hoc Committee Professionals") shall be entitled to reimbursement of their reasonable fees and expenses incurred in that role as Administrative Expense Claims. The fees and expenses incurred by the Ad Hoc Committee Professionals in that role are as follows:

(i) Elliott Greenleaf - $48,550.00

(ii) Sugar Felsenthal Grais & Hammer LLP - $ 49,856.50

(iii) Gavin/Solmonese - $38,426.30

The Ad Hoc Committee Professionals shall file a collective claim document with supporting invoices by ECF and submit a copy of such document to the Court and the Office of the United States Trustee (the "Submission Date") no later than ten (10) days following entry of the Confirmation Order. If no objection is lodged by a party in interest or the United States Trustee within thirty (30) days of the Submission Date, and except to the extent ordered by the Bankruptcy Court, the claims of the Ad Hoc Committee Professionals for reimbursement of fees and expenses pursuant to this section shall be deemed Allowed Administrative Claims, and paid in accordance with Section 7.2(b) of the Plan.

The Bankruptcy Code does not require that administrative expense claims be classified under a plan. It does require, however, that allowed administrative expense claims be paid in full in Cash in order for a plan to be confirmed, unless the holder of such claim consents to different treatment.

Treatment: Within the time period provided in Article VII of the Plan, each Holder of an Allowed Administrative Expense Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Administrative Expense Claim: (a) Cash equal to 100% of the amount of such Allowed Administrative Expense Claim; or (b) such other treatment as to which the Debtors, in consultation with the Committees, or the Liquidating Trustee, and the Holder of such Allowed Administrative Expense Claim shall have agreed upon in writing.

b. **Professional Fees**

Bar Date for Applications for Professional Fees. Professional Fee Claims and all applications for allowance and payment of Professional Fee Claims shall be Filed with the Bankruptcy Court on or before the Professional Fee Bar Date. If an application for a Professional Fee Claim is not Filed by the Professional Fee Bar Date, such Professional Fee Claim shall be deemed waived and the Holder of such Claim shall be forever barred from receiving payment on account thereof. The notice of Confirmation to be delivered pursuant to

Bankruptcy Rules 2002(c)(3) and 2002(f) shall set forth the Professional Fee Bar Date and shall constitute notice of such Bar Date.

c. **Priority Tax Claims**

A Priority Tax Claim is a Claim or a portion of a Claim for which priority is asserted under section 507(a)(8) of the Bankruptcy Code.

The taxes entitled to priority are: (a) taxes on income or gross receipts that meet the requirements of section 507(a)(8)(A); (b) property taxes meeting the requirements of section 507(a)(8)(B); (c) taxes that were required to be collected or withheld by the Debtors and for which the Debtors are liable in any capacity as described in section 507(a)(8)(C); (d) employment taxes on wages, salaries, or commissions that are entitled to priority pursuant to section 507(a)(4), to the extent such taxes also meet the requirements of section 507(a)(8)(D); (e) excise taxes of the kind specified in section 507(a)(8)(E); (f) customs duties arising out of the importation of merchandise that meet the requirements of section 507(a)(8)(F); and (g) prepetition penalties relating to any of the foregoing taxes to the extent such penalties are in compensation for actual pecuniary loss as provided in section 507(a)(8)(G).

The Bankruptcy Code does not require that claims such as the Priority Tax Claims be classified under a plan. It does require, however, that such claims receive the treatment described below in order for a plan to be confirmed unless the holder of such claims consents to different treatment.

Treatment: Within the time period provided in Article VII of the Plan, each Holder of an Allowed Priority Tax Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Priority Tax Claim: (a) Cash equal to 100% of the amount of such Allowed Priority Tax Claim; or (b) such other treatment as to which the Debtors, in consultation with the Plan Supporter, or the Liquidating Trustee, and the Holder of such Allowed Administrative Expense Claim shall have agreed upon in writing.

3. Summary of Classes.

a. **Consolidated AgFeed USA Debtors**

Pursuant to the Plan, Holders of Claims in Class 1A (Priority Non-Tax Claims), Class 2A (Secured Claims), Class 3A (General Unsecured Claims), and Class 5A (Interest) against the Consolidated AgFeed USA Debtors are unimpaired, and therefore, the Holders of such Claims are "conclusively presumed" to have voted to accept the Plan.

b. **AgFeed Industries**

Pursuant to the Plan, Holders of Claims in Class 1B (Priority Non-Tax Claims), Class 2B (Secured Claims), and Class 3B (General Unsecured Claims) against AgFeed Industries are unimpaired, and therefore, the Holders of such Claims are "conclusively presumed" to have voted to accept the Plan.

Pursuant to the Plan, Holders of the Class 4B Claim (SEC Claim) and Class 6B Claims (Subordinated Claims) against and Holders of Class 5B (Interests) in AgFeed Industries are either impaired or may be impaired under the Plan and are entitled to vote on the Plan.

4. Treatment of Classified Claims and Interests Under the Plan.

a. **Claims Against and Interests in Consolidated AgFeed USA Debtors**

i. Class 1A – Priority Non-Tax Claims (not entitled to vote). Within the time period provided in Section 7.6 of the Plan, each Holder of an Allowed Class 1A Priority Non-Tax Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 1A Claim from the Consolidated AgFeed USA Estate Assets: (A) Cash equal to 100% of the amount of such Allowed Priority Non-Tax Claim; or (B) such other treatment as to which the Debtors, in consultation with the Plan Supporter, or the Liquidating Trustee, and the Holder of such Allowed Priority Non-Tax Claim have agreed upon in writing.

ii. Class 2A – Secured Claims (not entitled to vote). Within the time period provided in Section 7.6 of the Plan, each Holder of an Allowed Class 2A Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 2A Claim from the Consolidated AgFeed USA Estate Assets: (A) return of the collateral securing such Allowed Secured Claim; (B) Cash equal to 100% of the amount of such Allowed Secured Claim; or (C) such other treatment as to which the Debtors, in consultation with the Plan Supporter, or the Liquidating Trustee, and the Holder of such Allowed Secured Claim have agreed upon in writing.

iii. Class 3A – General Unsecured Claims (not entitled to vote). Within the time period provided in Section 7.6 of the Plan, each Holder of an Allowed Class 3A General Unsecured Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 3A Claim, from the Consolidated AgFeed USA Estate Assets: (A) Cash equal to 100% of the amount of such Allowed General Unsecured Claim plus Post-Petition Interest; or (B) such other treatment as to which the Debtors, in consultation with the Committees, or the Liquidating Trustee, and the Holder of such Allowed General Unsecured Claim have agreed upon in writing.

iv. Class 5A – Interests (not entitled to vote). Within the time period provided in Section 7.6 of the Plan, the Holder of Allowed Class 5A Interests shall receive in full and final satisfaction, settlement and release of and in exchange for such Allowed Class 5A

Interests, the Remaining Distributable AgFeed USA Assets.

b. **Claims Against and Interests in AgFeed Industries**

i. Class 1B – Priority Non-Tax Claims (not entitled to vote). Within the time period provided in Section 7.6 of the Plan, each Holder of an Allowed Class 1B Priority Non-Tax Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 1B Claim from the AgFeed Industries Estate Assets: (A) Cash equal to 100% of the amount of such Allowed Priority Non-Tax Claim; or (B) such other treatment as to which the Debtors, in consultation with the Plan Supporter, or the Liquidating Trustee, and the Holder of such Allowed Priority Non-Tax Claim have agreed upon in writing.

ii. Class 2B – Secured Claims (not entitled to vote). Within the time period provided in Section 7.6 of the Plan, each Holder of an Allowed Class 2B Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 2B Claim from the AgFeed Industries Estate Assets: (A) return of the collateral securing such Allowed Secured Claim; (B) Cash equal to 100% of the amount of such Allowed Secured Claim; or (C) such other treatment as to which the Debtors, in consultation with the Plan Supporter, or the Liquidating Trustee, and the Holder of such Allowed Secured Claim have agreed upon in writing.

iii. Class 3B – General Unsecured Claims (not entitled to vote). Within the time period provided in Section 7.6 of the Plan, each Holder of an Allowed Class 3B General Unsecured Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such allowed Class 3B Claim, from the AgFeed Industries Estate Assets: (A) Cash equal to 100% of the amount of such Allowed General Unsecured Claim plus Post-Petition Interest, or (B) such other treatment as to which the Debtors, in consultation with the Committees, or the Liquidating Trustee, and the Holder of such Allowed General Unsecured Claim have agreed upon in writing.

iv. Class 4B – SEC Claim (entitled to vote). Within the time period provided in Section 7.6 of the Plan, the SEC, as the Holder of the Class 4B Claim, shall receive in full and final satisfaction, settlement, and release of and in exchange for such allowed Class 4B Claim, $18.0 million in Cash from the AgFeed Industries Net Distributable Cash which the SEC shall immediately contribute to the Liquidating Trust with $12.5 million designated for Distribution to the Holders of Class 5B Interests and $5.5 million designated for the SEC Fairness Fund established pursuant to the

Plan.

v. Class 5B – Interests (entitled to vote). – Interests (entitled to vote).[18] Within the time period provided in Section 7.6 of the Plan, in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 5B Interests, Holders of such Class 5B Interests as of the Distribution Record Date shall receive their Pro Rata share of the Cash available for Distribution from the $12.5 million contribution from the SEC and from the AgFeed Industries Net Distributable Cash which shall include any amounts remaining in the Class Fund and SEC Fairness Fund after Distributions have been made in accordance with the Class Fund Distribution Procedures and the SEC Fairness Fund Distribution Procedures.

The Holders of Class 5B Interests as of the Distribution Record Date shall also receive their Pro Rata share of any net proceeds recovered from settlement, litigation or otherwise on account of the Liquidating Trustee's pursuit of Causes of Action.

Finally, certain of the Holders of Class 5B Interests, to the extent that they were damaged as the result of the purchase or sale of securities of the AgFeed Industries, may also be Holders of Class 6B Subordinated Claims or Class 7B Insider Subordinated Claims, and may therefore, share in the Distributions to such Holders described in Sections 3.2(f) and 3.2(g) of the Plan.

Notwithstanding any of the foregoing, Insider Interests shall be deemed Disputed unless or until Allowed after the completion of the Liquidating Trustee's investigation into potential Causes of Action. Accordingly, Holders of Insider Interests shall not receive their Pro Rata share of the above Distributions until the Liquidating Trustee completes his or her investigation into potential Causes of Action against that Insider and the Insider Interests are subsequently Allowed.

Only Holders of Class 5B Interests on the Distribution Record Date shall receive Distributions pursuant to the Plan. Parties who become Holders of Class 5B Interests after the Distribution Record Date shall <u>not</u> receive any Distributions pursuant to the Plan on account of their Interests.

vi. Class 6B – Subordinated Claims (entitled to vote).[19] Within the

[18] A "Class 6B – Interests" shall mean any share or stock in AgFeed Industries.

[19] A "Class 6B - Subordinated Claim" shall mean (i) any Claim arising out of the Class Action Litigation, (ii) any Claim which has been or may be Filed against the Debtors arising out of the purchase or sale of securities in the Debtors, and (iii) any other Claim that the Bankruptcy Court has determined is subordinated pursuant to sections 510(b) and 510(c) of the Bankruptcy Code, but shall not include any Claim that is an Insider Subordinated Claim.

time period provided in Section 7.6 of the Plan, in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 6B Claims, Holders of such Class 6B Claims shall, as applicable, receive Distributions from the Class Fund and/or the SEC Fairness Fund, in accordance with the Class Fund and the SEC Fairness Fund Distribution Procedures, less payment of the Subordinated Claims Distribution Expenses.

vii. Class 7B – Insider Subordinated Claims (entitled to vote).[20] Insider Subordinated Claims shall be deemed Disputed unless and until Allowed after the completion of the Liquidating Trustee's investigation into potential Causes of Action against that Insider. Within the time period provided in Section 7.6 of the Plan, in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 7B Claims, Holders of such Class 7B Claims shall receive their Insider Subordinated Claims Recovery Percentage from the Insider Subordinated Claims Reserve . Distributions to Holders of Allowed Insider Subordinated Claims shall not be made until after all Distributions have been made (or calculated and allowed for) from the Claims Fund and SEC Fairness Fund so that the Insider Subordinated Claim Recovery Percentage can be determined.

D. Miscellaneous Provisions

1. Reservation of Rights Regarding Claims and Interests.

Except as otherwise explicitly provided in the Plan, nothing shall affect either the Debtors' or the Liquidating Trustee's rights and defenses, both legal and equitable, with respect to any Claims or Interests, including, but not limited to, all rights with respect to legal and equitable defenses to alleged rights of setoff or recoupment.

2. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code.

To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors reserve the right to request Confirmation of the Plan, as it may be modified from time to time, under Section 1129(b) of the Bankruptcy Code. The Debtors reserve the right to alter, amend, modify, revoke, or withdraw the Plan, the documents submitted in support thereof or any schedule or exhibit, including to amend or modify it to satisfy the requirements of Section 1129(b) of the Bankruptcy Code, if necessary.

---

[20] A "Class 7B – Insider Subordinated Claim" shall mean Claims, including, but not limited to Claims for indemnification, Filed by persons, who were officers or directors of the Debtors or their affiliates during the period of May 1, 2008 through December 19, 2011, including, but not limited to those identified on Schedule 1.80 of the Plan that shall be subordinated pursuant to Sections 510(b) and (c) of the Bankruptcy Code, unless all Claims and Causes of Action against such person have been expressly released by the Debtors pursuant to an Order of the Bankruptcy Court.

3. Controversy Concerning Impairment.

If a controversy arises as to whether any Claim or Interest is Impaired under the Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date to the extent necessary for Confirmation.

4. Elimination of Vacant Classes.

Any Class of Claims or Interests that does not contain, as of the date of the commencement of the Confirmation Hearing, a Holder of an Allowed Claim or Interest, or a Holder of a Claim temporarily allowed under Bankruptcy Rule 3018, shall be deemed deleted from the Plan for all purposes, including for purposes of determining acceptance of the Plan by such Class under Section 1129(a)(8) of the Bankruptcy Code.

E. Means for Implementation of the Plan

1. Substantive Consolidation.

Entry of the Confirmation Order shall constitute approval, pursuant to Sections 105(a) and 1123(a)(5) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of the Estates of the Consolidated AgFeed USA Debtors, for the purposes of confirming and consummating the Plan, including but not limited to voting and confirmation. Accordingly, (a) the assets and liabilities of the Consolidated AgFeed USA Debtors will be deemed to be the assets and liabilities of a single, consolidated entity, (b) each and every Claim Filed or to be Filed in the Chapter 11 Cases against any of the Consolidated AgFeed USA Debtors shall be considered Filed against the Consolidated AgFeed USA Debtors and shall be considered one Claim against and obligation of the Consolidated AgFeed USA Debtors on and after the Effective Date, (c) all joint obligations of two or more of the Consolidated AgFeed USA Debtors, and all multiple Claims against such entities on account of such joint obligations, are considered a single claim against the Consolidated AgFeed USA Debtors, (d) Intercompany Claims between the Consolidated AgFeed USA Debtors shall be waived and eliminated, and (e) all guaranties by any of the Consolidated AgFeed USA Debtors of the obligations of any Consolidated AgFeed USA Debtor arising prior to the Effective Date shall be deemed eliminated under the Plan so that any Claim against any Consolidated AgFeed USA Debtor and any guaranty thereof executed by any other Consolidated AgFeed USA Debtor and any joint and several liability of any of the Consolidated AgFeed USA Debtors shall be deemed to be one obligation of the deemed Consolidated AgFeed USA Debtors. Such deemed consolidation, however, shall not (other than for purposes related to funding Distributions under the Plan) affect (a) the legal and organizational structure of the Debtors, (b) executory contracts or unexpired leases that were entered into during the Chapter 11 Cases or that have been or will be assumed or rejected, (c) any agreements entered into by the Liquidating Trust on or after the Effective Date and (d) the Debtors' or the Liquidating Trust's ability to subordinate or otherwise challenge Claims on an entity by entity basis. Moreover, the Debtors reserve the right to seek confirmation of the Plan on an entity-by-entity basis.

Such deemed consolidation, however, shall not (other than for purposes related to funding Distributions under the Plan) affect (a) the legal and organizational structure of the

Debtors, (b) executory contracts or unexpired leases that were entered into during the Chapter 11 Cases or that have been or will be assumed or rejected, (c) any agreements entered into by the Liquidating Trustee on or after the Effective Date and (d) the Debtors' or the Liquidating Trustee's ability to subordinate or otherwise challenge Claims on an entity-by-entity basis. Notwithstanding the substantive consolidation called for herein, each and every Debtor shall remain responsible for the payment of U.S. Trustee Fees pursuant to 28 U.S.C. § 1930 until its particular case is closed, dismissed or converted. Moreover, the Debtors reserve the right to seek confirmation of the Plan on an entity-by-entity basis.

2. Plan Funding.

The Plan shall be funded from Cash held by the Debtors as well as Cash contributions from the SEC and Class Plaintiffs and from any recoveries from the settlement, litigation or otherwise on account of the Liquidation Trustee's pursuit of Causes of Action.

3. The Liquidating Trust.

a. **Appointment of the Liquidating Trustee.**

JLL Consulting, Inc. shall serve as the Liquidating Trustee and shall serve in such capacity pursuant to the terms of the Liquidating Trust Agreement. The appointment of JLL Consulting, Inc. as the Liquidating Trustee shall be approved in the Confirmation Order, and such appointment shall be as of the Effective Date.

In accordance with the Liquidating Trust Agreement, the Liquidating Trustee shall serve in such capacity through the earlier of (i) the date that the Liquidating Trust is dissolved in accordance with Section 6.2(l) and (ii) the date such Liquidating Trustee resigns, is terminated or is otherwise unable to serve, provided, however, that, in the event that the Liquidating Trustee resigns, is terminated or is unable to serve, then the Liquidating Trust Oversight Committee, upon notice shall appoint a successor within thirty (30) days. To the extent that the Liquidating Trust Oversight Committee does not appoint a successor within thirty (30) days, then the Bankruptcy Court, upon the motion of any party-in-interest, including, but not limited to, counsel to the Liquidating Trust, shall approve a successor to serve as the Liquidating Trustee. Any such successor Liquidating Trustee shall serve in such capacity until the Liquidating Trust is dissolved.

b. **Responsibilities of Liquidating Trustee**. Responsibilities of the Liquidating Trustee shall include, but are not limited to:

i. making Distributions as contemplated herein;

ii. conducting an analysis of any and all Claims and Interests and prosecuting objections thereto or settling or otherwise compromising such Claims and Interests, if necessary and

appropriate, in accordance with Article VIII of the Plan;

iii. in consultation with the Liquidating Trust Oversight Committee, maintaining and administering the Reserves in accordance with the terms of the Plan and the Confirmation Order;

iv. pursuing, litigating or settling Causes of Action in accordance with the Plan and paying all associated costs;

v. making payments in connection with Liquidation Trustee Expenses;

vi. marshaling and liquidating Estates' Assets, including abandoning any property constituting the Estates' Assets that cannot be sold or otherwise disposed of for value and whose Distribution to Holders of Allowed Claims would not be feasible or cost-effective in the Liquidating Trustee's reasonable judgment;

vii. preparing and filing post-Effective Date operating reports;

viii. filing appropriate tax returns in the exercise of the Liquidating Trustee's fiduciary obligations;

ix. retaining such professionals as are necessary and appropriate in furtherance of Liquidating Trustee's fiduciary obligations; and

x. taking such actions as are necessary and reasonable to carry out the purposes of the Liquidating Trust, including winding down the Debtors' business affairs.

Notwithstanding any of the foregoing, the Liquidating Trustee may (i) modify or change the amounts in Reserves, (ii) make Distributions under the Plan, or (iii) extend any applicable Bar Date, in consultation with the Liquidating Trust Oversight Committee or by entry of an order by the Bankruptcy Court.

c. **Establishment of a Liquidating Trust**. Except as otherwise provided for in the Plan, any and all of the Estates' Assets accruing to the Debtors or assertable as accruing to the Debtors shall remain assets of the Estates pursuant to section 1123(b)(3)(B) of the Bankruptcy Code and on the Effective Date shall be transferred to and vest in the Liquidating Trust free and clear from any and all Claims and liens for the uses and purposes set forth herein and for the benefit of the Liquidating Trust Beneficiaries. Pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, only the Liquidating Trust and the Liquidating Trustee shall have the right to pursue or not to pursue, or, subject to the terms of the Plan and the Liquidating Trust Agreement, compromise or settle any Liquidating Trust Assets. From and after the Effective Date, the Liquidating Trust and the Liquidating Trustee may commence, litigate and settle any Causes of Action or Claims relating to the Liquidating Trust Assets or rights to

payment or Claims that belong to the Debtors as of the Effective Date or are instituted by the Liquidating Trust and Liquidating Trustee on or after the Effective Date, except as otherwise expressly provided in the Plan and the Liquidating Trust Agreement. Other than as set forth herein, no other Person may pursue such Liquidating Trust Assets on or after the Effective Date. The Liquidating Trustee shall be deemed hereby substituted as plaintiff, defendant, or in any other capacity for either of the Committees or each Debtor in any Causes of Action pending before the Bankruptcy Court or any other court that relates to a Liquidating Trust Asset without the need for Filing any motion for such relief. On the Effective Date, the Debtors and the Liquidating Trustee shall execute the Liquidating Trust Agreement and shall have established the Liquidating Trust pursuant to the Plan. In the event of any conflict between the terms of this Article VI and the terms of the Liquidating Trust Agreement, the terms of this Article VI shall control.

d. **Liquidating Trust Assets.** Notwithstanding any prohibition of assignability under applicable non-bankruptcy law, on the Effective Date and periodically thereafter if additional Liquidating Trust Assets become available, the Debtors shall be deemed to have automatically transferred to the Liquidating Trust all of their right, title, and interest in and to all of the Liquidating Trust Assets, and in accordance with section 1141 of the Bankruptcy Code, including the Debtors' attorney-client privilege, all such assets shall automatically vest in the Liquidating Trust free and clear of all Claims and liens, subject only to the Allowed Claims or Allowed Interests of the Liquidating Trust Beneficiaries as set forth in the Plan and the expenses of the Liquidating Trust as set forth herein and in the Liquidating Trust Agreement. Thereupon, the Debtors shall have no interest in or with respect to the Liquidating Trust Assets or the Liquidating Trust.

e. **Treatment of Liquidating Trust for Federal Income Tax Purposes; No Successor in-Interest.** The Liquidating Trust shall be established for the primary purpose of liquidating and distributing the assets transferred to it, in accordance with Treas. Reg. § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. Accordingly, the Liquidating Trustee shall, in an expeditious but orderly manner, liquidate and convert to Cash the Liquidating Trust Assets, make timely distributions to the Liquidating Trust Beneficiaries and not unduly prolong its duration. The Liquidating Trust shall not be deemed a successor-in-interest of the Debtors for any purpose other than as specifically set forth herein or in the Liquidating Trust Agreement. Beneficial interests in the Liquidating Trust are not and will not be represented by any certificate or other instrument.

The Liquidating Trust is intended to qualify as a "grantor trust" for federal income tax purposes with the Liquidating Trust Beneficiaries treated as

grantors and owners of the Liquidating Trust. For all federal income tax purposes, all parties (including, without limitation, the Debtors, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) shall treat the transfer of the Liquidating Trust Assets by the Debtors to the Liquidating Trust, as set forth in the Liquidating Trust Agreement, as a transfer of such assets by the Debtors to the Holders of Allowed Claims or Allowed Interests of Liquidating Trust Beneficiaries entitled to distributions from the Liquidating Trust Assets, followed by a transfer by such Holders to the Liquidating Trust. Thus, the Liquidating Trust Beneficiaries shall be treated as the grantors and owners of a grantor trust for federal income tax purposes.

As soon as reasonably practicable on or after the Effective Date, the Liquidating Trustee (to the extent that the Liquidating Trustee deems it necessary or appropriate in the Liquidating Trustee's sole discretion) shall value the Liquidating Trust Assets based on the good faith determination of the value of such Liquidating Trust Assets. The valuation shall be used consistently by all parties (including the Debtors, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) for all federal income tax purposes. The Bankruptcy Court shall resolve any dispute regarding the valuation of the Liquidating Trust Assets.

The right and power of the Liquidating Trustee to invest the Liquidating Trust Assets transferred to the Liquidating Trust, the proceeds thereof, or any income earned by the Liquidating Trust, shall be limited to the right and power to invest such Liquidating Trust Assets (pending distributions in accordance with the Plan) in Permissible Investments.

f. **The Liquidating Trust Oversight Committee.** The Equity Holders' Committee, in consultation with the Debtors, shall propose four (4) individuals to serve as members of the Liquidating Trust Oversight Committee, which shall have the responsibility to review and consult with the Liquidating Trustee with respect to the liquidation and distribution of the Estates' Assets in accordance with the Liquidating Trustee Agreement and the Plan. The Debtors or counsel to the Equity Holders' Committee shall File a notice identifying the proposed members of the Liquidating Trust Oversight Committee no later than five (5) days prior to the Voting Deadline. Once approved pursuant to the Confirmation Order, in the event that a member is no longer willing or able to serve in such capacity, the remaining members shall endeavor to select another similarly situated individual to serve in that capacity. Any successor appointed pursuant to this Section shall become fully vested with all of the rights, powers, duties and obligations of his or her predecessor. For the avoidance of doubt, no member of the Liquidating Trust Oversight Committee shall be compensated for serving as a member of the Liquidating Trust Oversight Committee, provided, however, that such member may be reimbursed from the Liquidation Trust Expense Reserve for reasonable out of pocket

expenses subject to approval by the Liquidating Trustee or the Bankruptcy Court.

Pursuant to the Liquidating Trust Agreement, the Liquidating Trustee will need either the consent of the Liquating Trustee Oversight Committee or approval of the Bankruptcy Court for the following actions::

(iv) the sale or liquidation of the Estates' Assets for an amount in excess of $100,000;

(v) the settlement of a Cause of Action for an amount greater than $100,000;

(vi) the allowance of a Disputed Claim that was Filed in an unliquidated amount or in an amount greater than $100,000 or is unliquidated;

(vii) the estimation of Disputed Claim for the purposes of maintaining Reserves in accordance with the Plan or for other purposes; and

(viii) the granting of releases entered into on behalf of the Debtors' Estates.

g. **Expenses of Liquidating Trustee.** Fees and expenses incurred by the Liquidating Trustee shall be paid from the Liquidating Trust Expense Reserve in accordance with Article VII of the Plan.

h. **Bonding of Liquidating Trustee.** The Liquidating Trustee shall not be obligated to obtain a bond but may do so, in his or her sole discretion, in which case the expense incurred by such bonding shall be paid by the Liquidating Trust.

i. **Fiduciary Duties of the Liquidating Trustee.** Pursuant to the Plan and the Liquidating Trust Agreement, the Liquidating Trustee shall act in a fiduciary capacity on behalf of the interests of all Holders of Claims and Interests that will receive Distributions pursuant to the terms of the Plan.

j. **Dissolution of the Liquidating Trust**. The Liquidating Trust shall be dissolved no later than four (4) years from the Effective Date unless the Bankruptcy Court, upon a motion Filed prior to the third anniversary or the end of any extension period approved by the Bankruptcy Court (the Filing of which shall automatically extend the term of the Liquidating Trust pending the entry of an order by the Bankruptcy Court granting or denying the motion), determines that a fixed period extension is necessary to facilitate or complete the recovery and liquidation of the Liquidating Trust Assets. The Liquidating Trust shall require that each extension be approved by the Bankruptcy Court within six (6) months of the beginning of the extended term. After (a) the final Distribution of the Reserves and

the balance of the assets or proceeds of the Liquidating Trust pursuant to the Plan, (b) the Filing by or on behalf of the Liquidating Trust of a certification of dissolution with the Bankruptcy Court in accordance with the Plan, and (c) any other action deemed appropriate by the Liquidating Trustee, the Liquidating Trust shall be deemed dissolved for all purposes without the necessity for any other or further actions.

k. **Liability, Indemnification of the Liquidating Trust Protected Parties.** The Liquidating Trust Protected Parties shall not be liable for any act or omission of any other member, designee, agent, or representative of such Liquidating Trust Protected Parties, nor shall such Liquidating Trust Protected Parties be liable for any act or omission taken or not taken in their capacity as Liquidating Trust Protected Parties other than for specific acts or omissions resulting from such Liquidating Trust Protected Parties' willful misconduct, gross negligence, or fraud. The Liquidating Trustee or the Liquidating Trust Oversight Committee may, in connection with the performance of the Liquidating Trustee's functions and the Liquidating Trust Oversight Committee's functions, and in the Liquidating Trustee's and/or the Liquidating Trust Oversight Committee's sole and absolute discretion, consult with the Liquidating Trustee's attorneys, accountants, financial advisors and agents. Notwithstanding such authority, the Liquidating Trustee and the Liquidating Trust Oversight Committee shall not be under any obligation to consult with its attorneys, accountants, financial advisors, and agents, and the Liquidating Trustee's and the Liquidating Trust Oversight Committee's determination not to do so shall not result in the imposition of liability on the Liquidating Trustee or the Liquidating Trust Protected Parties, unless such determination is based on willful misconduct, gross negligence, or fraud. The Liquidating Trust shall indemnify and hold harmless the Liquidating Trust Protected Parties from and against and in respect of all liabilities, losses, damages, claims, costs, and expenses (including, without limitation, reasonable attorney's fees, disbursements and related expenses), which such Liquidating Trust Protected Parties may incur or to which such Liquidating Trust Protected Parties may become subject to in connection with any action, suit, proceeding, or investigation brought by or threatened against such Liquidating Trust Protected Parties arising out of or due to their acts or omissions or consequences of such acts or omissions, with respect to the implementation or administration of the Liquidating Trust or the Plan or the discharge of their duties hereunder; provided, however, that no such indemnification will be made to such Liquidating Trust Protected Parties for actions or omissions as a result of their willful misconduct, gross negligence, or fraud.

l. **Full and Final Satisfaction against Liquidating Trust.** On and after the Effective Date, the Liquidating Trust shall have no liability on account of any Claims or Interests except as set forth in the Plan and in the

Liquidating Trust Agreement. All payments and all Distributions made by the Liquidating Trustee under the Plan shall be in full and final satisfaction, settlement, and release of and in exchange for all Claims or Interests against the Liquidating Trust; provided, however, that nothing contained in the Plan, the Disclosure Statement, the Confirmation Order, the Liquidating Trust Agreement, or any other document or agreement shall constitute, be deemed to constitute or shall result in a discharge of any Debtor under section 1141(d) of the Bankruptcy Code.

4. **Transfer Taxes**. Any transfer of the Estates' Assets to the Liquidation Trust shall be exempt from any stamp, real estate transfer, mortgage reporting, sales, use or other similar tax to the extent permitted under section 1146(a) of the Bankruptcy Code.

5. **Settlement of Claims and Controversies**. The Plan represents settlements by and between the Debtors and the Plan Supporter. Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration of the Distributions and other benefits provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement of all released claims against the Released Parties, and the Plan constitutes a request for the Bankruptcy Court to authorize and approve such compromise and settlement, to release all of the released claims belonging to the Debtors' Estates and any other Person that is deemed to have given a release pursuant to the Plan against each and every and all Released Parties (the "Settlement"). Distributions to be made pursuant to the Plan shall be made on account of and in consideration of the Settlement. Entry of the Confirmation Order shall confirm the Bankruptcy Court's approval, as of the Effective Date of the Plan, of all components of the Settlement and the Bankruptcy Court's finding that the Settlement is in the best interests of the Debtors, their respective Estates, the Liquidating Trustee, and the Holders of Claims and interests, and is fair, equitable and reasonable.

6. **Subordination of Certain Claims**. The Plan constitutes a request for the Bankruptcy Court to authorize and approve the subordination of the Subordinated Claims and Insider Claims in accordance with Sections 510(b) and (c) of the Bankruptcy Code. Entry of the Confirmation Order shall confirm the Bankruptcy Court's approval, as of the Effective Date of the Plan, of the subordination of the Subordinated Claims and Insider Subordinated Claims.

7. **Closing the Chapter 11 Cases**. Upon the Effective Date, the Chapter 11 Cases for the Consolidated AgFeed USA Debtors, except for AgFeed USA, shall be deemed closed, and the Liquidating Trustee shall submit separate orders to the Bankruptcy Court under

certification of counsel closing each such Chapter 11 Case. After all Causes of Action and Disputed Claims have been resolved, the U.S. Trustee Fees have been paid , all of the Consolidated AgFeed USA Estate Assets have been distributed in accordance with this Plan and such Cash has been distributed in accordance with this Plan, or at such earlier time as the Liquidating Trustee deems appropriate, the Liquidating Trustee shall seek authority from the Bankruptcy Court to close the Chapter 11 Case for AgFeed USA, in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules. After all Causes of Action and Disputed Claims have been resolved, the U.S. Trustee Fees have been paid, all of the AgFeed Industries Estate Assets have been distributed in accordance with the Plan and such Cash has been distributed in accordance with the Plan, or such earlier time as the Liquidating Trustee deems appropriate, the Liquidating Trustee shall seek authority from the Bankruptcy Court to close the Chapter 11 Case for AgFeed Industries, in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules..

8. **Cancellation of Instruments and Stock**. On the Effective Date, all instruments evidencing or creating any indebtedness or obligation of the Debtors, except such instruments that are authorized or issued under the Plan, shall be canceled and extinguished. Additionally, as of the Effective Date, all Interests, and any and all warrants, options, rights or interests with respect to Interests that have been issued, could be issued or that have been authorized to be issued but that have not been issued, shall be deemed canceled and extinguished without any further action of any party provided, however, that AgFeed Industries shall issue one (1) share of common stock to the Liquidating Trust, and the Liquidating Trustee shall serve as the sole officer and director of AgFeed Industries. The Holders of, or parties to, the canceled notes, membership interests, share certificates and other agreements and instruments shall have no rights arising from or relating to such notes, share certificates and other agreements and instruments or the cancellation thereof, except the rights provided pursuant to the Plan.

9. **Operating Reports**. Prior to the Effective Date, the Debtors shall timely File all reports, including without limitation, monthly operating reports required by the Bankruptcy Court, Bankruptcy Code, Bankruptcy Rules or the Office of the United States Trustee. On and after the Effective Date, the Liquidating Trustee shall timely File all reports, including without limitation, quarterly operating reports as required by the Bankruptcy Court, Bankruptcy Code, Bankruptcy Rules or the Office of the United States Trustee until entry of an order closing or converting the Chapter 11 Cases.

10. **Disposition of Books and Records**. After the Effective Date, the Debtors shall transfer the Debtors' books and records in the Debtors' possession, relating to the conduct of the Debtors' business prior to the Effective Date to the Liquidating Trust. From and after the Effective Date, the Liquidating Trustee shall continue to preserve and maintain all documents and electronic data transferred to the Liquidating Trust by the Debtors and the Liquidating Trustee, subject to Section 6.5, shall not destroy or otherwise abandon any such documents and records (in electronic or paper format) absent further order of the Bankruptcy Court after a hearing upon notice to parties-in-interest provided, however, that the Liquidating Trustee may destroy or abandon such books and records upon entry of a Final Order closing the last Chapter 11 Case.

11. **Corporate Action**. On the Effective Date, all matters expressly provided for under the Plan that would otherwise require approval of shareholders or directors of one or more of the Debtors, including, but not limited to dissolution or merger of any of the Debtors, shall be deemed to have occurred and shall be in effect upon the Effective Date.

12. **Corporate Existence and Dissolution of Debtors**. Upon the Effective Date, the Consolidated AgFeed USA Debtors, except for AgFeed USA, shall be deemed dissolved and the Liquidating Trustee shall be authorized to file a certificate of cancellation or any other documents necessary to cancel the legal existence of the Consolidated AgFeed USA Debtors other than AgFeed USA. Upon the final distributions, including the payment of the Remaining Distributable AgFeed USA Estate Assets to AgFeed Industries, each of the Consolidated AgFeed USA Debtors shall be deemed dissolved for all purposes without the necessity for other or further actions to be taken by or on behalf of the Debtors and the Liquidating Trustee shall be authorized to file any certificate of cancellation or other documents as may be necessary or desirable to terminate the legal existence of AgFeed USA. Upon the final distributions with respect to the Remaining AgFeed Industries Estate Assets, AgFeed Industries shall be deemed dissolved for all purposes without the necessity for other or further actions to be taken by or on behalf of the Debtors and the Liquidating Trustee shall be authorized to file any certificate of dissolution or other documents as may be necessary or desirable to terminate the legal existence of AgFeed Industries.

F. Reserves and Distributions

1. Establishment of Accounts Reserves.

On or before the Effective Date, and prior to making any Distributions, the Debtors, in consultation with either the Plan Supporter or the Committees to the extent set forth in the Plan, shall establish, each in amounts approved by the Confirmation Order or other order of the Bankruptcy Court, the Post-Confirmation Operating Account, the AgFeed USA SAP Claims Reserve, the AgFeed Industries SAP Claims Reserve, the AgFeed USA General Unsecured Claims Reserve, the AgFeed Industries General Unsecured Claims Reserve, the AgFeed USA Professional Fee Claims Reserve, the AgFeed Industries Professional Fee Claims Reserve, the Insider Subordinated Claims Reserve and the Insider Interests Reserve and shall transfer thereto the amount of Cash, as set forth herein, in the Confirmation Order or other Order of the Bankruptcy Court, which has been deemed necessary to fund each Reserve which may be in one or more bank accounts or designated within one account. In addition, on the Effective Date and prior to making any Distributions, the Debtors, in consultation with the Plan Supporter shall also establish the Liquidating Trust Expense Reserve from the AgFeed Industries Estate Assets, and shall transfer thereto the amount of Cash as determined by the Liquidating Trustee that is necessary to fund the estimated Liquidating Trust Expenses, including, but not limited to the pursuit of Causes of Action. Following the Effective Date, the Liquidating Trustee shall be authorized, consistent with Section 7.2(b) of the Plan, to make any appropriate and necessary adjustments to the Reserves (i) in consultation with the Liquidating Trust Oversight Committee or (ii) upon order by the Bankruptcy Court after notice and a hearing.

2. Funding of Reserves.

With respect to the AgFeed USA SAP Claims Reserve, the AgFeed Industries SAP Expense Claims Reserve, the AgFeed USA General Unsecured Claims Reserve, the AgFeed Industries General Unsecured Claims Reserve, Insider Interests Reserve and any reserves established under the Class Fund Distribution Procedures and/or the SEC Fairness Fund Distributions Procedures, the amount of Cash deposited or designated for each of the foregoing reserves shall be equal to the percentage of Cash that Holders of Disputed Claims or Interests in each reserve would be entitled under the Plan if such Disputed Claims or Interests were Allowed Claims or Interests in the amount of such Disputed Claims or Interests such lesser amount as authorized in Section 7.2(a) of the Plan. With respect to the Liquidating Trust Expense Reserve, the amount of Cash deposited into such reserve shall be equal to the amount of Cash necessary to fund the expenses expected to be incurred by the Liquidating Trustee as determined in the Liquidating Trustee's discretion.

a. Upon resolution of a Disputed Claim or Disputed Interest, the funds in the applicable Reserve to pay such Claim or Interests to the extent Allowed shall be released for Distribution to the holder of such Claim or Interest pursuant to Section 7.7. The balance of funds in a Disputed Claim or Disputed Interests Reserve remaining following the release of funds sufficient for distribution to the Allowed Claim or Interest, or any other available Cash, shall be contributed to the Liquidating Trust Expense Reserve which, to the extent overfunded upon the anticipated dissolution

of the Liquidating Trust in accordance with Section 6.3(j), shall become Net Distributable Cash for distribution in accordance with the Plan.

b. For the purposes of effectuating the provisions of this section and the Distributions to Holders of Allowed Claims, the Liquidating Trustee may, at any time and regardless of whether an objection to a Disputed Claim has been brought, request that the Bankruptcy Court estimate, set, fix or liquidate the amount of such Disputed Claims pursuant to Section 502(c) of the Bankruptcy Code, in which event the amounts so estimated, fixed or liquidated shall be deemed the Allowed amounts of such Claims for purposes of Distribution under the Plan and establishment of the necessary Reserve. In lieu of estimating, fixing or liquidating the amount of any Disputed Claims, the Bankruptcy Court may determine the amount to be reserved for such Disputed Claims (singularly or in the aggregate), or such amount may be fixed by an agreement in writing by and between the Liquidating Trustee and the Holder of such Disputed Claims.

3. Establishment of Class Fund and SEC Fairness Fund.

a. Class Fund. On or before the Effective Date, and after all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, Allowed General Unsecured Claims, and Allowed Secured Claims have been paid (or the appropriate Reserves as set forth in the Plan have been funded), the Debtors or the Liquidating Trustee shall establish the Class Fund in the initial amount of approximately $4.785 million which amount represents the Class Plaintiffs' Allowed Claim in the amount of $7.0 million, less allowed professional fees and expenses approved by the Tennessee District Court, not to exceed $2.1 million in fees plus reasonable expenses up to $115,000. Fifty percent of the Subordinated Claims Distribution Expenses shall be paid from the Class Fund.

b. SEC Fairness Fund. On or before the Effective Date, and after all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, Allowed General Unsecured Claims, and Allowed Secured Claims have been paid (or the appropriate Reserves as set forth in the Plan have been funded), the Debtors or the Liquidating Trustee shall establish the SEC Fairness Fund in the initial amount of $5.5 million which amount represents the contribution from the SEC on account of its Allowed Claim. Fifty percent of the Subordinated Claims Distribution Expenses shall be paid from the SEC Fairness Fund.

4. Disbursing Agent.

On and after the Effective Date, the Liquidating Trustee shall serve as the Disbursing Agent, provided that, in the Liquidating Trustee's discretion, the Liquidating Trustee may retain

a third party to act as Disbursing Agent to assist in or make the Distributions required by the Plan.

5. Distributions by Disbursing Agent.

Within the time periods provided in Sections 7.6 and 7.7 of the Plan, the Disbursing Agent shall make periodic and final distributions of the Estates' Assets on hand, except that the Liquidating Trustee shall reserve such amounts as are necessary to maintain the Reserves in accordance with the terms of the Plan. The Liquidating Trustee may withhold from amounts distributable to any Person any and all amounts, determined in the Liquidating Trustee's reasonable sole discretion, to be required by any law, regulation, rule, ruling, directive or other governmental requirement.

The Liquidating Trustee shall require any Holders of Allowed Claims or Interests or other distributee to furnish to the Liquidating Trustee in writing an Employer Identification Number or Taxpayer Identification Number as assigned by the Internal Revenue Service and the Liquidating Trustee may condition any Distribution to any Holders of Allowed Claims or Interests or other distributee upon receipt of such identification number. If the Employer Identification Number or Taxpayer Identification Number are not provided by the required deadline established by the Liquidating Trustee, the Claim of any Holders of Allowed Claims or Interests or other distributee may be expunged and no Distribution will be issued by the Disbursing Agent to such Holders of Allowed Claims or Interests or other distribute.

6. Timing of Distributions.

a. **For Claims Against and Interest In the Consolidated AgFeed USA Debtors**

i. The Disbursing Agent shall pay each Allowed Administrative Expense Claim, Allowed Priority Tax Claim, Allowed Priority Non-Tax Claim, Allowed Secured Claim, Allowed General Unsecured Claim (or reserved for each as set forth in the Plan or Confirmation Order) and the Initial Distributable AgFeed USA Estate Assets (i) as soon as is reasonably practicable on or after the Effective Date, or (ii) on the later of: (x) as soon as practicable after the date on which such Claim becomes an Allowed Claim by Final Order, or (y) such other date as may be agreed upon by the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, or the Debtors, in consultation with the Plan Supporter and the Holder of such Allowed Claim; provided, however, that the list of Allowed Claims identified in the Plan Supplement, to the extent no already paid pursuant to an order of the Bankruptcy Court, shall become Allowed upon entry of the Confirmation Order; and provided, further, however, that Allowed General Unsecured Claims shall be paid no later than ten (10) business days after the Claim is Allowed; and

ii. As soon as reasonably practicable, after all Claims against the Consolidated AgFeed USA Debtors, U.S. Trustee Fees, Professional Fees and the Liquidating Trustee Expenses have been Allowed and paid or Disallowed by Final Order, the Remaining Distributable AgFeed USA Estate Assets shall be distributed by the Disbursing Agent in accordance with the Plan.

b. **For Claims Against and Interests in AgFeed Industries**

i. The Disbursing Agent shall pay each Allowed Administrative Expense Claim, Allowed Priority Tax Claim, Allowed Priority Non-Tax Claim, Allowed General Unsecured Claim, and Allowed Secured Claim, or reserved for each as set forth in the Plan as soon as is reasonably practicable on or after the Effective Date. For each Administrative Expense Claim, Priority Tax Claim, Priority Non-Tax Claim, General Unsecured Claim, and Secured Claim that is subsequently Allowed, the Disbursing Agent shall pay the Holder of such Claim on the later of: (x) as soon as practicable after the date on which such Claim becomes an Allowed Claim by Final Order or (y) such other date as may be agreed upon by the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, or Debtors, in consultation with the Plan Supporter, and the Holder of such Allowed Claim; provided, however, that the list of Allowed Claims identified in the Plan Supplement, to the extent no already paid pursuant to an order of the Bankruptcy Court, shall become Allowed upon entry of the Confirmation Order; and provided, further, however, that Allowed General Unsecured Claims shall be paid no later than ten (10) business days after the Claim is Allowed;;

ii. As soon as reasonably practicable after all Claims identified in subsection (i) above have been paid, or reserved for each as set forth in the Plan, the Allowed SEC Claim, which shall be payable from the AgFeed Industries Net Distributable Cash, shall be deemed contributed under the Plan as follows: $12.5 million of the recovery on its Allowed Claim to the Liquidating Trust for Distribution to the Holders of Class 5B Interests and $5.5 million of the recovery on its Allowed Claim to the SEC Fairness Fund established under the Plan;

iii. As soon as reasonably practicable, after all Claims identified in subsections (i) and (ii) above have been paid, or reserved for each as set forth in the Plan, the Liquidation Trustee shall Distribute their Pro Rata share of the $12.5 million from the contribution from the SEC Claim plus the AgFeed Industries Net Distributable Cash to the Holders of the Class 5B Interests as of the Distribution Record Date;

iv. As soon as reasonably practicable, after all the Claims identified in subsections (i), (ii) and (iii) above have been paid, or reserved for as set forth in the Plan, the Class Plaintiffs Allowed Claim shall be satisfied as follows: $3.15 million from the AgFeed Industries Net Distributable Cash and $3.85 million from contributed insurance proceeds. The Class Plaintiffs shall be deemed to have contributed such $7.0 million Allowed Claim, less Class Plaintiffs' counsel legal fees and expenses incurred in connection with the Class Action Litigation in an amount approved by the Tennessee District Court, not to exceed $2.1 million in fees, plus expenses not to exceed $115,000, which shall be solely payable from the Allowed Class Plaintiff's Claim;

v. As soon as reasonably practicable, after all the Claims or Interests identified in subsections (i), (ii), (iii) and (iv) above have been paid, or reserved for as set forth in the Plan and Professional Fees and Liquidating Trustee Expenses have been paid and/or reserved for as set forth in the Plan, and after the Allowed amounts of all Subordinated Claims have been finally determined, the Liquidating Trustee shall distribute the Class Fund and the SEC Fairness Fund to Holders of Class 6B Subordinated Claims in accordance with the Class Fund Distribution Procedures and the SEC Fairness Fund Distribution Procedures;

vi. As soon as reasonably practicable, after all the Claims or Interests identified in subsections (i), (ii) (iii), (iv) and (v) above have been paid, or reserved for as set forth in the Plan, Professional Fees and Liquidating Trustee Expenses have been paid and/or reserved for as set forth in the Plan, and after the Liquidating Trustee completes his or her investigation into potential Causes of Action and the allowance of Insider Subordinated Claim has been finally determined, the Liquidating Trustee shall distribute to any Holder of an Insider Subordinated Claim his or her Insider Subordinated Claim Recovery Percentage in accordance with Section 3.2(g) of this Plan; and

vii. Net proceeds or recoveries from settlement, litigation or otherwise as the result of the Liquidating Trustee's pursuit of Causes of Action shall be Distributed Pro Rata to Allowed Class 5B Interests, provided, however, that Insider Interests are deemed Disputed until Allowed after the conclusion of the Liquidating Trustee's investigation into potential Causes of Action, and therefore, there shall be no Distributions to Holders of Insider Interests unless and until Allowed.

7. Distributions Upon Allowance of Disputed Claims or Disputed Interests.

The Holder of a Disputed Claim or Disputed Interest that becomes an Allowed Claim or Allowed Interest subsequent to the Effective Date shall receive a Distribution from the applicable Reserve as soon as reasonably practicable following the date on which such Disputed Claim or Disputed Interest becomes an Allowed Claim pursuant to a Final Order or by agreement of the parties in accordance with Article VII of the Plan. Consistent with Section 6.3of the Plan, the Liquidating Trustee is authorized to make such periodic Distributions in a manner and time period as the Liquidating Trustee deems appropriate in the Liquidating Trustee's sole discretion. Such Distributions shall be made in accordance with the Plan based upon the Distributions that would have been made to such Holder under the Plan if the Disputed Claim or Disputed Interest had been an Allowed Claim or Allowed Interest on or prior to the Effective Date. No Holder of a Disputed Claim or Disputed Interest shall have any Claim against the applicable Reserve, the Disbursing Agent, the Liquidating Trustee, the Liquidating Trust Oversight Committee, the Estates' Assets, the Debtors or the Estates with respect to such Claim or Interest until such Disputed Claim or Disputed Interest becomes an Allowed Claim or Allowed Interest, and no Holder of a Disputed Claim or Disputed Interest shall have any right to interest, dividends or other Distributions on such Disputed Claim or Disputed Interest except as provided in the Plan.

8. Undeliverable and Unclaimed Distributions.

If the Distribution to any Holder of an Allowed Claim or Allowed Interest is returned to the Disbursing Agent as undeliverable or is otherwise unclaimed, no additional Distributions shall be made to such Holder unless and until the Disbursing Agent is notified in writing of such Holder's then-current address. Nothing contained in the Plan shall require the Disbursing Agent to attempt to locate any Holder of an Allowed Claim or Allowed Interest.

a. **After Distributions Become Deliverable**. If the Distribution to any Holder of an Allowed Claim is returned to the Disbursing Agent as undeliverable or is otherwise unclaimed, no additional Distributions shall be made to such Holder unless and until the Disbursing Agent is notified in writing of such Holder's then-current address. Nothing contained in the Plan shall require the Disbursing Agent to attempt to locate any Holder of an Allowed Claim.

b. **Failure to Claim Unclaimed/Undeliverable Distributions**. Any Holder of an Allowed Claim or Allowed Interest that does not assert a claim pursuant to the Plan for an undeliverable or unclaimed Distribution within six (6) months after the Distribution Date shall be deemed to have forfeited its right to such undeliverable or unclaimed Distribution and any subsequent Distributions shall be forfeited unless and until the Holder provides the Disbursing Agent a correct and deliverable mailing address. Unclaimed Distributions shall be paid to Holders of Allowed Claims or

Allowed Interests according to the parameters set forth in Article IV above within the time periods provided in Section 7.7 of the Plan, free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary.

c. **Charitable Donations.** On or about the time that a final distribution is made and upon the Liquidating Trustee determining that there are insufficient funds remaining in the Liquidating Trust to warrant a further distribution to Holders of Claims or Interests under the Plan, the Liquidating Trustee may donate any undistributed funds to one or more charities selected by the Liquidating Trustee, provided that any charity selected shall not be affiliated with or connected to the Debtors or the Liquidating Trustee.

9. Interest on Claims.

Post-petition interest on an Allowed Claim shall accrue only as provided for in the Plan and as described above in Sections V(C)(4)(a)(iii) and V(C)(4)(b)(v), or in the Confirmation Order.

10. No Distribution in Excess of Allowed Amount of Claim.

Notwithstanding anything to the contrary herein, no Holder of an Allowed Claim will receive, in respect of such Claim, Distributions under the Plan in excess of the Allowed amount of such Claim.

11. Means of Cash Payment.

Cash payments made pursuant to the Plan shall be in U.S. funds, by the means, including by check or wire transfer, determined by the Liquidating Trustee.

12. Delivery of Distribution.

Except as otherwise set forth in the Plan, Distributions to Holders of Allowed Claims or Allowed Interests shall be made (a) at the addresses set forth on the proofs of Claim or proofs of Interest Filed by such Holders (or at the last known addresses of such Holders if no proof of Claim is Filed or if the Disbursing Agent has been notified of a change of address), (b) at the addresses set forth in any written notices of address changes delivered to the Disbursing Agent, or (c) if no proof of Claim or proof of Interest has been Filed and the Disbursing Agent has not received a written notice of a change of address, at the addresses reflected in the Schedules, if any.

13. Record Date for Distributions.

The Liquidating Trustee will have no obligation to recognize the transfer of, or the sale of any participation in, any Allowed Claim that occurs after the 5:00 p.m. (prevailing Eastern Time) on the Distribution Record Date, and will be entitled for all purposes herein to recognize and distribute only to those Holders of Allowed Claims or Allowed Interests that are Holders of such

Claims, Interests, or participants therein, as of the close of business on the Distribution Record Date. The Liquidating Trustee shall instead be entitled to recognize and deal for all purposes under the Plan with only those record holders stated on the official claims register as of the close of business on the Distribution Record Date.

14. No Distributions Pending Allowance.

Notwithstanding any other provision of the Plan, no payments or Distributions by the Disbursing Agent shall be made with respect to all or any portion of a Disputed Claim, Disputed Interest, or any holder of a Claim that is the subject of pending litigation commenced by the Debtors or the Liquidating Trustee, unless and until all Objections to such Disputed Claim or Disputed Interest, or the litigation against the holder of a Claim that is subject to pending litigation by the Debtors or the Liquidating Trustee have been settled or withdrawn by agreement of the parties or have been determined by Final Order, and the Disputed Claim, Disputed Interest, or the holder of a Claim that is subject to pending litigation, or some portion thereof, has become an Allowed Claim or Allowed Interest; provided however, that the Liquidating Trustee may, in his or her sole discretion, pay any undisputed portion of a Disputed Claim, Disputed Interest, or Claim of a Holder that was subject to pending litigation.

15. Withholding and Reporting Requirements.

In connection with the Plan and all Distributions hereunder, the Disbursing Agent shall, to the extent applicable, comply with all tax withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all Distributions hereunder shall be subject to any such withholding and reporting requirements. The Disbursing Agent shall be authorized to take any and all actions that may be reasonably necessary or appropriate to comply with such withholding and reporting requirements. Each Holder of an Allowed Claim or Allowed Interest shall be required to provide any information necessary to effect information reporting and the withholding of such taxes. Notwithstanding any other provision of the Plan, each Holder of an Allowed Claim or Allowed Interest that is to receive a Distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Unit, including income, withholding and other tax obligations, on account of such Distribution.

16. Setoffs.

The Liquidating Trustee, as applicable, may, but shall not be required to, setoff against any Claim or Interest, claims of any nature whatsoever that a Debtor may have against the Holder of such Claim or Interest; provided, however, neither the failure to do so nor the allowance of any Claim or Interest hereunder shall constitute a waiver or release by the Liquidating Trustee of any such claim that the Debtor may have against such Holder, unless otherwise agreed to in writing by such Holder and the Liquidating Trustee.

17. *De Minimis* Distributions.

Notwithstanding any provision in the Plan to the contrary, no payment in the aggregate of less than one-hundred dollars ($100.00) shall be made on account of any Allowed Claim or

Allowed Interest. All Distributions not made pursuant to Section 7.17 of the Plan shall be treated as Unclaimed Distributions and are subject to Section 7.8 of the Plan.

18. Extensions of Time.

The Liquidating Trustee, with the unanimous consent of the Liquidating Trust Oversight Committee may submit an order to the Bankruptcy Court under certification of counsel extending any deadlines for making of Distributions or the establishment of Reserves hereunder prior to the occurrence of any such deadline. If the Liquidating Trust Oversight Committee does not unanimously consent, the Liquidating Trustee may File a motion, upon notice and a hearing, to extend any such deadlines prior to the occurrence of any such deadlines, to the extent necessary, which deadlines shall be deemed automatically extended after the Filing of such motion, and pending the entry of an order by the Bankruptcy Court extending any such deadline.

G. Procedures for Claims Objections and Estimation of Claims

1. Claims Objection Deadline; Prosecution of Claims Objections.

Except as otherwise provided for in the Plan, as soon as reasonably practicable on or after the Effective Date, but in no event later than the Claims Objection Deadline (unless extended by an Order of the Bankruptcy Court), the Liquidating Trustee shall File Objections to Claims and Interests and serve such objections upon the Holders of each of the Claims and Interests to which Objections are made. The Liquidating Trustee shall be authorized to resolve all Disputed Claims or Disputed Interests by withdrawing or settling such Objections thereto, or by litigating to judgment in the Bankruptcy Court, or such other court having competent jurisdiction, the validity, nature, and/or amount thereof. If the Liquidating Trustee agrees with the Holder of a Disputed Claim or Disputed Interest to compromise, settle, and resolve a Disputed Claim or Disputed Interest by granting such Holder an Allowed Claim or Allowed Interest, then the Liquidating Trustee may compromise, settle, or resolve such Disputed Claim without Bankruptcy Court approval, subject to Liquidating Trust Oversight Committee approval as required by Section 6.2(b) of the Plan.

2. Estimation of Claims.

The Liquidating Trustee, may at any time, request that the Bankruptcy Court estimate any Contingent or unliquidated Claim pursuant to Section 502(c) of the Bankruptcy Code regardless of whether the Debtors, the Liquidating Trustee or any party in interests previously objected to such Claim. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation or a hearing concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. Subject to the provisions of Section 502(j) of the Bankruptcy Code, in the event that the Bankruptcy Court estimates any Contingent or unliquidated Claim, the amount so estimated shall constitute the maximum allowed amount of such Claim. If the estimated amount constitutes the maximum allowed amount of such Claim, the Liquidating Trustee may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation and resolution procedures are intended to be cumulative and not necessarily exclusive of one another.

Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court, or in accordance with the Plan.

H. Executory Contracts and Leases

1. Executory Contracts and Unexpired Leases Deemed Rejected.

Except as otherwise provided for in the Plan, on the Effective Date, all of the Debtors' Executory Contracts and unexpired leases will be deemed rejected as of the Effective Date in accordance with, and subject to, the provisions and requirements of Sections 365 and 1123 of the Bankruptcy Code, except to the extent: (a) the Debtors previously have assumed, assumed and assigned or rejected such Executory Contract or unexpired lease, or (b) prior to the Effective Date, the Debtors have Filed a motion to assume, assume and assign, or reject an Executory Contract or unexpired lease on which the Bankruptcy Court has not ruled. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of all rejections of Executory Contracts and unexpired leases pursuant to this Section 9.1 and Sections 365(a) and 1123 of the Bankruptcy Code.

2. Insurance Policies.

Notwithstanding anything to the contrary in the Plan or Confirmation Order, any insurance policies of the Debtors in which the Debtors are or were insured parties (including, without limitation, any policies covering directors' or officers' conduct) or any related insurance agreement issued prior to the Petition Date shall continue in effect after the Effective Date pursuant to the respective terms and conditions and shall be treated as if assumed. To the extent that any insurance policy or related insurance agreement are deemed executory contracts, then, notwithstanding anything to the contrary in the Plan, the Plan shall constitute a motion to assume, assume and assign, or ratify such insurance policies or insurance agreements. Subject to the occurrence of the Effective Date, the entry of the Confirmation Order shall constitute approval of such assumption pursuant to section 365 of the Bankruptcy Code and a finding by the Bankruptcy Court that such assumption is in the best interest of the Estates. Unless otherwise determined by the Bankruptcy Court pursuant to a Final Order or agreed upon by the parties prior to the Effective Date, no payments shall be required to cure any defaults of the Debtors existing as of the Confirmation Date with respect to the respective insurance policy or insurance agreement assumed by the Debtors pursuant to the Plan.

3. Bar Date for Rejection Damages Claims.

If the rejection by the Debtors of an Executory Contract or an unexpired lease pursuant to Section 9.1 of the Plan results in damages to the other party or parties to such Executory Contract or unexpired lease, a Claim for such damages arising from such rejection shall not be enforceable against the Debtors or their Estates or agents, successors, or assigns, unless a Proof of Claim is Filed with the Claims Agent so as to actually be received on or before the Rejection Bar Date.

VII.

CONFIRMATION AND CONSUMMATION OF THE PLAN

A. Each of the following is a condition precedent to the occurrence of the Effective Date

1. Conditions Precedent to the Effective Date.

a. the Confirmation Order, shall have been entered by the Bankruptcy Court;

b. the Debtors and the Liquidating Trustee shall have executed the Liquidating Trust Agreement;

c. the Debtors, in consultation with the Plan Supporter, shall have sufficient Cash to pay all Allowed Claims in accordance with the Plan or established the applicable Reserves pursuant to Article VII of the Plan; and

d. all documents, instruments, and agreements provided under, or necessary to implement, the Plan shall have been executed and delivered by the applicable parties and shall be in a form and substance reasonably acceptable to the Debtors.

B. Notice of Effective Date

On or before five (5) Business Days after the Effective Date, the Liquidating Trustee shall mail or cause to be mailed to all Holders of Claims and Interests a notice that informs such Persons of (a) the entry of the Confirmation Order, (b) the occurrence of the Effective Date, (c) notice of the Second Administrative Expense Bar Date, Professional Fee Bar Date and Rejection Bar Date and (d) such other matters as the Debtors or the Liquidating Trustee deems appropriate or as may be ordered by the Bankruptcy Court.

C. Waiver of Condition Precedent to the Effective Date

The Debtors, after consultation with the Committees, may at any time, without notice or authorization of the Bankruptcy Court, waive in writing any or all of the conditions precedent to the Effective Date set forth in Section 10.1(d), whereupon the Effective Date shall occur without further action by any Person. The Debtors and the Liquidating Trustee reserve the right to assert that any appeal from the Confirmation Order shall be moot after the Effective Date of the Plan.

D. Effect of Nonoccurrence of Conditions

If each of the conditions specified in Section 10.1 have not been satisfied or waived in the manner provided in Section 10.3 herein within sixty (60) calendar days after the Confirmation Date, then any party in interest may File a motion with the Bankruptcy Court seeking to have the Confirmation Order vacated, and if the Bankruptcy Court enters an order vacating the Confirmation Order, then: (i) the Confirmation Order shall have no further force or effect; (ii) no Distributions under the Plan shall be made; (iii) the Debtors and all Holders of Claims against or

Interests in the Debtors shall be restored to the status quo as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred; and (iv) all of the Debtors' obligations with respect to Claims and Interests shall remain unaffected by the Plan and nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors or any other Person or to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors, and the Plan shall be deemed withdrawn.

VIII.

EFFECTS OF CONFIRMATION OF THE PLAN

A. Exculpation and Releases

1. Exculpation and Limitation of Liability.

Notwithstanding any other provision of the Plan, the Released Parties shall not have or incur any liability to, or be subject to any right of action by, any Holder of a Claim or an Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or agents acting in such capacity, or Affiliates, or any of their successors or assigns, for any act or omission relating to, in any way, or arising from (i) these Chapter 11 Cases, without limitation, including the decision to File these Chapter 11 Cases, (ii) formulating, negotiating or implementing the Plan (including the Disclosure Statement), any contract, instrument, release or other agreement or document created or entered into in connection with the Plan; (iii) any other post-petition act taken or omitted to be taken in connection with or in contemplation of the restructuring or liquidation of the Debtors; (iv) the solicitation of acceptances of the Plan, the pursuit of Confirmation of the Plan, the Confirmation of the Plan, the Consummation of the Plan or (v) the administration of the Plan or the property to be distributed under the Plan, except for their gross negligence or willful misconduct as determined by a Final Order. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations and any other applicable law or rules protecting such Released Parties from liability.

2. Releases by the Debtors.

Except as otherwise expressly provided in the Plan or the Confirmation Order, on the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, each of the Debtors, on their own behalf and as a representative of their respective Estates, shall, and shall be deemed to, completely and forever release, waive, void, extinguish and discharge unconditionally, each and all of the Released Parties and the Released Insurance Carrier(s) of and from any and all Claims, Causes of Action, obligations, suits, judgments, damages, debts, rights, remedies and liabilities of any nature whatsoever, whether liquidated or unliquidated, fixed or Contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, that are or may be based in whole or part on any act, omission, transaction, event or other circumstance taking place or existing on or prior to the

Effective Date (including prior to the Petition Date) in connection with or related to any of the Debtors, their respective assets, property and Estates or the Chapter 11 Cases, that may be asserted by or on behalf of any of the Debtors or their respective Estates, against any of the Released Parties; provided, however, that nothing in this Article XI shall be either (i) construed as a release or waiver of either the Debtors' or the Liquidating Trustee's ability and right to assert claims in connection with the Class Action Litigation or (ii) construed as a release of any Released Party from willful misconduct or gross negligence as determined by a Final Order.

3. Injunction.

Except as provided in the Plan or the Confirmation Order, as of the Effective Date, (i) all Persons that hold, have held, or may hold a Claim or any other obligation, suit, judgment, damages, debt, right, remedy, causes of action or liability of any nature whatsoever, relating to any of the Debtors or any of their respective assets, property and Estates, that is released or enjoined pursuant to the Plan and (ii) all other parties in interest in these Chapter 11 Cases are, and shall be, permanently, forever and completely stayed, restrained, prohibited, barred and enjoined from taking any of the following actions against any Released Party or Released Insurance Carrier(s), or the Estates' Assets, subject to administration under the Plan, on account of such released liabilities, whether directly or indirectly, derivatively or otherwise, on account of or based on the subject matter of such Claims or other obligations, suits, judgments, damages, debts, rights, remedies, causes of action or liabilities:

a. **commencing, conducting, or continuing in any manner, directly, or indirectly, any suit, action or other proceeding against any Released Party, or Released Insurance Carrier(s), in their respective capacities as such, or the Estates' Assets, in any forum (including, without limitation, any judicial, arbitral, administrative or other proceeding);**

b. **enforcing, attaching, executing, collecting or recovering in any manner, directly or indirectly, any judgment, award, decree, or order against any Released Party, or Released Insurance Carrier(s), in their respective capacities as such, or the Estates' Assets;**

c. **creating, perfecting, or enforcing, directly or indirectly, in any manner, any lien or encumbrance of any kind against any Released Party, or Released Insurance Carrier(s), in their respective capacities as such, or the Estates' Assets;**

d. **asserting or effecting, directly or indirectly, any setoff or right of subrogation of any kind against any obligation due to any Released Party, or Released Insurance Carrier(s), in their respective capacities as such, or the Estates' Assets; and**

e. **any act, in any manner, in any place whatsoever, that does not conform to, comply with, or is inconsistent with the provisions of the**

Plan in respect of any Released Party, or Released Insurance Carrier(s), in their respective capacities as such, or the Estates' Assets.

For the avoidance of doubt and notwithstanding anything to the contrary in the Plan, the Disclosure Statement, or the Confirmation Order, nothing in Section 11.1(c) of the Plan shall stay, restrain, prohibit, bar or enjoin any entity from taking any action against or seeking relief from any Released Party or Released Insurance Carrier(s) for any act or omission constituting, arising out of, or relating to such Released Party's or Released Insurance Carrier(s)' gross negligence or willful misconduct as determined by a Final Order.

Any Person or Entity injured by any willful violation of such injunction may seek actual damages and, in appropriate circumstances, may seek punitive damages from the willful violator. Nothing contained in this Article XI of the Plan shall prohibit the Holder of a Disputed Claim or Disputed Interest from litigating its right to seek to have such a Disputed Claim or Disputed Interest declared an Allowed Claim or Allowed Interest and paid in accordance with the distribution provisions of the Plan, or enjoin or prohibit the enforcement by the Holder of such Disputed Claim or Disputed Interest of any of the obligations of any Released Party or Released Insurance Carrier(s) under the Plan.

B. Term of Bankruptcy Injunction or Stays

All injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

IX.

RETENTION OF JURISDICTION

A. Exclusive Jurisdiction of Bankruptcy Court

Pursuant to Sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

1. allow, disallow, determine, subordinate, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim or Interest (whether Filed before or after the Effective Date and whether or not Contingent, Disputed, or unliquidated or for contribution, indemnification or reimbursement), including the compromise, settlement and resolution of any request for payment of any Claims or Interests, the resolution of any Objections to the allowance or priority of

Claims or Interests and to hear and determine any other issue presented hereby or arising hereunder, including during the pendency of any appeal relating to any Objection to such Claim or Interest to the extent permitted under applicable law;

2. grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan, for periods ending on or before the Effective Date;

3. hear and determine any and all adversary proceedings, motions, applications, and contested or litigated matters, including, but not limited to, all Causes of Action, and consider and act upon the compromise and settlement of any Claim or Interest, or Cause of Action;

4. determine and resolve controversies related to the Estates' Assets;

5. determine and resolve any matters related to the assumption, assumption and assignment or rejection of any Executory Contract or unexpired lease to which the Debtors are a party or with respect to which the Debtors may be liable, and to hear, determine and, if necessary, liquidate any Claims arising there from;

6. ensure that all Distributions to Holders of Allowed Claims or Allowed Interests under the Plan and the performance of the provisions of the Plan are accomplished as provided herein and resolve any issues relating to Distributions to Holders of Allowed Claims or Allowed Interests pursuant to the provisions of the Plan;

7. construe, take any action and issue such orders, prior to and following the Confirmation Date and consistent with Section 1142 of the Bankruptcy Code, as may be necessary for the enforcement, implementation, execution and Consummation of the Plan and all contracts, instruments, releases, other agreements or documents created in connection with the Plan, including, without limitation, the Disclosure Statement and the Confirmation Order, for the maintenance of the integrity of the Plan in accordance with Sections 524 and 1141 of the Bankruptcy Code following the occurrence of the Effective Date;

8. determine and resolve any cases, controversies, suits or disputes that may arise in connection with the Consummation, interpretation, implementation or enforcement of the Plan (and all exhibits and schedules to the Plan) or the Confirmation Order, including the releases and injunction provisions set forth in and contemplated by the Plan or the Confirmation Order, or any entity's rights arising under or obligations incurred in connection therewith;

9. modify the Plan, the Disclosure Statement, and/or the Confirmation Order before or after the Effective Date pursuant to Section 1127 of the Bankruptcy Code, as well as any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order,

or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code and the Plan;

10. issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any entity with Consummation, implementation or enforcement of the Plan or the Confirmation Order;

11. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

12. determine any other matters that may arise in connection with or relating to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement, or the Confirmation Order;

13. determine such other matters and for such other purposes as may be provided in the Confirmation Order;

14. hear and determine matters concerning state, local and federal taxes in accordance with Sections 346, 505 and 1146 of the Bankruptcy Code;

15. enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with these Chapter 11 Cases;

16. determine and resolve controversies related to the Estates, the Debtors or the Estates from and after the Effective Date;

17. determine and resolve controversies over the Class Fund Distribution Procedures and the SEC Fairness Fund Distribution Procedures;

18. hear and determine any other matter relating to the Plan; and

19. enter a final decree closing these Chapter 11 Cases.

X.

MISCELLANEOUS PROVISIONS

A. Modification of the Plan

The Debtors, with the consent of the Committees, may alter, amend, or modify the Plan or any exhibits or schedules hereto under Section 1127(a) of the Bankruptcy Code at any time after the Confirmation Date but prior to the substantial Consummation of the Plan, provided, however, that any such alteration, amendment or modification does not materially and adversely affect the treatment of Holders of Claims or Interests under the Plan, provided, further, however, that absent such consent from the Committees, the Debtors shall be authorized to seek Bankruptcy Court authority to alter, amend, or modify the Plan or any exhibits or schedules hereto under Section 1127 of the Bankruptcy Code. Any Holder of a Claim or Interest that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim or Interest of such Holder.

B. Substantial Consummation

Upon issuance of Distributions on account of all Claims on the Allowed Claims list, filed with the Plan Supplement, the Plan shall be deemed substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

C. Revocation, Withdrawal, or Non-Confirmation of the Plan

The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Hearing. If the Plan is revoked or withdrawn prior to the Confirmation Hearing, or if the Plan is not confirmed by the Bankruptcy Court, then:

1. the Plan shall be null and void in all respects, and

2. nothing contained in the Plan or the Disclosure Statement shall (i) constitute a waiver or release of any Claims by or against, or any Interests in, the Debtors or any other Person, (ii) prejudice in any manner the rights of the Debtors, the Creditors' Committee or the Equity Holders' Committee or any other Person, or (iii) constitute an admission of any sort by the Debtors, the Creditors' Committee or the Equity Holders' Committee, or any other Person.

D. Binding Effect

Except as otherwise provided in Section 1141(d)(3) of the Bankruptcy Code and subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Plan shall bind any Holder of a Claim against, or Interest in, the Debtors and such Holder's respective successors and assigns, whether or not the Claim or Interest of such Holder is Impaired under the Plan and whether or not such Holder has accepted the Plan.

E. Subordination Rights

The classification and manner of satisfying all Claims and Interests and the respective Distributions and treatments hereunder take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with the contractual, legal, and equitable subordination rights relating thereto, whether arising under contract, general principles of equitable subordination, Section 510(b) of the Bankruptcy Code, or otherwise. All subordination rights that a Holder of a Claim or Interest may have with respect to any Distribution to be made under the Plan shall be implemented through the Plan, and all actions by such Holder of a Claim or Interest related to the enforcement of such subordination rights shall be enjoined permanently. The provisions of any contractual or structural subordination of Claims or Interests shall remain enforceable by the Liquidating Trustee on behalf of the Estates and the Liquidating Trust after the occurrence of the Effective Date. Without limitation hereunder, the Liquidating Trustee, on behalf of the Estates and the Liquidating Trust, may likewise enforce any right of the Debtors or their Estates to equitably or otherwise subordinate Claims under Section 510 of the Bankruptcy Code, which rights are deemed transferred to, remain and are preserved in the Liquidating Trust Assets, except as otherwise expressly set forth herein or as expressly provided in a Final Order of the Bankruptcy Court in the Chapter 11 Cases.

F. Severability of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may be altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

G. Dissolution of the Committees

The Committees shall each dissolve on the Effective Date and the members of such Committees shall be released and discharged from all further rights and duties arising from or related to these Chapter 11 Cases, except with respect to, and to the extent of any applications for Professional Fee Claims or expense reimbursements for members of such Committees. The Professionals retained by the Committees shall not be entitled to assert any Administrative Expense Claims nor shall they have an Allowed Administrative Expense Claims for any services rendered or expenses incurred after the Effective Date except in respect of the preparation and prosecution of or any objection to any Filed fee application.

H. Exemption from Section 1146

Pursuant to Section 1146(a) of the Bankruptcy Code, under the Plan, the issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer under the Plan, may not be taxed under any law imposing a stamp tax or similar tax. To the extent that the Liquidating Trustee elects to sell any property prior to or after the Confirmation Date, such sales of property will be exempt from any transfer taxes in accordance with Section 1146(a) of the Bankruptcy Code. Any subsequent issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer under the Plan in the Chapter 11 Cases shall be deemed to be or have been done in furtherance of the Plan.

I. Filing of Additional Documents

On or before the Effective Date of the Plan, the Debtors may issue, execute, deliver, and File with the Bankruptcy Court or record any agreements and other documents, and take any action as may be necessary or appropriate to effectuate, consummate and further evidence the terms and conditions of the Plan.

J. Insurance

Confirmation of the Plan and the occurrence of the Effective Date shall have no effect on insurance policies of the Debtors in which the Debtors are or were insured parties. Each insurance company is prohibited from, and the Confirmation Order shall include an injunction against, denying, refusing, altering or delaying coverage on any basis regarding or related to these Chapter 11 Cases, the Plan or any provision within the Plan, including the treatment or means of liquidation set out within the Plan for insured Claims.

K. Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Person.

L. Governing Law

Except to the extent that the Bankruptcy Code or Bankruptcy Rules or other federal laws is applicable, and subject to the provisions of any contract, instrument, release, or other agreement or document entered into in connection with the Plan, the construction, implementation and enforcement of the Plan and all rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to conflicts of law principles which would apply the law of a jurisdiction other than the State of Delaware or the United States of America.

M. Exhibits and Schedules

All exhibits and schedules annexed hereto, and all documents submitted in support hereof, are incorporated into and are a part of the Plan as if set forth in full herein. Holders of Claims and Interests may obtain copies of the Filed exhibits and schedules upon written request

to the Debtors. Upon their Filing, the exhibits and schedules may be inspected in the Office of the Clerk of the Bankruptcy Court or its designee during normal business hours. The documents contained in the exhibits and schedules shall be approved by the Bankruptcy Court pursuant to the Confirmation Order. To the extent any exhibit or schedule annexed hereto is inconsistent with the Plan, the contents of the Plan shall control.

N. Computation of Time

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

XI.

CERTAIN RISK FACTORS TO BE CONSIDERED

ALL IMPAIRED HOLDERS OF CLAIMS OR INTERESTS SHOULD READ AND CAREFULLY CONSIDER THE FACTORS SET FORTH BELOW AS WELL AS THE OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT, PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN.

A. Financial Information; Disclaimer

Although the Debtors have used their best efforts to ensure the accuracy of the financial information provided in this Disclosure Statement, the financial information contained in this Disclosure Statement has not been audited and is based upon an analysis of data available to the Debtors at the time of the preparation of the Plan and Disclosure Statement. While the Debtors expect that such financial information fairly reflects the financial condition of the Debtors, the Debtors are unable to warrant or represent that the information contained herein and attached hereto is without inaccuracies.

B. Failure to Confirm Plan

Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting creditor or equity holder of the Debtors might challenge the confirmation of the Plan or the balloting procedures and/or voting results as not being in compliance with the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that the Disclosure Statement and the balloting procedures and results are appropriate, the Bankruptcy Court could still decline to confirm the Plan if it finds that any of the statutory requirements for confirmation have not been met, including that the terms of the Plan are fair and equitable to non-accepting Classes.

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, a finding by the Bankruptcy Court that the Plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting Classes and that the value of Distributions to non-accepting Holders of Claims or Interests within a particular Class under the Plan will not be less than the value of Distributions such Holders would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. While there can be no assurance that these requirements will be met, the Debtors believe that non-accepting Holders

within each Class under the Plan will receive Distributions at least as great as would be received following a liquidation under chapter 7 of the Bankruptcy Code when taking into consideration all administrative claims and costs associated with any such chapter 7 case.

If the Plan is not confirmed, it is unclear what Distributions Holders of Claims or Interests ultimately would receive with respect to their Claims and Interests. If an alternative Plan could not be agreed to, it is possible that the Debtors would convert these Chapter 11 Cases to chapter 7 cases or dismiss these Chapter 11 Cases, in which case it is likely that Holders of Claims or Interests would receive substantially less favorable treatment than they would receive under the Plan.

In addition, in the event that the Plan is not confirmed, the Debtors will incur substantial expenses related to the development and confirmation of a new plan and possibly the approval of a new disclosure statement. This would only unnecessarily prolong the administration of the Debtors' assets and negatively affect Creditors' and Interest Holders recoveries on their Claims and Interests.

Similarly, as described above, in the event these Chapter 11 Cases are converted to cases under chapter 7 of the Bankruptcy Code, the Debtors will incur substantial expenses related to hiring additional professionals and paying the fees of the chapter 7 trustee. As the Debtors' assets have already been liquidated, the additional cost will only serve to reduce Distributions to Creditors and Interest Holders.

C. Nonconsensual Confirmation

Pursuant to the "cramdown" provisions of section 1129(b) of the Bankruptcy Code, the Bankruptcy Court can confirm the Plan notwithstanding the nonacceptance of the Plan by an Impaired Class of Claims or Equity Interests if at least one other Impaired Class has accepted the Plan (with such acceptance being determined without including the acceptance of any insider (as defined in section 101(31) of the Bankruptcy Code) in such Class) and, as to each Impaired Class which has not accepted the Plan, the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to Impaired Classes. In accordance with section 1129(a)(8) of the Bankruptcy Code, the Debtors intend to request confirmation of the Plan in accordance with section 1129(b) of the Bankruptcy Code.

Although the Debtors believe that the Plan satisfies the requirements of section 1129(b), there is no guaranty that the Bankruptcy Court will reach that conclusion. Moreover, although the Debtors encourage all Creditors in an impaired Class to vote in favor of the Plan and the Debtors believe that they are likely to have at least one impaired Class vote in favor of the Plan, there is no guaranty that this will occur. If no impaired Class votes in favor of the Plan, the Plan cannot be confirmed as written.

D. Delays of Confirmation or Effective Date

Any delays of either confirmation or effectiveness of the Plan could result in, among other things, increased administrative costs, including professional fee claims. These negative effects of delays of either confirmation or effectiveness of the Plan could endanger the ultimate approval of the Plan by the Bankruptcy Court.

E. Certain Bankruptcy Considerations

Although the Debtors believe that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Moreover, there can be no assurance that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate the resolicitation of votes. In addition, although the Debtors believe that the Effective Date will occur during the first calendar quarter of 2014, there can be no assurance as to such timing.

F. Certain Tax Considerations

There are a number of material United States federal income tax considerations, risks and uncertainties associated with consummation of the Plan. Interested parties should read carefully the discussion set forth in Article XI of this Disclosure Statement ("Certain United States Federal Income Tax Consequences of the Plan") for a discussion of the material United States federal income tax consequences and risks for Holders of Claims resulting from the transactions occurring in connection with the Plan.

G. No Duty to Update

The statements contained in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Debtors have no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

H. No Representations Outside This Disclosure Statement Are Authorized

No representations concerning or related to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement should not be relied upon by you in arriving at your decision.

I. Claims Could Be More Than Projected, Assets Could Be Less Than Projected

The Allowed amount of Claims in each Class could be greater than projected, which in turn, could cause the amount of distributions to creditors to be reduced substantially. Likewise, the amount of cash realized for the liquidation of the Debtors' assets could be less than projected, which could cause the amount of distributions to creditors to be reduced substantially.

J. No Legal Or Tax Advice Is Provided To You By This Disclosure Statement

The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each Claim or Equity Interest Holder should consult his, her, or its own legal counsel and accountant as to legal, tax, and other matters concerning his, her, or its Claim or Equity Interest.

This Disclosure Statement is not legal advice to you. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

XII.

CERTAIN UNITED STATES FEDERAL INCOME

TAX CONSEQUENCES OF THE PLAN

THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE PLAN AND THE OWNERSHIP AND DISPOSITION OF PROCEEDS FROM CLAIMS INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN (NON-US) TAX LAWS AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

This discussion is provided for information purposes only, and is based on provisions of the Internal Revenue Code of 1986, as amended (the "IRC"), Treasury Regulations promulgated thereunder, judicial authorities, and current administrative rulings and practice, all as in effect on the date hereof. Legislative, judicial, or administrative changes or interpretations enacted or promulgated after the date hereof could alter or modify the analyses set forth below with respect to the United States federal income tax consequences of the Plan. Any such changes or interpretations may be retroactive and could significantly, and adversely, affect the United States federal income tax consequences of the Plan. To the extent that the following discussion relates to the consequences to Holders of Allowed Claims or Interests, it is limited to Holders that are United States persons within in the meaning of the IRC. For purposes of the following discussion, a "United States person" is any of the following:

- An individual who is a citizen or resident of the United States;
- A corporation created or organized under the laws of the United States or any state or political subdivision thereof;
- An estate, the income of which is subject to federal income taxation regardless of its source; or
- A trust that (a) is subject to the primary supervision of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust, or (b) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular Holder in light of its particular facts and circumstances, or to certain types of Holders subject to special treatment under the IRC. Examples of Holders subject to special treatment under the IRC are governmental entities and entities exercising governmental authority,

foreign companies, persons who are not citizens or residents of the United States, banks and certain other financial institutions, broker-dealers, insurance companies, tax-exempt organizations, real estate investment trusts, small business investment companies, regulated investment companies, Holders that are or hold their Claims or Interests through a partnership or other pass-through entity, dealers in securities or foreign currency, persons that have a functional currency other than the U.S. dollar, and persons holding Claims that are a hedge against, or that are hedged against, currency risk or that are part of a straddle, constructive sale, or conversion transaction. This discussion assumes that Holders hold their Claims or Interests as capital assets for U.S. federal income tax purposes. Generally, a capital asset is property held for investment. This discussion does not address other U.S. federal taxes or the foreign, state, or local tax consequences of the Plan. Furthermore, this discussion generally does not address the U.S. federal income tax consequences to Holders that are unimpaired under the Plan.

The tax treatment of Holders of Claims or Interests and the character, amount and timing of income, gain or loss recognized as a consequence of the Plan and the Distributions provided for by the Plan may vary, depending upon the following factors, among others: (i) whether the Claim or portion thereof constitutes a Claim for principal or interest; (ii) the type of consideration received by the Holder in exchange for the Claim, and whether the Holder receives Distributions under the Plan in more than one taxable year; (iii) whether the Holder is a citizen or resident of the United States for tax purposes, is otherwise subject to U.S. federal income tax on a net basis, or falls into any special class of taxpayers, such as those that are excluded from this discussion as noted above; (iv) the manner in which the Holder acquired the Claim; (v) the length of time that the Claim has been held; (vi) whether the Claim was acquired at a discount; (vii) whether the Holder has taken a bad debt deduction or a worthless securities deduction with respect to the Claim or any portion thereof in the current or prior taxable years; (viii) whether the Holder has previously included in gross income accrued but unpaid interest with respect to the Claim; (ix) the method of tax accounting of the Holder; (x) whether the Claim is an installment obligation for U.S. federal income tax purposes; (xi) whether the Claim, and any instrument received in exchange therefor, is considered a "security" for U.S. federal income tax purposes; and (xii) whether the "market discount" rules apply to the Holder. Therefore, each Holder should consult such Holder's own tax advisor for tax advice with respect to that Holder's particular situation and circumstances, and the particular tax consequences to such Holder of the transactions contemplated by the Plan.

A significant amount of time may elapse between the date of the Disclosure Statement and the receipt of a final Distribution under the Plan. Events occurring after the date of the Disclosure Statement, such as new or additional tax legislation, court decisions, or administrative changes, could affect the U.S. federal income tax consequences of the Plan and the transactions contemplated thereunder. No ruling has been or will be sought from the IRS with respect to any of the tax aspects of the Plan, and no opinion of counsel has been or will be obtained by the Debtors with respect thereto. No representations are being made regarding the particular tax consequences of the confirmation or implementation of the Plan as to any Holder of a Claim or Interest. This discussion is not binding upon the IRS or other taxing authorities. No assurance can be given that the IRS or another authority would not assert, or that a court would not sustain, a different position from any discussed herein.

THE FOLLOWING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FOLLOWING DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, EACH HOLDER IS STRONGLY URGED TO CONSULT SUCH HOLDER'S TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, AND LOCAL INCOME TAX CONSEQUENCES, AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS OF CLAIMS OR INTERESTS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS OF CLAIMS OR INTERESTS UNDER THE IRC; (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE DEBTORS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDER OF CLAIMS OR INTERESTS SHOULD SEEK ADVICE BASED ON EACH HOLDER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A. Certain U.S. Federal Income Tax Consequences to Holders of Claims and Interests

A Holder of an Allowed Claim or Interest will generally recognize ordinary income to the extent that the amount of Cash or property received (or deemed received) under the Plan is attributable to interest that accrued on a Claim or Interest but was not previously paid by the Debtors or included in income by the Holder of the Allowed Claim or Interest. A Holder of an Allowed Claim or Interest will generally recognize gain or loss equal to the difference between the Holder's adjusted basis in its Claim or Interest and the amount realized by the Holder in respect of its Claim or Interest. The amount realized generally will equal the sum of Cash and the fair market value of other consideration received (or deemed received) by the Holder under the Plan on the Effective Date or subsequent distribution date, in respect of the Holder's Claim or Interest, less the amount, if any, attributable to accrued but unpaid interest.

The character of any gain or loss that is recognized as such will depend upon a number of factors, including the status of the Creditor or Interest Holder, the nature of the Claim or Interest in the Creditor's or Interest Holder's hands, whether the Claim or Interest was purchased at a discount, whether and to what extent the Creditor or Interest Holder has previously claimed a bad debt deduction with respect to the Claim or Interest, and the Creditor's or Interest Holder's holding period of the Claim or Interest. If the Claim or Interest in the Creditor's or Interest Holder's hands is a capital asset, the gain or loss realized will generally be characterized as a capital gain or loss. Such gain or loss will constitute long-term capital gain or loss if the Creditor or Interest Holder held such Claim or Interest for longer than one year, or short-term capital gain or loss if the Creditor or Interest Holder held such Claim or Interest for one year or less. Any capital loss realized generally may be used by a corporate Holder only to offset capital

gains, and by an individual Holder only to the extent of capital gains plus $3,000 of ordinary income in any single taxable year.

A Holder of an Allowed Claim or Interest who receives, in respect of the Holder's Claim or Interest, an amount that is less than that Holder's tax basis in such Claim or Interest may be entitled in the year of receipt, and possibly in an earlier or later year, to a bad debt deduction under IRC Section 166(a) or a worthless securities deduction under IRC Section 165(g). The rules governing the character, timing, and amount of bad debt or worthless securities deductions place considerable emphasis on the facts and circumstances of the Holder, the obligor, and the instrument with respect to which a deduction is claimed. Holders of Claims or Interests, therefore, are urged to consult their tax advisors with respect to the ability to take either deduction. A Holder that has previously recognized a loss or deduction in respect of that Holder's Claim or Interest may be required to include in gross income (as ordinary income) any amounts received under the Plan to the extent such amounts exceed the Holder's adjusted basis in such Claim or Interest.

Holders of Claims or Interests who were not previously required to include any accrued but unpaid interest with respect to a Claim or Interest may be treated as receiving taxable interest income to the extent any consideration they receive under the Plan is allocable to such interest. A Holder previously required to include in gross income any accrued but unpaid interest with respect to a Claim or Interest may be entitled to recognize a deductible loss to the extent such interest is not satisfied under the Plan.

Holders of a Claim or Interest constituting an installment obligation for tax purposes may be required to currently recognize any gain remaining with respect to such obligation if, pursuant to the Plan, the obligation is considered to be satisfied at other than at face value or distributed, transmitted, sold or otherwise disposed of within the meaning of IRC Section 453B.

The Holders of certain Claims are expected to receive only a partial Distribution of their Allowed Claims. Whether the Holder of such Claims and Interests will recognize a loss, a deduction for worthless securities or any other tax treatment will depend upon facts and circumstances that are specific to the nature of each Holder and its Claims. Accordingly, a Holder of such Claim should consult such Holder's own tax advisor.

Under backup withholding rules, a Holder of an Allowed Claim may be subject to backup withholding with respect to payments made pursuant to the Plan unless such Holder (i) is a corporation or is otherwise exempt from backup withholding and, when required, demonstrates this fact or (ii) provides a correct taxpayer identification and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding because of failure to report all dividend and interest income. Any amount withheld under these rules will be credited against the Holder's federal income tax liability. Holders of Claims may be required to establish an exemption from backup withholding or to make arrangements with regard to payment of any backup withholding.

B. Certain U.S. Federal Income Tax Consequences to the Debtors

Under the IRC, a taxpayer generally must include in gross income the amount of any cancellation of indebtedness income ("COD Income") realized during the taxable year. Section 108 of the IRC provides an exception to this general rule, however, if the cancellation occurs in a case under the Bankruptcy Code, but only if the taxpayer is under the jurisdiction of the bankruptcy court and the cancellation is granted by the court or is pursuant to a plan approved by the court.

Section 108 of the IRC requires the amount of COD Income so excluded from gross income to be applied to reduce certain tax attributes of the taxpayer. The tax attributes that may be subject to reduction include the taxpayer's net operating losses and net operating loss carryovers (collectively, "NOLs"), certain tax credits and tax credit carryovers, capital losses and capital loss carryovers, tax bases in assets, and passive activity loss carryovers. Attribute reduction is calculated only after the tax for the year of the discharge has been determined. Section 108 of the IRC further provides that a taxpayer does not realize COD Income from cancellation of indebtedness to the extent that payment of such indebtedness would have given rise to a deduction.

Under the Plan, Holders of certain Allowed Claims or Interests are expected to receive less than full payment on their Claims or Interests. The Debtors' liability to the Holders of such Allowed Claims or Interests in excess of the amount satisfied by Distributions under the Plan will be canceled and therefore will result in COD Income to the Debtors. The Debtors should not realize any COD Income, however, to the extent that payment of such Allowed General Unsecured Claims would have given rise to a deduction to the Debtors had such amounts been paid. In addition, any COD Income that the Debtors realize should be excluded from the Debtors' gross income pursuant to the bankruptcy exception to section 108 of the IRC described above, because the cancellation will occur in a case under the Bankruptcy Code, while the taxpayer is under the jurisdiction of the bankruptcy court, and the cancellation is granted by the court or is pursuant to a plan approved by the court.

The exclusion of the COD Income, however, will result in a reduction of certain tax attributes of the Debtors, such as the NOLs, as described above. Each of the Debtors has elected to be taxed as an "S" corporation for federal income tax purposes and, as a result, attribute reduction required as a result of the exclusion of COD Income may reduce NOLs that have passed through to the Debtors' stockholders in current and prior taxable years. Because attribute reduction is calculated only after the tax for the year of discharge has been determined, the COD Income realized by the Debtors under the Plan should not diminish the NOLs and other tax attributes that may be available to offset any income and gains recognized by the Debtors in the taxable year that includes the Effective Date.

C. Consequences of the Liquidating Trust

The Liquidating Trust will be organized for the primary purpose of liquidating the assets transferred to it with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. Thus, the Liquidating Trust is intended to be classified for federal income tax

purposes as a "grantor trust" within the meaning of Treasury Regulation Section 301.7701-4(d) and Revenue Procedure 94-45, 1994-2 C.B. 684. No request for a ruling from the IRS will be sought on the classification of the Liquidating Trust. Accordingly, there can be no assurance that the IRS would not take a contrary position to the classification of the Liquidating Trust. If the IRS were to challenge successfully the classification of the Liquidating Trust as a grantor trust, the federal income tax consequences to the Liquidating Trust and the Holders of Claims could vary from those discussed herein (including the potential for an entity-level tax).

For all U.S. federal income tax purposes, all parties with respect to the Liquidating Trust (including, without limitation, the Debtors, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) must treat the transfer of Liquidating Trust Assets to the Liquidating Trust as (i) a transfer of the Liquidating Trust Assets by the Debtors to the Liquidating Trust Beneficiaries, followed by (ii) a transfer of the Liquidating Trust Assets by such beneficiaries to the Liquidating Trust, with the beneficiaries being treated as the grantors and owners of the Liquidating Trust. Each Holder that is a beneficiary of the Liquidating Trust generally will recognize gain or loss in its taxable year that includes the Effective Date in an amount equal to the difference between the amount realized in respect of its Claim or Interest and its adjusted tax basis in the Claim or Interest. The amount realized generally should equal the fair market value of the Liquidating Trust Assets deemed received for U.S. federal income tax purposes under the Plan in respect of each Holder's Claim or Interest, less the amount, if any, attributable to accrued but unpaid interest. A Holder that is deemed to receive for U.S. federal income tax purposes the Liquidating Trust Assets under the Plan in respect of its Claim or Interest generally should then have a tax basis in the Liquidating Trust Assets in an amount equal to the fair market value of the Liquidating Trust Assets on the date of receipt, less the amount, if any, attributable to accrued but unpaid interest.

Because each Holder's share of the Liquidating Trust Assets in the Liquidating Trust may change depending upon the resolution of Disputed Claims, a Holder may be prevented from recognizing for tax purposes all of its loss from the consummation of the Plan until all Disputed Claims have been resolved.

In general, a liquidating trust is not a separate taxable entity but rather is treated as a grantor trust, pursuant to IRC Sections 671 *et. seq.*, owned by the persons who are treated as transferring assets to the Trust. Each Holder of a beneficial interest in the Liquidating Trust must report on its federal income tax return its allocable share of income, gain, loss, deduction and credit recognized or incurred by the Liquidating Trust. None of the Debtors' loss carry-forwards will be available to reduce any income or gain of the Liquidating Trust. Moreover, upon the sale or other disposition (or deemed disposition) of any of the Liquidating Trust Assets, each Liquidating Trust Beneficiary must report on its federal income tax return its share of any gain or loss measured by the difference between (1) its share of the amount of cash and/or the fair market value of any property received by the Liquidating Trust in exchange for the Liquidating Trust asset so sold or otherwise disposed of and (2) its adjusted tax basis in its share of the Liquidating Trust asset. The character of any such gain or loss to the Holder will be determined as if such Holder itself had directly sold or otherwise disposed of the Liquidating Trust asset. The character of items of income, gain, loss, deduction and credit to any Holder of a beneficial interest in the Liquidating Trust, and the ability of the Holder to benefit from any deductions or losses, will depend on the particular circumstances or status of the Holder.

Given the treatment of the Liquidating Trust as a grantor trust, each Liquidating Trust Beneficiary has an obligation to report its share of the Liquidating Trust's tax items (including gain on the sale or other disposition of a Liquidating Trust asset) which is not dependent on the distribution of any cash or other Liquidating Trust assets by the Liquidating Trust. Accordingly, a Liquidating Trust Beneficiary may incur a tax liability as a result of owning a share of the Liquidating Trust Assets, regardless of whether the Liquidating Trust distributes cash or other assets. Due to the requirement that the Liquidating Trust maintain certain reserves, the Liquidating Trust's ability to make current cash distributions may be limited or precluded. In addition, due to possible differences in the timing of income on, and the receipt of cash from the Liquidating Trust Assets, a Liquidating Trust Beneficiary may be required to report and pay tax on a greater amount of income for a taxable year than the amount of cash received by the Holder during the year.

The Liquidating Trust will file annual information tax returns with the IRS as a grantor trust pursuant to Treasury Regulation Section 1.671-4(a) that will include information concerning certain items relating to the holding or disposition (or deemed disposition) of the Liquidating Trust assets (e.g., income, gain, loss, deduction and credit). Each Holder of a beneficial interest in the Liquidating Trust will receive a copy of the information returns and must report on its federal income tax return its share of all such items. The information provided by the Liquidating Trust will pertain to Liquidating Trust Beneficiaries who received their interests in connection with the Plan.

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, HOLDERS ARE URGED TO CONSULT WITH THEIR TAX ADVISORS ABOUT THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

XIII.

PROCESS OF VOTING AND CONFIRMATION

The following is a brief summary regarding the voting procedures and the requirements for confirmation of the Plan. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code or to consult their own attorneys. Additional information regarding voting procedures is set forth in the Notice accompanying this Disclosure Statement.

A. Voting Instructions

This Disclosure Statement, accompanied by a Ballot to be used for voting on the Plan, is being distributed to Holders of Allowed Claims in Class 4B, 6B and Class 7B and to Holders of Allowed Class 5B Interests. Only such Holders of Allowed Claims and Interests are entitled to

vote to accept or reject the Plan, and may do so by completing the Ballot and returning it to the Voting Agent:

Via Post office:

BMC Group, Inc.
Attn: AgFeed USA, LLC Ballot Processing
PO Box 3020
Chanhassen, MN 55317-3020

Via FedEx or hand-delivery:

BMC Group, Inc.
Attn: AgFeed USA, LLC Ballot Processing
18675 Lake Drive East
Chanhassen, MN 55317

In light of the benefits to be attained under the Plan by the Holders in each Impaired Class of Claims, the Debtors recommend that Holders of Claims in the Impaired Classes vote to accept the Plan and return the Ballot prior to the Voting Deadline referred to below.

BALLOTS MUST BE RECEIVED BY THE VOTING AGENT ON OR BEFORE THE VOTING DEADLINE OF **[_____], 2014 AT 5:00 P.M., (PREVAILING EASTERN TIME)**. ANY BALLOTS RECEIVED AFTER THE FOREGOING TIME MAY NOT BE COUNTED. ANY BALLOT WHICH IS EXECUTED BY THE HOLDER OF AN ALLOWED CLAIM BUT WHICH DOES NOT INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN SHALL NOT BE COUNTED AS AN ACCEPTANCE OR REJECTION OF THE PLAN. A BALLOT TRANSMITTED TO THE VOTING AGENT BY FACSIMILE, EMAIL OR OTHER ELECTRONIC METHOD WILL NOT BE COUNTED.

Except to the extent permitted by the Bankruptcy Court, Ballots received after the Voting Deadline will not be accepted or counted by the Debtors in connection with the Debtors' request for confirmation of the Plan. The Debtors expressly reserve the right to amend, at any time and from time to time, the terms of the Plan (subject to compliance with the requirements of section 1127 of the Bankruptcy Code). If the Debtors make a material change to the terms of the Plan or waive a material condition thereof, the Debtors will disseminate additional solicitation materials and will extend the Voting Deadline, in each case to the extent required by law.

If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other Person or Entity acting in a fiduciary or representative capacity, such person must so indicate and, unless otherwise determined by the Debtors, must submit evidence satisfactory to the Debtors of such person's authority.

Except as provided below or as ordered by the Bankruptcy Court, unless the Ballot being furnished is timely submitted on or prior to the Voting Deadline, the Debtors may, in their

discretion, reject such Ballot as invalid and decline to recognize such Ballot in connection with confirmation of the Plan by the Bankruptcy Court.

In the event that a Claim is Disputed or a designation is requested under section 1126(e) of the Bankruptcy Code, any vote cast to accept or reject the Plan with respect to such Claim will not be counted for purposes of determining whether the Plan has been accepted or rejected, unless the Bankruptcy Court orders otherwise.

The method of delivery of Ballots to be delivered to the Voting Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided herein, such delivery will be deemed made only when actually received by the Voting Agent. Instead of effecting delivery by mail, it is recommended that such Holders use an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure timely delivery.

Any Holder of Impaired Claims that has delivered a valid Ballot may withdraw its vote solely in accordance with Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

Subject to any contrary order of the Bankruptcy Court, the Debtors, in consultation with the Committees, reserve the absolute right to reject any and all Ballots not proper in form and the acceptance of which would, in the opinion of the Debtors or its counsel, not be in accordance with the provisions of the Bankruptcy Code. Subject to contrary order of the Bankruptcy Court, the Debtors further reserve the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot unless otherwise directed by the Bankruptcy Court. Unless waived or as ordered by the Bankruptcy Court, any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Debtors (or the Bankruptcy Court) determine. Neither the Debtors, nor any other Person or Entity, will be under any duty to provide notification of defects or irregularities with respect to the delivery of Ballots and neither the Debtors, nor any other Person or Entity, will incur any liability for failure to provide such notice. Unless otherwise directed by the Bankruptcy Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots as to which any irregularities have not theretofore been cured or waived will not be counted.

B. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires that the Bankruptcy Court, after notice, hold a hearing on confirmation of a plan (the "Confirmation Hearing"). Section 1128(b) of the Bankruptcy Code provides that any party-in-interest may object to confirmation of such plan.

The Confirmation Hearing in respect of the Plan has been scheduled for [_____], 2014 at [_____] **(ET)**, or as soon thereafter as counsel may be heard, before the Honorable Brendan L. Shannon, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 6th Floor, Wilmington, Delaware 19801. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for any announcement of the adjourned date made at the Confirmation Hearing or any adjournment thereof.

Objections to confirmation of the Plan must be Filed and served on or before [_____], 2014 at [_____] **(ET)** in accordance with the Notice accompanying this Disclosure Statement.

UNLESS OBJECTIONS TO CONFIRMATION OF THE PLAN ARE TIMELY SERVED AND FILED IN COMPLIANCE WITH THE DISCLOSURE STATEMENT APPROVAL ORDER, THEY WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

C. Statutory Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court shall determine whether the requirements of section 1129 of the Bankruptcy Code have been satisfied. If so, the Bankruptcy Court shall enter the Confirmation Order. The Debtors believe that the Plan satisfies or will satisfy the applicable requirements, as follows:

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtors have complied with the applicable provisions of the Bankruptcy Code.
- The Plan has been proposed in good faith and not by any means forbidden by law.
- Any payment made or to be made under the Plan for services or for costs and expenses in or in connection with the Debtors' Chapter 11 Cases has been disclosed to the Bankruptcy Court and any such payment made before the confirmation of the Plan is reasonable or if such payment is to be fixed after the confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court.
- With respect to each Class of Impaired Claims, either each Holder of a Claim in such Class had accepted the Plan or each such Holder will receive or retain under the Plan on account of such Claim property of a value as of the Effective Date of the Plan that is not less than the amount that such Holder would receive or retain if the Debtors were liquidated on such date under chapter 7 of the Bankruptcy Code.
- Each Class of Claims that is entitled to vote on the Plan has either accepted the Plan or is not impaired under the Plan.
- Except to the extent that the Holder of a particular Claim agrees to a different treatment of such Claim, the Plan provides that Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Non-Tax Priority Claims and Allowed Secured Claims will be paid in full on the Effective Date or as soon thereafter as practicable.
- At least one Class of Impaired Claims (not including any acceptance of the Plan by any Insider (as defined in section 101(31) of the Bankruptcy Code) holding a Claim in such Class) has accepted the Plan.
- Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors or any successor to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan.

- The Debtors have no retiree benefits within the meaning of section 1129(a)(13) of the Bankruptcy Code. The Debtors 401(K) plans, and any other pension programs, if not already cancelled or terminated, will be cancelled or terminated prior to the Effective Date.

- All fees of the type described in 28 U.S.C. § 1930, including the fees of the United States Trustee, will be paid as of the Effective Date.

The Debtors believe that (1) the Plan satisfies or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code; (2) they have complied or will have complied with all of the requirements of chapter 11 of the Bankruptcy Code; and (3) the Plan has been proposed in good faith.

1. Best Interests of Creditors Test.

Before the Plan may be confirmed, the Bankruptcy Court must find (with certain exceptions) that the Plan provides, with respect to each Class, that each Holder of a Claim in such Class either (a) has accepted the Plan or (b) will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain if the Debtors liquidated under chapter 7 of the Bankruptcy Code.

In chapter 7 liquidation cases, unsecured creditors and equity interest holders of a debtor are paid from available assets generally in the following order, with no lower class receiving any payments until all amounts due to senior classes have been paid fully or payment has been provided for:

- Secured creditors (to the extent of the value of their collateral).

- Priority creditors.

- Unsecured creditors.

- Debt expressly subordinated by its terms or by order of the Bankruptcy Court.

- Equity interest holders.

This is a liquidating plan. In any event, whether by the Liquidating Trust, or a chapter 7 trustee, the Debtors' Estates' assets will be liquidated. Accordingly, there is no reorganization value to be calculated, or distribution scenarios related thereto. In addition, the activities of the Liquidating Trust Committee and the Liquidating Trustee after the Effective Date are the very same ones that would be pursued by a chapter 7 trustee. However, unlike a chapter 7 trustee, who may seek to charge statutory fees of up to 3% of disbursements, the members of the Liquidating Trust Committee will not be compensated for their services. Additionally, it is likely that a chapter 7 trustee will retain counsel who would likely be required to spend a significant amount of time and expense becoming familiar with the case – time and expense that would not be required if the Plan is confirmed.

The Debtors have performed a careful review of the estimated recoveries in a chapter 11 liquidation scenario and a chapter 7 liquidation scenario which is attached hereto as **Exhibit G** (the "Liquidation Analysis"). As the result of the Liquidation Analysis, the Debtors have concluded that the recoveries to Creditors will be maximized by completing the liquidation of any remaining assets of the Debtors under chapter 11 of the Bankruptcy Code and making distributions pursuant to the Plan. The Debtors believe that the Debtors' Estates have value that would not be fully realized by Creditors in a chapter 7 liquidation primarily because, among other reasons, (i) additional administrative expenses would be incurred in a chapter 7 liquidation, specifically those of a chapter 7 trustee charging statutory fees of up to 3% of disbursements and any costs of counsel to the chapter 7 trustee to become familiar with the facts and circumstances of these cases, and (ii) the additional delay in distributions that would occur if the Debtors' Chapter 11 Cases were converted to a case under chapter 7.

D. Plan Feasibility

Pursuant to section 1129(a)(11) of the Bankruptcy Code, the Bankruptcy Court must determine, among other things, that confirmation of the Plan is not likely to be followed by the liquidation or need for further financial reorganization of the Debtors or any successors to the Debtors under the Plan (unless such liquidation or reorganization is proposed in the Plan). In addition, section 1129(a)(13) requires that all fees payable under section 1930 of title 28, as determined by the court at the hearing on confirmation of the plan, have been paid or the plan provides for the payment of all such fees on the Effective Date of the plan. These conditions are often referred to as the "feasibility" of the Plan. The Plan is a liquidating plan and, accordingly, all of the Debtors' remaining assets will be distributed to Holders of Allowed Claims pursuant to the terms of the Plan and, provided the Plan is confirmed and consummated, the Estates will no longer exist to be subject to future reorganization or liquidation. As a result, the Plan satisfies the feasibility test. Moreover, the Plan provides for payment of all statutory fees due and owing to the United States Trustee. Accordingly, the Debtors believe that the Plan satisfies the requirements of feasibility under section 1129(a) of the Bankruptcy Code.

E. Section 1129(b): Unfair Discrimination and the "Fair and Equitable" Test

The Debtors will request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code, and they have reserved the right to modify the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification. The Bankruptcy Court may confirm the Plan over the rejection or deemed rejection of the Plan by an Impaired Class of Claims or Interests if the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such Class.

1. No Unfair Discrimination.

The "unfair discrimination" test applies to Impaired Classes of Claims or Interests that are of equal priority and are receiving disparate treatment under the Plan. The test does not require that the treatment of such Classes be the same or equivalent, but only that the treatment be "fair." The Plan does not classify separately Claims against the Debtors, into two or more Impaired Classes of equal priority. Accordingly, there is no basis for any Claimant to assert that

the Plan unfairly discriminates. Accordingly, the Plan does not discriminate (let alone unfairly) and satisfies the "unfair discrimination" test. Simply put, all Claims of equal rank are classified in the same Class and are treated equally.

2. Fair and Equitable Test: "Cramdown".

The Bankruptcy Code provides a non-exclusive definition of the phrase "fair and equitable." The Bankruptcy Code establishes "cramdown" tests for dissenting classes of secured creditors, unsecured creditors and equity holders. As to each dissenting class, the test prescribes different standards, depending on the type of claims or equity interests in such class:

Secured Creditors. With respect to each Class of Secured Claims that rejects the Plan, the Plan must provide (i)(a) that each Holder of a Secured Claim in the rejecting class retain the liens securing those Claims, whether the property subject to those liens is retained by the Debtors or transferred to another entity, to the extent of the allowed amount of such Secured Claim and (b) that the Secured Creditor receives on account of its secured claim deferred cash payments having a value, as of the Effective Date of the Plan, of at least the value of the allowed amount of such Secured Claim; (ii) for the sale of any property that is subject to the liens securing the Claims included in the rejecting Class, free and clear of such liens, with such liens to attach to the proceeds of the sale, and the treatment of such liens on proceeds under clause (i) or (iii) of this subparagraph; or (iii) for the realization by the Secured Creditor of the "indubitable equivalent" of its Secured Claim.

Unsecured Creditors. With respect to each Impaired Class of unsecured Claims that rejects the Plan, the Plan must provide (i) that each Holder of a Claim in the rejecting Class will receive or retain on account of that claim property that has a value, as of the Effective Date of the Plan, equal to the allowed amount of such claim; or (ii) that no Holder of a Claim or Interest that is junior to the Claims of such rejecting Class will receive or retain under the Plan any property on account of such junior Claim or Interest.

Interests. With respect to each Impaired Class of Interests that rejects the Plan, the Plan must provide (i) that each Holder of an Interest included in the rejecting Class receive or retain on account of the Interests property that has a value, as of the Effective Date of the Plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such Holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such Interests; or (ii) that no Holder of an Interest that is junior to the Interests of such rejecting Class will receive or retain under the plan any property on account of such junior Interest.

The Debtors believe that the Plan may be confirmed pursuant to the above-described "cramdown" provisions, over the dissent of certain Classes of Claims and Interests, in view of the treatment proposed for such Classes. The Debtors believe that the treatment under the Plan of the Holders of Class 4, 6B and 7 will satisfy the "fair and equitable" test. Additionally, as noted above, the Debtors do not believe that the Plan unfairly discriminates against any dissenting Class because all dissenting Classes of equal rank are treated equally under the Plan.

XIV.

ALTERNATIVES TO THE PLAN

A. Liquidation Under Chapter 7

If the Plan or any other chapter 11 plan for the Debtors cannot be confirmed under sections 1129(a) and (b) of the Bankruptcy Code, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, and a trustee would be elected or appointed to liquidate any remaining assets of the Debtors for Distribution to Holders of Allowed Claims and Interests pursuant to chapter 7 of the Bankruptcy Code. If a trustee is appointed and the remaining assets of the Debtors are liquidated under chapter 7 of the Bankruptcy Code, all Creditors and Interest Holders under the Plan may receive Distributions of a lesser value on account of their Allowed Claims and may have to wait a longer period of time to receive such Distributions than they would under the Plan.

B. Dismissal

If these Chapter 11 Cases are dismissed, the protections of the Bankruptcy Code would disappear, thereby resulting in costly, uncontrolled and protracted litigation in various jurisdictions among and between the Debtors and the Holders of Claims and Interests. Therefore, the Debtors believe that dismissal of the Chapter 11 Cases is not a viable alternative to Confirmation of the Plan.

C. Alternative Plan of Reorganization

The Debtors, with the assistance of their professionals, have considered their options and have concluded that the Plan offers the best and highest recoveries for Creditors and that the Plan provides greater potential recoveries for Creditors than any feasible alternative.

XV.

RECOMMENDATION

In the opinion of the Debtors, the Plan is preferable to the alternatives described herein. It provides for larger distribution to the Holders than would otherwise result in a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than confirmation of the Plan could result in extensive delays and increased administrative expenses resulting in smaller distributions to the Holders of Claims. Accordingly, the Debtors recommend that Holders of Claims entitled to vote to accept or reject the Plan support confirmation of the Plan and vote to accept the Plan.

XVI.

CONCLUSION

It is important that you exercise your right to vote on the Plan. The Debtors believe that the Plan fairly and equitably provides for the treatment of all Claims against, and Interests in, the Debtors and recommend that you cast your Ballot in favor of the Plan.

Dated: July 22, 2014
Wilmington, Delaware

AgFeed USA, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

AgFeed Industries, Inc.
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

TS Finishing, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

New York Finishing, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

Pork Technologies, L.C.
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

New Colony Farms, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

Heritage Farms, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

Heritage Land, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

Genetics Operating, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

M2P2 Facilities, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

MGM, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

M2P2 General Operations, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

New Colony Land Company, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

M2P2 AF JV, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

Midwest Finishing, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

Genetics Land, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

EXHIBIT A

Plan

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
AgFeed USA, LLC, *et al.*,[1]	Case No. 13-11761 (BLS)
Debtors.	Jointly Administered

DEBTORS' SECOND AMENDED CHAPTER 11 PLAN OF LIQUIDATION SUPPORTED BY THE OFFICIAL COMMITTEE OF EQUITY SECURITY HOLDERS

YOUNG CONAWAY STARGATT & TAYLOR, LLP
Robert S. Brady (No. 2847)
Donald J. Bowman, Jr. (No. 4383)
Ian J. Bambrick (No. 5455)
Ashley E. Markow (No. 5635)
1000 N. King Street
Rodney Square
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

Counsel for the Debtors and Debtors in Possession

ELLIOTT GREENLEAF
Rafael X. Zahralddin (No. 4166)
Eric M. Sutty (No. 4007)
1105 Market Street, Suite 1700
Wilmington, Delaware 19801

-and-

SUGAR FELSENTHAL GRAIS & HAMMER, LLP
Aaron L. Hammer
Mark S. Melickian
30 N. LaSalle Street, Suite 3000
Chicago, Illinois 60602

Counsel to the Official Committee of Equity Security Holders of AgFeed Industries, Inc., as the Plan Supporter

Dated: July 22, 2014

[1] The Debtors and the last four digits of their federal tax identification numbers are: AgFeed USA, LLC (8748), AgFeed Industries, Inc. (7168); TS Finishing, LLC (8748); New York Finishing, LLC (8748); Pork Technologies, LC (2076); New Colony Farms, LLC (9246); Heritage Farms, LLC (8141); Heritage Land, LLC (8129); Genetics Operating, LLC (1921); M2P2 Facilities, LLC (8748); MGM, LLC (8748); M2P2 General Operations, LLC (8748); New Colony Land Company, LLC(5834); M2P2 AF JV, LLC (8748); Midwest Finishing, LLC (8748); and Genetics Land, LLC (1921). The Debtors' mailing address is 816 Congress Avenue, Suite 1280, Austin, TX 78701.

TABLE OF CONTENTS

PAGES

INTRODUCTION 1

ARTICLE I. DEFINED TERMS AND RULES OF INTERPRETATION 3

ARTICLE II. CLASSIFICATION OF CLAIMS AND INTERESTS 17

2.1 Classification 17

ARTICLE III. TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS 19

3.1 Claims Against and Interests in the Consolidated AgFeed USA Debtors 19
3.2 Claims Against and Interests in AgFeed Industries 20
3.3 Reservation of Rights Regarding Claims and Interests 23

ARTICLE IV. TREATMENT OF UNCLASSIFIED CLAIMS 24

4.1 Administrative Expense Claims 24
4.2 U.S. Trustee Fees 25
4.3 Priority Tax Claims 25

ARTICLE V. ACCEPTANCE OR REJECTION OF THE PLAN 25

5.1 Classes Entitled to Vote 25
5.2 Acceptance by Impaired Classes of Claims or Interests 26
5.3 Presumed Acceptance by Unimpaired Classes 26
5.4 Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code 26
5.5 Controversy Concerning Impairment 26
5.6 Elimination of Vacant Classes 26

ARTICLE VI. MEANS OF IMPLEMENTING THE PLAN 26

6.1 Substantive Consolidation 26
6.2 Plan Funding 27
6.3 Liquidating Trust 27
6.4 Transfer Taxes 32
6.5 Settlement of Claims and Controversies 33
6.6 Subordination of Certain Claims 33
6.7 Closing the Chapter 11 Cases 33
6.8 Cancellation of Instruments and Stock 33
6.9 Operating Reports 34
6.10 Disposition of Books and Records 34
6.11 Corporate Action 34
6.12 Corporate Existence and Dissolution of Debtors 34

ARTICLE VII. PROVISIONS GOVERNING ACCOUNTS AND RESERVES AND DISTRIBUTIONS 35

7.1 Establishment of Accounts Reserves 35
7.2 Funding of Reserves; Released Reserve Funds 35
7.3 Establishment of Class Fund and SEC Fairness Fund 36
7.4 Disbursing Agent 36
7.5 Distributions by Disbursing Agent 37
7.6 Timing of Distributions 37
7.7 Distributions Upon Allowance of Disputed Claims or Disputed Interests 39
7.8 Undeliverable and Unclaimed Distributions 39
7.9 Interest on Claims 40
7.10 No Distribution in Excess of Allowed Amount of Claim 40
7.11 Means of Cash Payment 40
7.12 Delivery of Distribution 40
7.13 Record Date for Distributions 41
7.14 No Distributions Pending Allowance 41
7.15 Withholding and Reporting Requirements 41
7.16 Setoffs 41
7.17 De Minimis Distributions 42
7.18 Extensions of Time 42

ARTICLE VIII. PROVISIONS FOR CLAIMS OBJECTIONS AND ESTIMATION OF CLAIMS 42

8.1 Claims Objection Deadline; Prosecution of Claims Objections 42
8.2 Estimation of Claims 42

ARTICLE IX. EXECUTORY CONTRACTS AND LEASES 43

9.1 Executory Contracts and Unexpired Leases Deemed Rejected 43
9.2 Insurance Policies 43
9.3 Bar Date For Rejection Damages 43

ARTICLE X. CONFIRMATION AND CONSUMMATION OF THE PLAN 44

10.1 Conditions Precedent to the Effective Date 44
10.2 Notice of Effective Date 44
10.3 Waiver of Conditions Precedent to the Effective Date 44
10.4 Effect of Non-Occurrence of Effective Date 44

ARTICLE XI. EFFECTS OF CONFIRMATION 45

11.1 Exculpation and Releases. 45
11.2 Term of Bankruptcy Injunction or Automatic Stays 47

ARTICLE XII. RETENTION OF JURISDICTION 47

12.1 Exclusive Jurisdiction of Bankruptcy Court 47

ARTICLE XIII. MISCELLANEOUS PROVISIONS 49

13.1 Modification of the Plan 49
13.2 Substantial Consummation 49
13.3 Revocation, Withdrawal, or Non-Confirmation of the Plan 50
13.4 Binding Effect 50
13.5 Subordination Rights 50
13.6 Severability of Plan Provisions 50
13.7 Dissolution of the Committees 51
13.8 Exemption from Section 1146 51
13.9 Filing of Additional Documents 51
13.10 Insurance 51
13.11 Successors and Assigns 51
13.12 Governing Law 51
13.13 Exhibits and Schedules 51
13.14 Computation of Time 52
13.15 Notices 52
13.16 Reservation of Rights 53

INTRODUCTION

AgFeed USA, LLC ("AgFeed USA") and its above-captioned affiliated debtors and debtors in possession (collectively, the "Debtors"), hereby propose the following Plan, supported by the Official Committee of Equity Security Holders (the "Equity Holders' Committee" or the "Plan Supporter") for the liquidation of the Debtors' remaining assets and for the resolution of all outstanding Claims against and Interests in the Debtors.

The Plan provides for substantive consolidation of the Consolidated AgFeed USA Debtors and the liquidation of the Debtors' assets. The majority of the Debtors' assets have been liquidated pursuant to the AgFeed USA Sale and the AgFeed Industries Stock Sale. The Plan further provides for the Estates' Assets to be allocated in accordance with the terms of the Plan and distributed to holders of the Allowed Claims and Interests. On the Effective Date, all of the Estates' Assets will vest in and be transferred to the Liquidating Trust. The Liquidating Trust shall be administered by the Liquidating Trustee who shall, among other things, liquidate the remaining Estates' Assets, resolve any disputed Claims, wind-down the affairs of the Debtors, and make initial and final Distributions pursuant to the Plan.

The Plan incorporates settlements, by and between the Debtors, the Plan Supporter and the Class Plaintiffs and proposed treatment for the general unsecured claim filed by the SEC. The Plan provides for the Class Plaintiffs and SEC to contribute all or a portion of their respective Allowed Claims to the Liquidating Trust for Distribution in accordance with the Plan. As more fully described in the Plan, the contributions from the Class Plaintiffs and SEC shall fund the Class Fund and the SEC Fairness Fund, each of which shall be distributed in accordance with the Class Fund and SEC Fairness Fund Distribution Procedures, respectively.

More specifically, on the Effective Date of the Plan, the Class Plaintiffs shall receive, in full and final settlement of any and all Claims (including proofs of claim) or causes of action against the Debtors or any defendant in the Class Action Litigation, an Allowed Claim in the amount of $7.0 million, approximately $3.15 million of which shall be paid from the AgFeed Industries Net Distributable Cash and approximately $3.85 million of which shall be paid from available insurance proceeds. The Class Plaintiffs' counsel shall be entitled to payment of legal fees and expenses in connection with the Class Action Litigation from the Allowed Class Plaintiffs' Claim, in the amount approved by the United States District Court for the Middle District of Tennessee (the "Tennessee District Court"), provided that Class Plaintiffs' counsel shall not request allowance or payment of fees in excess of $2.1 million plus expenses up to $115,000. Upon approval of Class Plaintiffs' counsel fees and expenses, or as soon thereafter as practicable, the Class Plaintiffs shall contribute the balance of the $7.0 million to the Class Fund for distribution to Holders of Allowed Class 6B Subordinated Claims in accordance with the Class Fund Distribution Procedures approved by the Tennessee District Court and Bankruptcy Court. Fifty percent of the Subordinated Claims Distribution Expenses shall be paid from the Class Fund.

The Plan also provides that, on the Effective Date of the Plan, the SEC, in full and final satisfaction of any and all Claims (including its proof of claim) or cause of action it has or may have against any of the Debtors, shall have an Allowed Claim in the amount of $18.0 million payable from the AgFeed Industries Net Distributable Cash which the SEC shall immediately contribute to the Liquidating Trust, with $12.5 million designated for Distribution to the Holders

of Allowed Class 5B Interests and $5.5 million designated for the SEC Fairness Fund established under the Plan for Distribution to Allowed Class6B Subordinated Claims in accordance with the SEC Fairness Fund Procedures approved by the Bankruptcy Court.

On the Effective Date, the Liquidating Trustee shall also allocate the Cash remaining, after payment of all Allowed Administrative Claims, Allowed Priority Claims, Allowed Secured Claims and Allowed General Unsecured Claims or the establishment of appropriate reserves in accordance with the Plan, plus any unallocated or unreserved Cash as a result of the claims administration process from the AgFeed Industries Net Distributable Cash for Distribution, to the Holders of Class 5B Interests as of the Distribution Record Date. The Holders of Class 5B Interests as of the Distribution Record Date shall receive their Pro Rata share of the Cash available for Distribution from the funds contributed by the SEC and allocated from the AgFeed Industries Net Distributable Cash and any Cash remaining after Distributions are made from the Class Fund and the SEC Fairness Fund and the Subordinated Claims Distribution Expenses are paid. Additionally, Class 5B Interests shall be entitled to additional Distributions from the net proceeds, if any, available as the result of the Liquidating Trustee's pursuit of Causes of Action.

Holders of Class 7B Insider Subordinated Claims are deemed Disputed until completion of the Liquidating Trustee's investigation into potential Causes of Action against such Holders. Holders of Allowed Class 7B Insider Subordinated Claims shall receive the Insider Subordinated Claim Recovery Percentage, or such other amounts or treatment as the parties may agree.

Additionally, on the Effective Date, all existing stock and equity interests in AgFeed Industries shall be deemed canceled and extinguished and AgFeed Industries shall reissue one (1) share of common stock to the Liquidating Trust. Upon the closing of the bankruptcy cases, the Liquidating Trustee will have authority to take any and all steps necessary to dissolve the Debtors.

For a discussion of the Debtors' history, businesses, properties, operations, the Chapter 11 Cases, risk factors, summary and analysis of the Plan, and certain other related matters, reference is hereby made to the Disclosure Statement that is distributed herewith. In the event of any inconsistencies between the Plan and the Disclosure Statement, the terms and provisions of the Plan shall control.

ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY, AND TO CONSULT WITH AN ATTORNEY, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. SUBJECT TO CERTAIN RESTRICTIONS AND REQUIREMENTS SET FORTH IN SECTION 1127 OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 3019, AND IN THE PLAN, THE DEBTORS RESERVE THE RIGHT TO ALTER, AMEND, MODIFY, REVOKE OR WITHDRAW THE PLAN, OR ANY PART THEREOF, PRIOR TO ITS SUBSTANTIAL CONSUMMATION.

ARTICLE I.

DEFINED TERMS AND RULES OF INTERPRETATION

Defined Terms

1.1 "503(b)(9) Claims" shall mean Claims arising under Section 503(b)(9) of the Bankruptcy Code against a Debtor that were to be Filed against the Debtors on or before the 503(b)(9) Claims Bar Date.

1.2 "503(b)(9) Claims Bar Date" shall mean November 12, 2013 at 4:00 p.m. (Prevailing Eastern Time) as established by the Bar Date Order.

1.3 "Ad Hoc Equity Holders' Committee" shall mean the Ad Hoc Committee of Equity Security Holders recognized in these Chapter 11 Cases prior to the appointment of the Official Committee of Equity Security Holders.

1.4 "Ad Hoc Equity Holders' Committee Professionals" shall mean Elliott Greenleaf, Sugar Felsenthal Grais & Hammer LLP, and Gavin/Solmonese, each in their capacity as professionals retained by the Ad Hoc Equity Holders' Committee.

1.5 "Administrative Expense Claim" shall mean a Claim for costs and expenses of administration of the Chapter 11 Cases allowed under Sections 503(b), 507(b) or, if applicable, 1114(e)(2) of the Bankruptcy Code, including but not limited to: (a) any actual and necessary costs and expenses incurred after the Petition Date of preserving the Estates and operating the businesses of the Debtors (including, but not limited to, wages, salaries, commissions for services and payments in connection with unfinished hogs, leased equipment and premises) and Claims by Governmental Units for taxes (including Claims related to taxes which accrued after the Petition Date, but excluding Claims related to taxes which accrued on or before the Petition Date); (b) compensation for legal, financial, advisory, accounting and other services and reimbursement of expenses allowed by the Bankruptcy Court under Sections 328, 330, 331, 363 or 503(b) of the Bankruptcy Code to the extent incurred on or prior to the Effective Date; (c) all fees and charges assessed against the Debtors' Estates under Section 1930, chapter 123 of title 28 of the United States Code; (d) any 503(b)(9) Claims; and (e) any Claims that have been designated "Administrative Expense Claims" by order of this Court.

1.6 "Affiliate" shall mean "affiliate" as defined in Section 101(2) of the Bankruptcy Code.

1.7 "AgFeed USA Administrative Expense Claims Bar Date" shall mean November 12, 2013, at 4:00 p.m. (Prevailing Eastern Time) as established by the Bar Date Order, by which Holders of Administrative Expense Claims (other than Professional Fee Claims) against any of the Consolidated AgFeed USA Debtors accruing from the Petition Date through and including September 12, 2013, and Holders of 503(b)(9) Claims were required to File with the Claims Agent requests for payment, in writing, together with supporting documents, substantially complying with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware.

1.8 "AgFeed Industries" shall mean AgFeed Industries, Inc., one of the debtors and debtors in possession in the Chapter 11 Cases.

1.9 "AgFeed Industries Estate Assets" shall mean all of the assets of the AgFeed Industries Estate, including, but not limited to (i) Cash from operating accounts, (ii) security deposits, (iii) accounts receivable, (iv) certain personal property, (v) interests in the Debtors' insurance policies, (vi) interests in all Causes of Action, (vii) the Initial Distributable AgFeed USA Estate Assets and Remaining Distributable AgFeed USA Estate Assets, (viii) the net proceeds from the AgFeed Industries Stock Sale, and (ix) the books and records preserved and retained by AgFeed Industries.

1.10 "AgFeed Industries General Unsecured Claims Reserve" shall mean the reserve established by the Debtors, in consultation with the Committees, from the AgFeed Industries Estate Assets pursuant to Section 7.1 of the Plan, for the purposes of making Distributions to and satisfying the Allowed Claims of Holders of Class 3B General Unsecured Claims against AgFeed Industries.

1.11 "AgFeed Industries Net Distributable Cash" shall mean the Cash available from or remaining in the AgFeed Industries Estate Assets after payment in full (or establishing appropriate Reserves) of all Allowed Administrative Claims, Allowed Priority Claims, Allowed Secured Claims and Allowed General Unsecured Claims against the AgFeed Industries Estate, including amounts, if any, remaining in the Class Fund and the SEC Fairness Fund after all Distributions have been made pursuant to the Class Fund and SEC Fairness Fund Distribution Procedures and the establishment of Reserves to fund the Liquidating Trust Expenses, including, but not limited to, the anticipated litigation expenses related to the pursuit of Causes of Action or liquidation of other Estate Assets, if any.

1.12 "AgFeed Industries Professional Fee Claims Reserve" shall mean the reserve established by the Debtors, in consultation with the Committees, from the AgFeed Industries Estate Assets, pursuant to Section 7.1 of the Plan for the purposes of making Distributions to and satisfying the Allowed Professional Fee Claims against AgFeed Industries.

1.13 "AgFeed Industries Purchaser" shall mean Good Charm International Development, Ltd., as purchaser, and Ningbo Tech-Bank Co., Ltd., as parent.

1.14 "AgFeed Industries SAP Claims Reserve" shall mean the reserve established by the Debtors, in consultation with the Plan Supporter, from the AgFeed Industries Estate Assets pursuant to Section 7.1of the Plan, for the purposes of making distributions to and satisfying the Allowed Claims of Holders of Secured Claims, Administrative Expense Claims (other than Professional Fee Claims), Priority Tax Claims and Priority Non-Tax Claims against AgFeed Industries.

1.15 "AgFeed Industries Stock Sale" shall mean the sale of 100% of AgFeed Industries shares in AgFeed Industries, Inc. (British Virgin Islands) to the AgFeed Industries' Purchaser, pursuant to the Stock Purchase Agreement and the AgFeed Industries Stock Sale Order.

1.16 "AgFeed Industries Stock Sale Order" shall mean the *Order (I) Authorizing and Approving AgFeed Industries, Inc.'s Sale of the Stock of AgFeed Industries, Inc. (British Virgin Islands), (II) Approving a Certain Stock Purchase Agreement, (III) Authorizing and Approving*

AgFeed Industries, Inc.'s Entry Into and Consummation of the Stock Purchase Agreement, and (IV) Granting Related Relief [*Docket No.640*].

1.17 "AgFeed USA" shall mean AgFeed USA, LLC, one of the debtors and debtors in possession in the Chapter 11 Cases. AgFeed USA is a wholly owned subsidiary of AgFeed Industries.

1.18 "AgFeed USA General Unsecured Claims Reserve" shall mean the reserve established by the Debtors, in consultation with the Committees, from the Consolidated AgFeed USA Estate Assets, pursuant to Section 7.1 of the Plan for the purposes of making Distributions to and satisfying the Allowed Claims of Holders of Class 3A Claims against the Consolidated AgFeed USA Debtors.

1.19 "AgFeed USA Professional Fee Claims Reserve" shall mean the reserve established by the Debtors, in consultation with the Committees, from the Consolidated AgFeed USA Estate Assets pursuant to Section 7.1 of the Plan for the purposes of making Distributions to and satisfying Allowed Professional Fee Claims against the Consolidated AgFeed USA Debtors.

1.20 "AgFeed USA Purchasers" shall mean High Plains Pork, LLC, Cohoma Pork, LLC and Murphy-Brown LLC.

1.21 "AgFeed USA Sale" shall mean the sale of substantially all of the assets of the AgFeed USA Sellers to the AgFeed USA Purchasers, pursuant to the Asset Purchase Agreement and the AgFeed USA Sale Order.

1.22 "AgFeed USA Sale Order" shall mean the *Order (I) Authorizing and Approving the Sale of Certain of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances and Other Interests Pursuant to Asset Purchase Agreement With High Plains Pork, LLC, Cohoma Pork, LLC and Murphy-Brown LLC; (II) Authorizing the Debtors to Enter Into and Perform Their Obligations Under the Asset Purchase Agreement; (III) Authorizing and Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection with the Sale; and (IV) Granting Certain Related Relief* [*Docket No. 257*].

1.23 "AgFeed USA SAP Claims Reserve" shall mean the reserve established by the Debtors, in consultation with the Plan Supporter, pursuant to Section 7.1of the Plan, for the purposes of making distributions to and satisfying the Allowed Claims of Holders of Secured Claims, Administrative Expense Claims (other than Professional Fee Claims), Priority Tax Claims and Priority Non-Tax Claims against the Consolidated AgFeed USA Debtors.

1.24 "AgFeed USA Sellers" shall mean AgFeed USA, LLC, TS Finishing, LLC, New York Finishing, LLC, Pork Technologies, LC, New Colony Farms, LLC, Heritage Farms, LLC, Heritage Land, LLC, Genetics Operating, LLC, M2P2 Facilities, LLC, MGM, LLC, M2P2 General Operations, LLC, New Colony Land Company, LLC, M2P2 AF JV, LLC, Midwest Finishing, LLC and Genetics Land, LLC.

1.25 "Allowed", "Allowed [__] Claim" or "Allowed [__] Interest" shall mean all or a portion of a Claim against the Debtors or an Interest in the Debtors (a) that has been listed by the Debtors in the Debtors' Schedules as liquidated in amount and not Disputed or Contingent, and with

respect to which no contrary Claim or proof of Interest has been Filed, (b) as to which no objection or request for estimation has been Filed on or before the Claims Objection Deadline or the expiration of such other applicable period fixed by the Bankruptcy Court, (c) as to which any objection has been settled, waived, withdrawn or denied by a Final Order, or (d) that is allowed (i) by a Final Order, (ii) by an agreement between the Holder of such Claim or Interest and the Debtors (after consultation with the Committees) prior to the Effective Date, or the Liquidating Trustee on or after the Effective Date, or (iii) pursuant to the terms of the Plan. For purposes of computing Distributions under the Plan, a Claim or Interest that has been deemed "Allowed" shall not include interest, costs, fees or charges on such Claim or Interest from and after the Petition Date, except as provided in Section 506(b) of the Bankruptcy Code or as otherwise expressly set forth in the Plan.

1.26 "**Asset Purchase Agreement**" shall mean that certain asset purchase agreement by and between the AgFeed USA Sellers and the AgFeed USA Purchasers, dated August 29, 2013.

1.27 **"Bankruptcy Code"** shall mean title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, and as such title has been, or may be, amended from time to time, to the extent that any such amendment is applicable to these Chapter 11 Cases.

1.28 **"Bankruptcy Court"** shall mean the United States Bankruptcy Court for the District of Delaware.

1.29 **"Bankruptcy Rules"** shall mean the Federal Rules of Bankruptcy Procedure, the Official Bankruptcy Forms, or the Local Rules as each has been, or may be, amended from time to time, to the extent that any such amendment is applicable to these Chapter 11 Cases.

1.30 **"Bar Date"** shall mean, with respect to any particular Claim, the specific date set by the Bankruptcy Court, pursuant to the Bar Date Order or any other order of the Bankruptcy Court, as the last day for Filing proofs of Claim or proofs of Interest against the Debtors in the Chapter 11 Cases for that specific Claim or Interest.

1.31 "**Bar Date Order**" shall mean the Order Pursuant to Sections 501 and 502(b)(9) of the Bankruptcy Code, Bankruptcy Rules 2002(a)(7) and 3003(c)(3) Establishing Bar Dates for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof [*Docket No. 379*].

1.32 **"Business Day"** shall mean any day, other than a Saturday, Sunday or a legal holiday (as that term is defined in Bankruptcy Rule 9006(a)).

1.33 **"Cash"** shall mean money that is legal tender of the United States of America.

1.34 **"Cash Collateral Order"** shall mean the Final Order Pursuant to Sections 105(a), 362 and 363 of the Bankruptcy Code Authorizing Use of Cash Collateral and Granting Related Relief, as it may be amended, modified and supplemented [*Docket No. 104*].

1.35 **"Causes of Action"** shall mean all actions, causes of action, choses in action, suits, debts, dues, damages, defenses, judgments, third-party claims, counterclaims, and cross claims, involving any of the Debtors or the Estates that are or may be pending or existing on the Effective Date or may subsequently be brought against any Person, Entity or Debtor, based in law or equity,

including, but not limited to, under the Bankruptcy Code except for causes of action arising under Section 547, whether direct, indirect, known or unknown, derivative, or otherwise and whether asserted or unasserted as of the date of entry of the Confirmation Order, including the Unknown Causes of Action that have not been previously settled by the Debtors or released by the Plan, or any other order of the Bankruptcy Court, and including, without limitation, those described or identified in Section [___] of the Disclosure Statement.

1.36 "**Chapter 11 Cases**" shall mean the chapter 11 cases commenced by the Debtors and jointly administered under case number 13-11761 (BLS) in the Bankruptcy Court.

1.37 **"Claim" or "Claims"** shall mean a claim or claims against any Debtor or Debtors, as such term is defined in Section 101(5) of the Bankruptcy Code.

1.38 **"Claims Agent"** shall mean the Debtors' claims agent, BMC Group, Inc.

1.39 **"Claims Objection Deadline"** shall mean ninety (90) days after the Effective Date, or such later date as may be ordered by the Bankruptcy Court, *provided however*, that the Liquidating Trustee may seek extensions of this date from the Bankruptcy Court, upon notice and a hearing.

1.40 **"Class"** shall mean each category or group of Holders of Claims or Interests that has been designated as a class in Article II of the Plan.

1.41 **"Class Action Litigation"** shall mean the consolidated class action lawsuit currently pending in the United States District Court for the Middle District of Tennessee, Case No. 11-cv-. 3:11-cv-0092.

1.42 **"Class Fund"** shall mean the fund established pursuant to Section 7.3 of the Plan and administered by the Liquidating Trustee.

1.43 **"Class Fund Distribution Procedures"** shall mean the procedures for making Distributions from the Class Fund that are approved by the Tennessee District Court and the Bankruptcy Court.

1.44 **"Class Plaintiffs"** shall mean William McCaffery, Ginger-Haubeck McCaffery, Joseph Boccuti, Larry Ewing and Stephen Arseneault, on behalf of themselves and all persons who purchased or otherwise acquired AgFeed common stock during the class period and were allegedly damaged thereby.

1.45 **"Committees"** shall mean the Creditors' Committee and the Equity Holders' Committee appointed in the Chapter 11 Cases.

1.46 **"Confirmation Date"** shall mean the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

1.47 **"Confirmation Hearing"** shall mean the hearing held by the Bankruptcy Court to consider confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

1.48 "Confirmation Order" shall mean the order of the Bankruptcy Court confirming the Plan pursuant to, among others, Section 1129 of the Bankruptcy Code.

1.49 "Consolidated AgFeed USA Debtors" shall mean AgFeed USA, LLC, TS Finishing, LLC, New York Finishing, LLC, Pork Technologies, L.C., New Colony Farms, LLC, Heritage Farms, LLC, Heritage Land, LLC, Genetics Operating, LLC, M2P2 Facilities, LLC, MGM, LLC, M2P2 General Operations, LLC, New Colony Land Company, LLC, M2P2 AF JV, LLC, Midwest Finishing, LLC and Genetics Land, LLC.

1.50 "Consolidated AgFeed USA Estate Assets" shall mean all of the assets of the Consolidated AgFeed USA Debtors Estates, including, but not limited to (i) Cash from operating accounts, (ii) security deposits, (iii) accounts receivable, (iv) certain unfinished hogs, (v) certain personal property, (vi) interests in the Debtors' insurance policies, (vii) interests in all Causes of Action, (viii) books and records preserved and retained by the Consolidated AgFeed USA Debtors, and (ix) the net proceeds from the AgFeed USA Sale.

1.51 "Consummation" shall mean the occurrence of the Effective Date.

1.52 "Contingent" shall mean, with reference to a Claim, a Claim that has not accrued or is not otherwise payable and the accrual of which, or the obligation to make payment on which, is dependent upon a future event that may or may not occur.

1.53 "Creditor" shall have the meaning ascribed to such term in Section 101(10) of the Bankruptcy Code.

1.54 "Creditors' Committee" shall mean the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases.

1.55 "**Debtors**" shall mean AgFeed USA, LLC, AgFeed Industries, Inc., TS Finishing, LLC, New York Finishing, LLC, Pork Technologies, LC, New Colony Farms, LLC, Heritage Farms, LLC, Heritage Land, LLC, Genetics Operating, LLC, M2P2 Facilities, LLC, MGM, LLC, M2P2 General Operations, LLC, New Colony Land Company, LLC, M2P2 AF JV, LLC, Midwest Finishing, LLC and Genetics Land, LLC.

1.56 "Disallowed" shall mean with respect to any Claim or Interest or portion thereof, any Claim against or Interests in the Debtor which: (i) has been disallowed, in whole or part, by a Final Order; (ii) has been withdrawn by agreement of the Holder thereof and one or more of the Debtors, in consultation with the Plan Supporter, or the Liquidating Trustee in whole or in part; (iii) has been withdrawn, in whole or in part, by the Holder thereof; (iv) if listed in the Schedules as zero or as Disputed, Contingent or Unliquidated and in respect of which a proof of Claim or a proof of Interest, as applicable, has not been timely Filed or deemed timely Filed pursuant to the Plan, the Bankruptcy Code or any Final Order or other applicable law; (v) has been reclassified, expunged, subordinated or estimated to the extent that such reclassification, expungement, subordination or estimation results in a reduction in the Filed amount of any proof of Claim or proof of Interest; (vi) absent an order from the Bankruptcy Court to the contrary, is required to be Filed by order of the Bankruptcy Court but as to which such proof of Claim or proof of Interest was not timely or properly Filed; or (vii) is unenforceable to the extent provided in Section 502(b) of the Bankruptcy Code. In each case a Disallowed Claim or a Disallowed Interest is disallowed

only to the extent of disallowance, withdrawal, reclassification, expungement, subordination or estimation.

1.57 "Disbursing Agent" shall mean (a) on or prior to the Effective Date, the Debtors and (b) on or after the Effective Date, the Liquidating Trustee, provided that the Debtors or the Liquidating Trustee may, in their discretion, retain a third party to act as Disbursing Agent.

1.58 "Disclosure Statement" shall mean the disclosure statement accompanying the Plan, as amended, supplemented, or modified from time to time, that is prepared and distributed in accordance with, among others, Sections 1125, 1126(b) and 1145 of the Bankruptcy Code, Bankruptcy Rule 3018 and other applicable law.

1.59 "Disputed" shall mean any Claim or Interest: (a) which is listed in the Schedules as disputed, Contingent or Unliquidated and for which a proof of Claim or proof of Interest has been timely Filed pursuant to the Plan, the Bankruptcy Code, or any Final Order of the Bankruptcy Court, but which claim does not indicate a liquidated amount due and owing; (b) which is objected to in whole or in part on or before the Claims Objection Deadline (or on or before any deadline for objecting to Interests) or for which a request for estimation has been Filed in accordance with the Bankruptcy Code and the Bankruptcy Rules and as to which no Final Order allowing or disallowing such Claim or Interest has been entered; or (c) for which a motion to approve a settlement of such Claim or Interest has been Filed in accordance with the Bankruptcy Code and the Bankruptcy Rules and as to which no Final Order approving or disapproving such settlement has been entered. To the extent an Objection relates to the allowance of only part of a Claim or Interest, such Claim or Interest shall be Disputed only to the extent of the Objection.

1.60 "Distribution" shall mean a delivery of Cash by the Disbursing Agent to the Holders of Allowed Claims or Allowed Interests pursuant to the Plan.

1.61 "Distribution Date" shall mean the date on which a Distribution is made pursuant to the Plan.

1.62 "Distribution Record Date" shall mean the date established for determining the Holders of Claims and Interests entitled to Distributions pursuant to the Plan, which shall be the Confirmation Date.

1.63 "Effective Date" shall mean the first Business Day on the later of the date on which (a) all conditions in Section 10.1 of the Plan have been satisfied or waived in accordance with that Section and (b) no stay of the Confirmation Order is in effect; provided, however, the Effective Date may occur on such other date agreed to in writing by the Debtors and the Committees.

1.64 "Entity" shall have the meaning ascribed to such term in Section 101(15) of the Bankruptcy Code.

1.65 "Equity Holders' Committee" shall mean the Official Committee of Equity Security Holders appointed in the Chapter 11 Cases.

1.66 "Estate(s)" shall mean the estates of each of the Debtors created by Section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases on the Petition Date.

1.67 "Estates' Assets" shall mean both the Consolidated AgFeed USA Estate Assets and AgFeed Industries Estate Assets.

1.68 "**Executory Contract**" shall mean a contract to which the Debtor is a party that is subject to assumption or rejection under 365 of the Bankruptcy Code.

1.69 "File," "Filed," or **"Filing"** shall mean, respectively, file, filed, or filing with the Bankruptcy Court or its authorized designee in these Chapter 11 Cases.

1.70 "Final Order" shall mean an unstayed order, ruling, or judgment of the Bankruptcy Court or any other court of competent jurisdiction as to which the time to appeal, petition for *certiorari*, or request for reargument, or rehearing has expired and as to which no appeal, petition for *certiorari*, or other proceedings for reargument or rehearing shall then be pending, or as to which any right to appeal, petition for *certiorari*, reargument, or rehearing shall have been waived in writing in form and substance satisfactory to the Debtors (prior to the Effective Date) or the Liquidating Trustee (on or after the Effective Date), or, in the event that an appeal, writ of *certiorari*, or re-argument or rehearing thereof has been sought, such order of the Bankruptcy Court or other court of competent jurisdiction shall have been determined by the highest court to which such order was appealed, or *certiorari*, reargument or rehearing shall have been denied and the time to take any further appeal, petition for *certiorari* or move for reargument or rehearing shall have expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or applicable state court rules of civil procedure, may be Filed with respect to such order, shall not cause such order not to be a Final Order.

1.71 "General Unsecured Claim" shall mean a Claim against a Debtor, including any Rejection Claims, but excluding any Administrative Expense Claims, Professional Fee Claims, Priority Tax Claims, Priority Non-Tax Claims, Secured Claims, Intercompany Claims, or Subordinated Claims.

1.72 "**General Unsecured Claims Bar Date**" shall mean November 12, 2013, at 4:00 p.m. (Prevailing Eastern Time) for certain Claims arising before the Petition Date as established by the Bar Date Order.

1.73 "Governmental Unit" shall have the meaning ascribed to such term in Section 101(27) of the Bankruptcy Code.

1.74 "Governmental Unit Bar Date" shall mean January 13, 2014, at 4:00 p.m. (Prevailing Eastern Time) as established by the Bar Date Order.

1.75 "**Holder**" or **"Holders"** shall mean a Person or an Entity holding a Claim or Interest.

1.76 "Impaired" shall mean, when used in reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of Section 1124 of the Bankruptcy Code.

1.77 "Impaired Class" shall mean a Class of Claims or Interests that is Impaired.

1.78 "Initial Distributable AgFeed USA Estate Assets" shall mean the Cash portion of the Consolidated AgFeed USA Estate Assets, minus the aggregate amount of Cash required on the Effective Date to (i) satisfy all Allowed Claims in full, and (ii) pay amounts necessary to fund the Reserves for Claims against and Interests in the Consolidated AgFeed USA Debtors which shall be distributed to AgFeed Industries in accordance with Section 7.6 of the Plan.

1.79 "Insider" shall have the meaning ascribed to such term in Section 101(31) of the Bankruptcy Code.

1.80 "Insider Subordinated Claims" shall mean Claims, including, but not limited to Claims for indemnification, filed by persons, who were officers or directors of the Debtors or their affiliates during the period of May 1, 2008 through December 19, 2011, including, but not limited to those identified on Schedule 1.80 of the Plan that shall be subordinated pursuant to Sections 510(b) and (c) of the Bankruptcy Code, unless all Claims and Causes of Action against such person have been expressly released by the Debtors pursuant to an Order of the Bankruptcy Court. Insider Subordinated Claims shall be classified as Class 7B Claims.

1.81 "Insider Subordinated Claim Recovery Percentage" shall mean the percentage amount equal to the average percentage recovery received by holders of Allowed Class 6B Claims from the Claims Fund and SEC Fairness Fund.

1.82 "Insider Subordinated Claims Reserve" shall mean the reserve established by the Debtors, pursuant to Section 7.1 of the Plan for the purpose of satisfying the Claims of Holders of Insider Subordinated Claims, to the extent Allowed, after the Liquidating Trustee has completed his or her investigation into potential Causes of Action against the Insider, which reserve shall initially be equal to the amounts asserted in the proofs of claim filed by the holders of Insider Subordinated Claims, or such other amounts as are established by the Court.

1.83 "Insider Interests" shall mean Class 5B Interests held by persons who were officers or directors of the Debtors during the period of May 1, 2008 through December 19, 2011, including, but not limited to those identified on Schedule 1.80 of the Plan, unless all Claims and Causes of Action against such person have been expressly released by the Debtors pursuant to an Order of the Bankruptcy Court. Insider Interests shall be classified and treated as Class 5B Interests.

1.84 "Insider Interests Reserve" shall mean the reserve established by the Debtors, in consultation with the Plan Supporter, pursuant to Section 7.1 of the Plan for the purpose of satisfying the Insider Interests, to the extent Allowed, after the Liquidating Trustee has completed his or her investigation into potential Causes of Action against the Holder of the Insider Interests.

1.85 "Interests" shall mean the legal interests, equitable interests, contractual interests, equity interests, membership interests or ownership interests, or other rights of any Person in the Debtors including all capital stock, stock certificates, common stock, preferred stock, partnership interests, limited liability company or membership interests, rights, treasury stock, options, warrants, contingent warrants, convertible or exchangeable securities, investment securities, subscriptions or other agreements and contractual rights to acquire or obtain such an interest or share in the Debtors, partnership interests in the Debtors' stock appreciation rights, conversion rights,

repurchase rights, redemption rights, dividend rights, preemptive rights, subscription rights and liquidation preferences, puts, calls, awards, or commitments of any character whatsoever relating to any such equity, common stock, preferred stock, ownership interests or other shares of capital stock of the Debtors or obligating the Debtors to issue, transfer or sell any shares of capital stock whether or not certificated, transferable, voting, or denominated as "stock" or a similar security.

1.86 "IRS" shall mean the Internal Revenue Service.

1.87 "Liquidating Trust" shall mean the liquidating trust established by the Plan and described in Section 6.2 of the Plan and in the Liquidating Trust Agreement.

1.88 "Liquidating Trust Agreement" shall mean the agreement establishing and delineating the terms and conditions of the Liquidating Trust and Filed as part of the Plan Supplement.

1.89 "Liquidating Trust Assets" shall mean all of the Estates' Assets transferred to the Liquidating Trust pursuant to the Plan, including but not limited any assets or Cash contributed to the Class Fund and the SEC Fairness Fund in accordance with the Plan.

1.90 "Liquidating Trust Beneficiaries" shall mean the Holders of Allowed Claims and Interests under the Plan.

1.91 "Liquidating Trust Expense Reserve" shall mean the reserve established by the Confirmation Order or other order of the Bankruptcy Court, pursuant to Section 7.1 of the Plan and funded from the AgFeed Industries Net Distributable Cash, to be applied toward the Liquidation Trust Expenses.

1.92 "Liquidating Trust Expenses" shall mean all actual and necessary costs and expenses incurred on or after the Effective Date in connection with the administration of the Plan, including, but not limited to, (i) the Liquidating Trustee's costs, expenses and legal fees incurred related to filing and prosecuting objections to Claims, (ii) the Liquidating Trustee's costs, expenses and legal fees incurred to litigate or settle Causes of Action, including, but not limited to attorneys' fees, accounting fees, expert witness fees, and all costs related to obtaining and distributing such recoveries, (iii) all fees, costs or expenses of the Liquidating Trustee incurred pursuant to the Liquidating Trust Agreement, including, but not limited to, any professional retained by the Liquidating Trustee and (iv) all fees payable pursuant to Section 1930 of Title 28 of the United States Code.

1.93 "Liquidating Trust Oversight Committee" shall mean the committee appointed pursuant to Section 6.3(f) of the Plan to oversee the activities of the Liquidating Trust and the Liquidating Trustee.

1.94 "Liquidating Trust Protected Parties" shall mean, collectively, the Liquidating Trust, the Liquidating Trustee, the Liquidating Trust Oversight Committee, and their respective members, designees, agents, professionals, employees, managers, partners, actuaries, financial advisors, and attorneys.

1.95 "Liquidating Trustee" shall mean the Person designated pursuant to Article VI of the Plan to act in accordance with the terms and authority granted under the Plan and Confirmation

Order; provided, however, that the Liquidating Trustee shall not have served as a member of either of the Committees.

1.96 "Local Rules" shall mean the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware.

1.97 "Objection(s)" shall mean any objection, application, motion, complaint or any other legal proceeding seeking, in whole or in part, to disallow, determine, liquidate, classify, reclassify, or establish the priority, expunge, subordinate or estimate any Claim or Interests (including the resolution of any request for payment of any Administrative Expense Claim).

1.98 "Permitted Investments" shall mean (a) short-term direct obligations of, or obligations guaranteed by, the United States of America, (b) short-term obligations of any agency or corporation which is or may hereafter be created by or pursuant to an act of the Congress of the United States as an agency or instrumentality thereof, (c) demand deposits or certificates of deposit at any bank or trust company, which has, at the time of the deposit, a capital stock and surplus aggregating at least $1,000,000,000, or (d) such other investments as the Bankruptcy Court may approve from time to time.

1.99 "Person" shall have the meaning ascribed to such term in Section 101(41) of the Bankruptcy Code.

1.100 "Petition Date" shall mean July 11, 2013, the date on which the Debtors commenced the Chapter 11 Cases in the Bankruptcy Court.

1.101 "Plan" shall mean the Plan of liquidation under chapter 11 of the Bankruptcy Code, as it may be altered, amended, modified or supplemented from time to time including in accordance with any documents submitted in support hereof and the Bankruptcy Code or the Bankruptcy Rules.

1.102 "Plan Supplement" shall mean the collection of Plan related documents, including, without limitation, (i) the proposed Liquidating Trust Agreement, (ii) the Class Fund Distribution Procedures, (iii) the SEC Fairness Fund Distribution Procedures, and (iv) the list of Allowed Claims as agreed upon by the Debtors and the Committees, attached hereto as Schedule 1.102, which may be amended, modified or supplemented in the Debtors' sole discretion up to five (5) days prior to the Voting Deadline.

1.103 "Post-Confirmation Operating Account(s)" shall mean the interest bearing account(s) to be utilized by the Liquidating Trustee for the purpose of paying all costs of administering or collecting the assets of the Estates and liquidating the Estates' Assets.

1.104 "Post-Petition Interest" shall mean simple interest accrued in connection with an Allowed General Unsecured Claim, or Allowed 503(b)(9) Claims, from the Petition Date through the Distribution Date at the federal judgment rate.

1.105 "Priority Non-Tax Claim" shall mean any Claim against the Debtors other than Administrative Expense Claims, Professional Fee Claims or Priority Tax Claims entitled to priority in payment pursuant to Section 507(a) of the Bankruptcy Code.

1.106 "Priority Tax Claim" shall mean a Claim or a portion of a Claim for which priority is asserted under Section 507(a)(8) of the Bankruptcy Code.

1.107 "Professional" or collectively **"Professionals,"** shall mean a Person or Entity employed pursuant to a Final Order in accordance with Sections 327, 328, or 1103 of the Bankruptcy Code and to be compensated for services rendered prior to the Confirmation Date, pursuant to Sections 327, 328, 329, 330, and 331 of the Bankruptcy Code, or for which compensation and reimbursement has been allowed by the Bankruptcy Court pursuant to Section 503(b)(4) of the Bankruptcy Code.

1.108 "Professional Fee Bar Date" shall mean the deadline for Filing all applications for Professional Fee Claims, which shall be forty-five (45) days after the Effective Date, as set forth in Section 3.1 herein.

1.109 "Professional Fee Claim" shall mean all fees and expenses (including but not limited to, transaction fees, success fees, and substantial contribution claims) for services rendered by Professionals in connection with the Chapter 11 Cases on or prior to the Effective Date.

1.110 "Pro Rata" shall mean the proportion that the Allowed Claim or Allowed Interest in a particular Class bears to the aggregate amount of (a) Allowed Claims or Allowed Interests in such Class as of the date of determination, plus (b) Disputed Claims or Disputed Interests in such Class as of the date of determination, in their aggregate face amounts or such other amount: (i) as calculated by the Debtors, in consultation with the Plan Supporter, or the Liquidating Trustee, as applicable, on or before the date of any such Distribution, (ii) as determined by an Order of the Bankruptcy Court estimating such Disputed Claim, or (iii) as directed by a Final Order of the Bankruptcy Court.

1.111 "Record Date" shall mean the date that the Bankruptcy Court enters an order approving the Debtors' Disclosure Statement or such other date as established by the Bankruptcy Court.

1.112 "Rejection Bar Date" shall mean the deadline by which a counterparty to an Executory Contract or an unexpired lease of the Debtors rejected under the Plan must File a proof of Claim for damages arising from such rejection by the Debtors of such Executory Contract or unexpired lease, and shall be thirty (30) days after the Effective Date or such other deadline established for filing a Rejection Claim by a Final Order of the Bankruptcy Court; provided, however, if an earlier rejection bar date was established by order of the Bankruptcy Court with respect to a rejected Executory Contract or unexpired lease, such earlier rejection bar date shall apply.

1.113 "Rejection Claim" shall mean any Claim for amounts due as a result of the rejection under the Plan by the Debtors of any Executory Contract or unexpired lease under Section 365 of the Bankruptcy Code.

1.114 "Released Insurance Carrier" shall mean any insurance carrier identified in the Plan Supplement, Confirmation Order or other Order of the Bankruptcy Court that has contributed proceeds to fund the Plan for the insurance policy limits or for an amount agreed to by the Plan Supporter which in either case is effective upon (a) actual payment of such funds to the Estate, and (b) written agreement by the non-released insurance carriers or a final, non-appealable Order of the Bankruptcy Court affirming that such non-released insurance carriers do not or cannot assert a

defense to coverage on account of the release granted in the Plan to any Released Insurance Carrier.

1.115 "Released Parties" shall mean the members of the Committees in their capacities as such, the Committees' Professionals in their capacities as such, the Debtors' Professionals in their capacities as such, the members of the Ad Hoc Equity Holders' Committee in there capacities as such, the Ad Hoc Equity Holders' Committee Professionals in their capacities as such, Mackinac Partners, LLC, independent contractors working for the Debtors supplied by Mackinac Partners, LLC, Bruce Ginn, Todd Zelek and H. David Sherman in their capacities as independent directors of AgFeed Industries. Each, individually is a "Released Party".

1.116 "Remaining Distributable AgFeed USA Estate Assets shall mean the remaining AgFeed USA Estate Assets, after all Allowed Claims, U.S. Trustee Fees, Professional Fees and Liquidating Trustee Expenses have been paid, satisfied or fully reserved for and Disputed Claims have been resolved or fully reserved for, which shall be distributed in accordance with the Plan.

1.117 "Reserves" shall mean, collectively, the reserves, which shall be in one or more interest bearing accounts, which are established by the Debtors, in consultation with either the Plan Supporter or the Committees as set forth herein and in accordance with Section 7.1 of the Plan, the amounts of which shall be set by the Bankruptcy Court in the Confirmation Order, or by another order of the Bankruptcy Court entered prior to the Effective Date, and which reserves can be modified by the Liquidating Trustee in consultation with the Liquidating Trust Oversight Committee or by entry of an order by the Bankruptcy Court.

1.118 "Schedules" shall mean the schedules of assets and liabilities, schedules of Executory Contracts and unexpired leases and statements of financial affairs Filed by the Debtors pursuant to Section 521 of the Bankruptcy Code and in substantial accordance with the Official Bankruptcy Forms, as the same may have been amended, modified or supplemented from time to time.

1.119 "SEC" shall mean the United States Securities and Exchange Commission.

1.120 "SEC Fairness Fund" shall mean the fund established pursuant to Section 7.3 of the Plan and administered by the Liquidating Trustee.

1.121 "SEC Fairness Fund Distribution Procedures" shall mean the procedures established for making Distributions from the SEC Fairness Fund as approved by the Bankruptcy Court.

1.122 "Second Administrative Expense Claims Bar Date" shall mean the date that falls on the thirtieth (30^{th}) day following the Effective Date by which (i) Holders of Administrative Expense Claims (other than Professional Fee Claims) against the Consolidated AgFeed USA Debtors accruing after September 12, 2013 through the Effective Date and (ii) Holders of Administrative Expense Claims against AgFeed Industries accruing from the Petition Date through the Effective Date shall file with the Claims Agent and serve on the Debtors or the Liquidating Trustee, as applicable, requests for payment, in writing, together with supporting documents, substantially complying with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

1.123 "Secured Claim" shall mean, pursuant to Section 506 of the Bankruptcy Code, that portion of a Claim that is (a) secured by a valid, perfected and enforceable security interest, lien,

mortgage, or other encumbrance, that is not subject to avoidance under applicable bankruptcy or non-bankruptcy law, in or upon any right, title or interest of the Debtors in and to property of the Estate, to the extent of the value of the holder's interest in such property as of the relevant determination date, or (b) Allowed as such pursuant to the terms of the Plan (subject to the Confirmation Order becoming a Final Order). The defined term Secured Claim includes any Claim that is (i) subject to an offset right under applicable law as of the Petition Date, and (ii) a secured claim against the Debtors pursuant to Sections 506(a) and 553 of the Bankruptcy Code.

1.124 "**Solicitation Procedures Order**" shall mean that certain *Order Approving the Disclosure Statement; Approving the Solicitation and Voting Procedures; Scheduling the Plan Confirmation Process, and Granting Related Relief* [*Docket No.*_____].

1.125 "Stock Purchase Agreement" shall mean that certain stock purchase agreement, dated September 13, 2013, by and among Good Charm International Development, Ltd., as purchaser, Ningbo Tech-Bank Co., Ltd., as parent, and AgFeed Industries, Inc., as seller (as amended).

1.126 "Subordinated Claims" shall mean (i) any Claim arising out of the Class Action Litigation, (ii) any Claim which has been or may be Filed against the Debtors arising out of the purchase or sale of securities in the Debtors, and (iii) any other Claim that the Bankruptcy Court has determined is subordinated pursuant to sections 510(b) and 510(c) of the Bankruptcy Code, but shall not include any Claim that is an Insider Subordinated Claim.

1.127 "Subordinated Claims Distribution Expenses" shall mean the expenses incurred by the Disbursing Agent in making Distributions Holders of Subordinated Claims from the Class Fund and the SEC Fairness Fund.

1.128 "Tax" or "Taxes" shall mean all income, gross receipts, sales, use, transfer, payroll, employment, franchise, profits, property, excise, or other similar taxes, estimated import duties, fees, stamp taxes, and duties, value added taxes, assessments, or charges of any kind whatsoever (whether payable directly or by withholding), together with any interest and any penalties, additions to tax, or additional amounts imposed by any taxing authority of a Governmental Unit with respect thereto.

1.129 "Unclaimed Distributions" shall mean any undeliverable or unclaimed Distributions.

1.130 "Unimpaired" shall mean, when used in reference to a Claim or Interest, any Claim or Interest that is not impaired within the meaning of Section 1124 of the Bankruptcy Code.

1.131 "**Unknown Causes of Action**" shall mean any Causes of Action that currently exist or may subsequently arise and which have not been otherwise set forth herein or in the Disclosure Statement because the facts upon which such Causes of Action are based are not currently or fully known by the Debtors or the Committees.

1.132 "Unliquidated" shall mean with reference to a Claim, a Claim, the amount of which has not yet been determined or settled.

1.133 "**U.S. Trustee Fees**" shall mean fees payable pursuant to 28 U.S.C. § 1930.

1.134 "Voting Deadline" shall mean [_____], 2014 at 5:00 p.m. (Prevailing Eastern Time), the date and time by which all ballots to accept or reject the Plan must be received in order to be counted, as set forth by the Solicitation Procedures Order.

Rules of Interpretation

1.135 For purposes of the Plan, except as expressly provided or unless the context otherwise requires, (a) any capitalized term used in the Plan that is not otherwise defined in the Plan shall have the meaning ascribed to it in the Disclosure Statement (or any exhibit hereto or thereto), (b) any capitalized term used in the Plan that is not defined in the Plan or the Disclosure Statement (or in any exhibits hereto or thereto), but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable, (c) whenever the context requires, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter, (d) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions, (e) any reference in the Plan to an existing document or exhibit means such document or exhibit as it may be amended, modified, or supplemented from time to time, (f) unless otherwise specified, all references in the Plan to sections, articles, schedules, and exhibits are references to sections, articles, schedules, and exhibits of or to the Plan, (g) the words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to the Plan in its entirety rather than to any particular paragraph, subparagraph, or clause contained in the Plan, (h) captions and headings to articles and sections are inserted for convenience of reference only and shall not limit or otherwise affect the provisions hereof or the interpretation of the Plan, and (i) the rules of construction set forth in Section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply.

ARTICLE II.

CLASSIFICATION OF CLAIMS AND INTERESTS

2.1 Classification. All Claims and Interests, except Administrative Expense Claims and Priority Tax Claims, are placed in the Classes set forth below. In accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims, as described herein, have not been classified, and the respective treatment of such unclassified Claims is set forth below in Article IV of the Plan.

A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim or Interest is also placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim in that Class and such Claim or Interest has not been paid, released or otherwise settled prior to the Effective Date.

(a) *Identification of Classes of Claims Against and Interests In the Consolidated AgFeed USA Debtors*

The following table designates the Classes of Claims against and Interests in the Consolidated AgFeed USA Debtors and specifies which Classes are (i) Impaired or Unimpaired by the Plan, (ii) entitled to vote or accept this Plain in accordance with Section 1126 of the Bankruptcy Code, or (iii) deemed to accept or reject the Plan.

Class	**Status**	**Voting Rights**
Class 1A: Priority Non-Tax Claims	Unimpaired	Not entitled to Vote Deemed to accept Plan
Class 2A: Secured Claims	Unimpaired	Not entitled to Vote Deemed to accept Plan
Class 3A General Unsecured Claims	Unimpaired	Not entitled to Vote Deemed to accept Plan
Class 4A: Intentionally Omitted	Intentionally Omitted	Intentionally Omitted
Class 5A: Interests	Unimpaired	Not entitled to Vote Deemed to accept Plan

(b) *Identification of Classes of Claims Against and Interests In AgFeed Industries*

The following table designates the Classes of Claims against and Interests in AgFeed Industries and specifies which Classes are (i) Impaired or Unimpaired by the Plan, (ii) entitled to vote or accept this Plain in accordance with Section 1126 of the Bankruptcy Code, or (iii) deemed to accept or reject the Plan.

Class	Status	Voting Rights
Class 1B: Priority Non-Tax Claims	Unimpaired	Not entitled to Vote Deemed to accept Plan
Class 2B: Secured Claims	Unimpaired	Not entitled to Vote Deemed to accept Plan
Class 3B: General Unsecured Claims	Unimpaired	Not Entitled to Vote Deemed to accept Plan
Class 4B: SEC Claim	Impaired	Entitled to Vote
Class 5B: Interests	Impaired	Entitled to Vote
Class 6B: Subordinated Claims	Impaired	Entitled to Vote
Class 7B: Insider Subordinated Claims	Impaired	Entitled to Vote

ARTICLE III.

TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS

Unless the Holder of an Allowed Claim or Allowed Interest and the Debtors, in consultation with the Plan Supporter, or the Liquidating Trustee, agree to a different treatment, each Holder of an Allowed Claim or Allowed Interest shall receive the following Distributions in accordance with Article VII of the Plan:

3.1 Claims Against and Interests in the Consolidated AgFeed USA Debtors

(a) **Class 1A - Priority Non-Tax Claims.**

(i) Impairment and Voting. Class 1A shall consist of Allowed Priority Non-Tax Claims against any of the Consolidated AgFeed USA Debtors. Class 1A Claims are Unimpaired by the Plan and the Holders of Allowed Class 1A Claims are deemed to accept the Plan and, therefore, are not entitled to vote on the Plan.

(ii) Treatment. Within the time period provided in Section 7.6 of the Plan, each Holder of an Allowed Class 1A Priority Non-Tax Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 1A Claim from the Consolidated AgFeed USA Estate Assets: (A) Cash equal to 100% of the amount of such Allowed Priority Non-Tax Claim; or (B) such other treatment as to which the Debtors, in consultation with the Plan Supporter, or the Liquidating Trustee, and the Holder of such Allowed Priority Non-Tax Claim have agreed upon in writing.

(b) **Class 2A – Secured Claims.**

(i) Impairment and Voting. Class 2A shall consist of the Allowed Secured Claims against the Consolidated AgFeed USA Debtors. Class 2A Claims are Unimpaired by the Plan and the Holders of Allowed Class 2A Claims

are deemed to accept the Plan and, therefore, are not entitled to vote on the Plan.

(ii) Treatment. Within the time period provided in Section 7.6 of the Plan, each Holder of an Allowed Class 2A Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 2A Claim from the Consolidated AgFeed USA Estate Assets: (A) return of the collateral securing such Allowed Secured Claim; (B) Cash equal to 100% of the amount of such Allowed Secured Claim; or (C) such other treatment as to which the Debtors, in consultation with the Plan Supporter, or the Liquidating Trustee, and the Holder of such Allowed Secured Claim have agreed upon in writing.

(c) **Class 3A - General Unsecured Claims.**

(i) Impairment and Voting. Class 3A shall consist of all Allowed General Unsecured Claims against the Consolidated AgFeed USA Debtors. Class 3A Claims are Unimpaired by the Plan and the Holders of Allowed Class 3A Claims are deemed to accept the Plan and, therefore, are not entitled to vote on the Plan.

(ii) Treatment. Within the time period provided in Section 7.6 of the Plan, each Holder of an Allowed Class 3A General Unsecured Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 3A Claim, from the Consolidated AgFeed USA Estate Assets: (A) Cash equal to 100% of the amount of such Allowed General Unsecured Claim plus Post-Petition Interest; or (B) such other treatment as to which the Debtors, in consultation with the Committees, or the Liquidating Trustee, and the Holder of such Allowed General Unsecured Claim have agreed upon in writing.

(d) **Class 5A - Interests.**

(i) Impairment and Voting. Class 5A shall consist of all Interests in the Consolidated AgFeed USA Debtors. Class 5A Interests are Unimpaired by the Plan and the Holder of Allowed Class 5A Interests is deemed to accept the Plan and, therefore, are not entitled to vote on the Plan.

(ii) Treatment. Within the time period provided in Section 7.6 of the Plan, the Holder of Allowed Class 5A Interests shall receive in full and final satisfaction, settlement and release of and in exchange for such Allowed Class 5A Interests, the Remaining Distributable AgFeed USA Assets.

3.2 Claims Against and Interests in AgFeed Industries

(a) **Class 1B - Priority Non-Tax Claims.**

(i) Impairment and Voting. Class 1B shall consist of Allowed Priority Non-Tax Claims against AgFeed Industries. Class 1B Claims are Unimpaired by

the Plan and the Holders of Allowed Class 1B Claims are deemed to accept the Plan and, therefore, are not entitled to vote on the Plan.

(ii) Treatment. Within the time period provided in Section 7.6 of the Plan, each Holder of an Allowed Class 1B Priority Non-Tax Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 1B Claim from the AgFeed Industries Estate Assets: (A) Cash equal to 100% of the amount of such Allowed Priority Non-Tax Claim; or (B) such other treatment as to which the Debtors, in consultation with the Plan Supporter, or the Liquidating Trustee, and the Holder of such Allowed Priority Non-Tax Claim have agreed upon in writing.

(b) **Class 2B - Secured Claims.**

(i) Impairment and Voting. Class 2B shall consist of the Allowed Secured Claims against AgFeed Industries. Class 2B Claims are Unimpaired by the Plan and the Holders of Allowed Class 2B Claims are deemed to accept the Plan and, therefore, are not entitled to vote on the Plan.

(ii) Treatment. Within the time period provided in Section 7.6 of the Plan, each Holder of an Allowed Class 2B Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 2B Claim from the AgFeed Industries Estate Assets: (A) return of the collateral securing such Allowed Secured Claim; (B) Cash equal to 100% of the amount of such Allowed Secured Claim; or (C) such other treatment as to which the Debtors, in consultation with the Plan Supporter, or the Liquidating Trustee, and the Holder of such Allowed Secured Claim have agreed upon in writing.

(c) **Class 3B – General Unsecured Claims.**

(i) Impairment and Voting. Class 3B shall consist of all Allowed General Unsecured Claims against AgFeed Industries. Class 3B Claims are Unimpaired by the Plan and the Holders of Allowed Class 3B Claims are deemed to accept the Plan and not entitled to vote on the Plan.

(ii) Treatment. Within the time period provided in Section 7.6 of the Plan, each Holder of an Allowed Class 3B General Unsecured Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such allowed Class 3B Claim, from the AgFeed Industries Estate Assets: (A) Cash equal to 100% of the amount of such Allowed General Unsecured Claim plus Post-Petition Interest, or (B) such other treatment as to which the Debtors, in consultation with the Committees, or the Liquidating Trustee, and the Holder of such Allowed General Unsecured Claim have agreed upon in writing.

(d) **Class 4B – SEC Claim.**

(i) Impairment and Voting. Class 4B shall consist of the Allowed SEC Claim, against AgFeed Industries, in the amount of $18.0 million. The Class 4B

Claim is Impaired by the Plan and the Holder of Allowed Class 4B Claim is entitled to vote on the Plan.

(ii) Treatment. Within the time period provided in Section 7.6 of the Plan, the SEC, as the Holder of the Class 4B Claim, shall receive in full and final satisfaction, settlement, and release of and in exchange for such allowed Class 4B Claim, $18.0 million in Cash from the AgFeed Industries Net Distributable Cash which the SEC shall immediately contribute to the Liquidating Trust with $12.5 million designated for Distribution to the Holders of Class 5B Interests and $5.5 million designated for the SEC Fairness Fund established pursuant to the Plan.

(e) **Class 5B - Interests.**

(i) Impairment and Voting. Class 5B shall consist of all Interests in AgFeed Industries. Class 5B Claims are Impaired by the Plan and Holders of Allowed Class 5B Claims are entitled to vote on the Plan.

(ii) Treatment. Within the time period provided in Section 7.6 of the Plan, in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 5B Interests, Holders of such Class 5B Interests as of the Distribution Record Date shall receive their Pro Rata share of the Cash available for Distribution from the $12.5 million contribution from the SEC and from the AgFeed Industries Net Distributable Cash which shall include any amounts remaining in the Class Fund and SEC Fairness Fund after Distributions have been made in accordance with the Class Fund Distribution Procedures and the SEC Fairness Fund Distribution Procedures.

The Holders of Class 5B Interests as of the Distribution Record Date shall also receive their Pro Rata share of any net proceeds recovered from settlement, litigation or otherwise on account of the Liquidating Trustee's pursuit of Causes of Action.

Finally, certain of the Holders of Class 5B Interests, to the extent that they were damaged as the result of the purchase or sale of securities of the AgFeed Industries, may also be Holders of Class 6B Subordinated Claims or Class 7B Insider Subordinated Claims, and may therefore, share in the Distributions to such Holders described in Section 3.2(f) and 3.2(g) below.

Notwithstanding any of the foregoing, Insider Interests shall be deemed Disputed unless or until Allowed after the completion of the Liquidating Trustee's investigation into potential Causes of Action against the Holders of such Interests. Accordingly, Holders of Insider Interests shall not receive their Pro Rata share of the above Distributions until the Liquidating Trustee completes his or her investigation into potential Causes of Action against that Insider and the Insider Interests are subsequently Allowed.

Only Holders of Class 5B Interests on the Distribution Record Date shall receive Distributions pursuant to the Plan. Parties who become Holders of Class 5B Interests after the Distribution Record Date shall not receive any Distributions pursuant to the Plan on account of their Interests.

(f) **Class 6B – Subordinated Claims**.

(i) Impairment and Voting. Class 6B shall consist of all Subordinated Claims against AgFeed Industries. Class 6B Claims are Impaired by the Plan and Holders of Allowed Class 6B Claims are entitled to vote on the Plan.

(ii) Treatment. Within the time period provided in Section 7.6 of the Plan, in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 6B Claims, Holders of such Class 6B Claims shall, as applicable, receive Distributions from the Class Fund and/or the SEC Fairness Fund, in accordance with the Class Fund and the SEC Fairness Fund Distribution Procedures, less payment of the Subordinated Claims Distribution Expenses.

(g) **Class 7B – Insider Subordinated Claims**

(i) Impairment and Voting. Class 7B shall consist of Insider Subordinated Claims against AgFeed Industries. Class 7B Claims are Impaired by the Plan and Holders of Allowed Class 7B Claims are entitled to vote on the Plan.

(ii) Treatment. Insider Subordinated Claims shall be deemed Disputed unless and until Allowed after the completion of the Liquidating Trustee's investigation into potential Causes of Action against that Insider. Within the time period provided in Section 7.6 of the Plan, in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 7B Claims, Holders of such Class 7B Claims shall receive their Insider Subordinated Claims Recovery Percentage from the Insider Subordinated Claims Reserve . Distributions to Holders of Allowed Insider Subordinated Claims shall not be made until after all Distributions have been made (or calculated and allowed for) from the Claims Fund and SEC Fairness Fund so that the Insider Subordinated Claim Recovery Percentage can be determined.

3.3 Reservation of Rights Regarding Claims and Interests. Except as otherwise explicitly provided in the Plan, nothing shall affect either the Debtors' or the Liquidating Trustee's rights and defenses, both legal and equitable, with respect to any Claims or Interests, including, but not limited to, all rights with respect to legal and equitable defenses to alleged rights of setoff or recoupment.

ARTICLE IV.

TREATMENT OF UNCLASSIFIED CLAIMS

4.1 Administrative Expense Claims. Within the time period provided in Article VII of the Plan, each Holder of an Allowed Administrative Expense Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Administrative Expense Claim: (a) Cash equal to 100% of the amount of such Allowed Administrative Expense Claim; or (b) such other treatment as to which the Debtors, in consultation with the Plan Supporter, or the Liquidating Trustee, and the Holder of such Allowed Administrative Expense Claim shall have agreed upon in writing.

(a) **Bar Date for Administrative Expense Claims.** Holders of Administrative Expense Claims (other than Professional Fee Claims) either (i) against the Consolidated AgFeed USA Debtors accruing after September 12, 2013, through the Effective Date, or (ii) against AgFeed Industries accruing from the Petition Date through the Effective Date, shall File with the Claims Agent and serve on the Debtors or the Liquidating Trustee, as applicable, requests for payment, in writing, together with supporting documents, substantially complying with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, **so as to actually be received on or before the Second Administrative Expense Bar Date**. Any such Claim not Filed by the Second Administrative Expense Bar Date shall be deemed waived and the Holder of such Claim shall be forever barred from receiving payment on account thereof. The notice of Confirmation and Plan Effective Date to be delivered pursuant to Bankruptcy Rules 2002(c)(3) and 2002(f) shall set forth the Second Administrative Expense Bar Date and shall constitute notice of such Bar Date. The Liquidating Trustee shall have ninety (90) days following the Second Administrative Expense Bar Date to review and object to such Administrative Expense Claims, which time may be extended upon request of the Liquidating Trustee without notice or a hearing if the Liquidating Trust Oversight Committee unanimously consents, or otherwise upon notice and a hearing.

(b) **Bar Date for Applications for Professional Fee Claims**. Professional Fee Claims and all applications for allowance and payment of Professional Fee Claims shall be Filed with the Bankruptcy Court on or before the Professional Fee Bar Date. If an application for a Professional Fee Claim is not Filed by the Professional Fee Bar Date, such Professional Fee Claim shall be deemed waived and the Holder of such Claim shall be forever barred from receiving payment on account thereof. The notice of Confirmation to be delivered pursuant to Bankruptcy Rules 2002(c)(3) and 2002(f) shall set forth the Professional Fee Bar Date and shall constitute notice of such Bar Date.

(c) **Claims for Substantial Contribution by Ad Hoc Equity Holders' Committee.** In recognition of the contribution of the Ad Hoc Committee of Equity Security Holders and its professionals, as demonstrated by the record in these Chapter 11 Cases, including without limitation their contribution to the formation of the Equity

Holders' Committee and its substantial role as Plan Supporter and otherwise in these Chapter 11 Cases, and as further demonstrated on the record at the Confirmation Hearing to the extent requested or required, the professionals retained by the Ad Hoc Committee of Equity Security Holders ("Ad Hoc Committee Professionals") shall be entitled to reimbursement of their reasonable fees and expenses incurred in that role as Administrative Expense Claims. The fees and expenses incurred by the Ad Hoc Committee Professionals in that role are as follows:

(i) Elliott Greenleaf - $48,550.00

(ii) Sugar Felsenthal Grais & Hammer LLP - $ 49,856.50

(iii) Gavin/Solmonese - $38,426.30

The Ad Hoc Committee Professionals shall file a collective claim document with supporting invoices by ECF and submit a copy of such document to the Court and the Office of the United States Trustee (the "Submission Date") no later than ten (10) days following entry of the Confirmation Order. If no objection is lodged by a party in interest or the United States Trustee within thirty (30) days of the Submission Date, and except to the extent ordered by the Bankruptcy Court, the claims of the Ad Hoc Committee Professionals for reimbursement of fees and expenses pursuant to this section shall be deemed Allowed Administrative Claims, and paid in accordance with Section 7.2(b) of the Plan.

4.2 U.S. Trustee Fees. All fees payable on or before the Effective Date pursuant to Section 1930 of Title 28 of the United States Code shall be paid by the Debtors on or before the Effective Date. From and after the Effective Date, the Liquidating Trustee shall pay the fees assessed against the Debtors' Estates until such time as a particular Debtor's Chapter 11 Case is closed, dismissed or converted. Notwithstanding anything to the contrary in the Plan, the U.S. Trustee shall not be required to File a proof of claim for administrative expenses.

4.3 Priority Tax Claims. Within the time period provided in Article VII of the Plan, each Holder of an Allowed Priority Tax Claim shall receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Priority Tax Claim: (a) Cash equal to 100% of the amount of such Allowed Priority Tax Claim; or (b) such other treatment as to which the Debtors, in consultation with the Plan Supporter, or the Liquidating Trustee, and the Holder of such Allowed Administrative Expense Claim shall have agreed upon in writing.

ARTICLE V.

ACCEPTANCE OR REJECTION OF THE PLAN

5.1 Classes Entitled to Vote. Because Class 4B, Class 6B and Class 7B Claims against and Class 5B Interests in AgFeed Industries are Impaired and Holders thereof will receive or retain property or an interest in property under the Plan, Holders of these Claims and Interests against AgFeed Industries shall be entitled to vote to accept or reject the Plan.

5.2 Acceptance by Impaired Classes of Claims or Interests. In accordance with Section 1126(c) of the Bankruptcy Code, and except as provided in Section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have timely and properly voted to accept or reject the Plan. In accordance with Section 1126(d) of the Bankruptcy Code and except as provided in Section 1126(e) of the Bankruptcy Code, an Impaired Class of Interests shall have accepted the Plan if such Plan is accepted by the Holders of at least two-thirds (2/3) in amount of the Allowed Interests in such Class that have timely and properly voted to accept or reject the Plan.

5.3 Presumed Acceptance by Unimpaired Classes. Because Claims in Classes identified as Unimpaired in Section 2.1 are Unimpaired pursuant to Section 1126(f) of the Bankruptcy Code, Holders of these Claims are deemed to have accepted the Plan and, therefore, are not entitled to vote to accept or reject the Plan.

5.4 Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code. To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors reserve the right to request Confirmation of the Plan, as it may be modified from time to time, under Section 1129(b) of the Bankruptcy Code. The Debtors reserve the right to alter, amend, modify, revoke, or withdraw the Plan, the documents submitted in support thereof or any schedule or exhibit, including to amend or modify it to satisfy the requirements of Section 1129(b) of the Bankruptcy Code, if necessary.

5.5 Controversy Concerning Impairment. If a controversy arises as to whether any Claim or Interest is Impaired under the Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date to the extent necessary for Confirmation.

5.6 Elimination of Vacant Classes. Any Class of Claims or Interests that does not contain, as of the date of the commencement of the Confirmation Hearing, a Holder of an Allowed Claim or Interest, or a Holder of a Claim temporarily allowed under Bankruptcy Rule 3018, shall be deemed deleted from the Plan for all purposes, including for purposes of determining acceptance of the Plan by such Class under Section 1129(a)(8) of the Bankruptcy Code.

ARTICLE VI.

MEANS OF IMPLEMENTING THE PLAN

6.1 Substantive Consolidation. Entry of the Confirmation Order shall constitute approval, pursuant to Sections 105(a) and 1123(a)(5) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of the Estates of the Consolidated AgFeed USA Debtors, for the purposes of confirming and consummating the Plan, including but not limited to voting and confirmation. Accordingly, (a) the assets and liabilities of the Consolidated AgFeed USA Debtors will be deemed to be the assets and liabilities of a single, consolidated entity, (b) each and every Claim Filed or to be Filed in the Chapter 11 Cases against any of the Consolidated AgFeed USA Debtors shall be considered Filed against the Consolidated AgFeed USA Debtors and shall be

considered one Claim against and obligation of the Consolidated AgFeed USA Debtors on and after the Effective Date, (c) all joint obligations of two or more of the Consolidated AgFeed USA Debtors, and all multiple Claims against such entities on account of such joint obligations, are considered a single claim against the Consolidated AgFeed USA Debtors, (d) Intercompany Claims between the Consolidated AgFeed USA Debtors shall be waived and eliminated, and (e) all guaranties by any of the Consolidated AgFeed USA Debtors of the obligations of any Consolidated AgFeed USA Debtor arising prior to the Effective Date shall be deemed eliminated under the Plan so that any Claim against any Consolidated AgFeed USA Debtor and any guaranty thereof executed by any other Consolidated AgFeed USA Debtor and any joint and several liability of any of the Consolidated AgFeed USA Debtors shall be deemed to be one obligation of the deemed Consolidated AgFeed USA Debtors.

Such deemed consolidation, however, shall not (other than for purposes related to funding Distributions under the Plan) affect (a) the legal and organizational structure of the Debtors, (b) executory contracts or unexpired leases that were entered into during the Chapter 11 Cases or that have been or will be assumed or rejected, (c) any agreements entered into by the Liquidating Trustee on or after the Effective Date and (d) the Debtors' or the Liquidating Trustee's ability to subordinate or otherwise challenge Claims on an entity-by-entity basis. Notwithstanding the substantive consolidation called for herein, each and every Debtor shall remain responsible for the payment of U.S. Trustee Fees pursuant to 28 U.S.C. § 1930 until its particular case is closed, dismissed or converted. Moreover, the Debtors reserve the right to seek confirmation of the Plan on an entity-by-entity basis.

6.2 Plan Funding. The Plan shall be funded from Cash held by the Debtors as well as Cash contributions from the SEC and Class Plaintiffs and from any recoveries from the settlement, litigation or otherwise on account of the Liquidation Trustee's pursuit of Causes of Action.

6.3 Liquidating Trust.

(a) **Appointment of the Liquidating Trustee**. JLL Consulting, Inc. shall serve as the Liquidating Trustee and shall serve in such capacity pursuant to the terms of the Liquidating Trust Agreement. The appointment of JLL Consulting, Inc. as the Liquidating Trustee shall be approved in the Confirmation Order, and such appointment shall be as of the Effective Date.

In accordance with the Liquidating Trust Agreement, the Liquidating Trustee shall serve in such capacity through the earlier of (i) the date that the Liquidating Trust is dissolved in accordance with Section 6.2(l) and (ii) the date such Liquidating Trustee resigns, is terminated or is otherwise unable to serve, provided, however, that, in the event that the Liquidating Trustee resigns, is terminated or is unable to serve, then the Liquidating Trust Oversight Committee, upon notice shall appoint a successor within thirty (30) days. To the extent that the Liquidating Trust Oversight Committee does not appoint a successor within thirty (30) days, then the Bankruptcy Court, upon the motion of any party-in-interest, including, but not limited to, counsel to the Liquidating Trust, shall approve a successor to serve as the Liquidating Trustee. Any such successor Liquidating Trustee shall serve in such capacity until the Liquidating Trust is dissolved.

(b) **Responsibilities of Liquidating Trustee.** Responsibilities of the Liquidating Trustee shall include, but are not limited to:

(i) making Distributions as contemplated herein;

(ii) conducting an analysis of any and all Claims and Interests and prosecuting objections thereto or settling or otherwise compromising such Claims and Interests, if necessary and appropriate, in accordance with Article VIII of the Plan;

(iii) in consultation with the Liquidating Trust Oversight Committee, maintaining and administering the Reserves in accordance with the terms of the Plan and the Confirmation Order;

(iv) pursuing, litigating or settling Causes of Action in accordance with the Plan and paying all associated costs;

(v) making payments in connection with Liquidation Trustee Expenses;

(vi) marshaling and liquidating Estates' Assets, including abandoning any property constituting the Estates' Assets that cannot be sold or otherwise disposed of for value and whose Distribution to Holders of Allowed Claims would not be feasible or cost-effective in the Liquidating Trustee's reasonable judgment;

(vii) preparing and filing post-Effective Date operating reports;

(viii) filing appropriate tax returns in the exercise of the Liquidating Trustee's fiduciary obligations;

(ix) retaining such professionals as are necessary and appropriate in furtherance of the Liquidating Trustee's fiduciary obligations; and

(x) taking such actions as are necessary and reasonable to carry out the purposes of the Liquidating Trust, including winding down the Debtors' business affairs.

Notwithstanding any of the foregoing, the Liquidating Trustee may (i) modify or change the amounts in Reserves, (ii) make Distributions under the Plan, or (iii) extend any applicable Bar Date, in consultation with the Liquidating Trust Oversight Committee or by entry of an order by the Bankruptcy Court.

Establishment of a Liquidating Trust. Except as otherwise provided for in the Plan, any and all of the Estates' Assets accruing to the Debtors or assertable as accruing to the Debtors shall remain assets of the Estates pursuant to section 1123(b)(3)(B) of the Bankruptcy Code and on the Effective Date shall be transferred to and vest in the Liquidating Trust free and clear from any and all Claims and liens for the uses and purposes set forth herein and for the benefit of the

Liquidating Trust Beneficiaries. Pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, only the Liquidating Trust and the Liquidating Trustee shall have the right to pursue or not to pursue, or, subject to the terms of the Plan and the Liquidating Trust Agreement, compromise or settle any Liquidating Trust Assets. From and after the Effective Date, the Liquidating Trust and the Liquidating Trustee may commence, litigate and settle any Causes of Action or Claims relating to the Liquidating Trust Assets or rights to payment or Claims that belong to the Debtors as of the Effective Date or are instituted by the Liquidating Trust and Liquidating Trustee on or after the Effective Date, except as otherwise expressly provided in the Plan and the Liquidating Trust Agreement. Other than as set forth herein, no other Person may pursue such Liquidating Trust Assets on or after the Effective Date. The Liquidating Trustee shall be deemed hereby substituted as plaintiff, defendant, or in any other capacity for either of the Committees or each Debtor in any Causes of Action pending before the Bankruptcy Court or any other court that relates to a Liquidating Trust Asset without the need for Filing any motion for such relief. On the Effective Date, the Debtors and the Liquidating Trustee shall execute the Liquidating Trust Agreement and shall have established the Liquidating Trust pursuant to the Plan. In the event of any conflict between the terms of this Article VI and the terms of the Liquidating Trust Agreement, the terms of this Article VI shall control.

(d) **Liquidating Trust Assets.** Notwithstanding any prohibition of assignability under applicable non-bankruptcy law, on the Effective Date and periodically thereafter if additional Liquidating Trust Assets become available, the Debtors shall be deemed to have automatically transferred to the Liquidating Trust all of their right, title, and interest in and to all of the Liquidating Trust Assets, and in accordance with section 1141 of the Bankruptcy Code, including the Debtors' attorney-client privilege, all such assets shall automatically vest in the Liquidating Trust free and clear of all Claims and liens, subject only to the Allowed Claims or Allowed Interests of the Liquidating Trust Beneficiaries as set forth in the Plan and the expenses of the Liquidating Trust as set forth herein and in the Liquidating Trust Agreement. Thereupon, the Debtors shall have no interest in or with respect to the Liquidating Trust Assets or the Liquidating Trust.

(e) **Treatment of Liquidating Trust for Federal Income Tax Purposes; No Successor in Interest.** The Liquidating Trust shall be established for the primary purpose of liquidating and distributing the assets transferred to it, in accordance with Treas. Reg. § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. Accordingly, the Liquidating Trustee shall, in an expeditious but orderly manner, liquidate and convert to Cash the Liquidating Trust Assets, make timely distributions to the Liquidating Trust Beneficiaries and not unduly prolong its duration. The Liquidating Trust shall not be deemed a successor-in-interest of the Debtors for any purpose other than as specifically set forth herein or in the Liquidating Trust Agreement. Beneficial interests in the Liquidating Trust are not and will not be represented by any certificate or other instrument.

The Liquidating Trust is intended to qualify as a "grantor trust" for federal income tax purposes with the Liquidating Trust Beneficiaries treated as grantors and owners of the Liquidating Trust. For all federal income tax purposes, all parties (including, without limitation, the Debtors, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) shall treat the transfer of the Liquidating Trust Assets by the Debtors to the Liquidating Trust, as set forth in the Liquidating Trust Agreement, as a transfer of such assets by the Debtors to the Holders of Allowed Claims or Allowed Interests of Liquidating Trust Beneficiaries entitled to distributions from the Liquidating Trust Assets, followed by a transfer by such Holders to the Liquidating Trust. Thus, the Liquidating Trust Beneficiaries shall be treated as the grantors and owners of a grantor trust for federal income tax purposes.

As soon as reasonably practicable on or after the Effective Date, the Liquidating Trustee (to the extent that the Liquidating Trustee deems it necessary or appropriate in the Liquidating Trustee's sole discretion) shall value the Liquidating Trust Assets based on the good faith determination of the value of such Liquidating Trust Assets. The valuation shall be used consistently by all parties (including the Debtors, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) for all federal income tax purposes. The Bankruptcy Court shall resolve any dispute regarding the valuation of the Liquidating Trust Assets.

The right and power of the Liquidating Trustee to invest the Liquidating Trust Assets transferred to the Liquidating Trust, the proceeds thereof, or any income earned by the Liquidating Trust, shall be limited to the right and power to invest such Liquidating Trust Assets (pending distributions in accordance with the Plan) in Permissible Investments.

(f) **The Liquidating Trust Oversight Committee**. The Equity Holders' Committee, in consultation with the Debtors, shall propose four (4) individuals to serve as members of the Liquidating Trust Oversight Committee, which shall have the responsibility to review and consult with the Liquidating Trustee with respect to the liquidation and distribution of the Estates' Assets in accordance with the Liquidating Trustee Agreement and the Plan. The Debtors or counsel to the Equity Holders' Committee shall File a notice identifying the proposed members of the Liquidating Trust Oversight Committee no later than five (5) days prior to the Voting Deadline. Once approved pursuant to the Confirmation Order, in the event that a member is no longer willing or able to serve in such capacity, the remaining members shall endeavor to select another similarly situated individual to serve in that capacity. Any successor appointed pursuant to this Section shall become fully vested with all of the rights, powers, duties and obligations of his or her predecessor. For the avoidance of doubt, no member of the Liquidating Trust Oversight Committee shall be compensated for serving as a member of the Liquidating Trust Oversight Committee, provided, however, that such member may be reimbursed from the Liquidation Trust Expense Reserve for reasonable out of

pocket expenses subject to approval by the Liquidating Trustee or the Bankruptcy Court.

Pursuant to the Liquidating Trust Agreement, the Liquidating Trustee will need either the consent of the Liquating Trustee Oversight Committee or approval of the Bankruptcy Court for the following actions:

(i) the sale or liquidation of the Estates' Assets for an amount in excess of $100,000;

(ii) the settlement of a Cause of Action for an amount greater than $100,000;

(iii) the allowance of a Disputed Claim that was Filed in an unliquidated amount or in an amount greater than $100,000;

(iv) the estimation of a Disputed Claim for the purposes of maintaining Reserves in accordance with the Plan or for other purposes; and

(v) the granting of releases entered into on behalf of the Debtors' Estates.

(g) **Expenses of Liquidating Trustee.** Fees and expenses incurred by the Liquidating Trustee shall be paid from the Liquidating Trust Expense Reserve in accordance with Article VII below.

(h) **Bonding of Liquidating Trustee.** The Liquidating Trustee shall not be obligated to obtain a bond but may do so, in his or her sole discretion, in which case the expense incurred by such bonding shall be paid by the Liquidating Trust.

(i) **Fiduciary Duties of the Liquidating Trustee.** Pursuant to the Plan and the Liquidating Trust Agreement, the Liquidating Trustee shall act in a fiduciary capacity on behalf of the interests of all Holders of Claims and Interests that will receive Distributions pursuant to the terms of the Plan.

(j) **Dissolution of the Liquidating Trust.** The Liquidating Trust shall be dissolved no later than four (4) years from the Effective Date unless the Bankruptcy Court, upon a motion Filed prior to the third anniversary or the end of any extension period approved by the Bankruptcy Court (the Filing of which shall automatically extend the term of the Liquidating Trust pending the entry of an order by the Bankruptcy Court granting or denying the motion), determines that a fixed period extension is necessary to facilitate or complete the recovery and liquidation of the Liquidating Trust Assets. The Liquidating Trust shall require that each extension be approved by the Bankruptcy Court within six (6) months of the beginning of the extended term. After (a) the final Distribution of the Reserves and the balance of the assets or proceeds of the Liquidating Trust pursuant to the Plan, (b) the Filing by or on behalf of the Liquidating Trust of a certification of dissolution with the Bankruptcy Court in accordance with the Plan, and (c) any other action deemed appropriate by the Liquidating Trustee, the Liquidating Trust shall be deemed dissolved for all purposes without the necessity for any other or further actions.

(k) **Liability, Indemnification of the Liquidating Trust Protected Parties.** The Liquidating Trust Protected Parties shall not be liable for any act or omission of any other member, designee, agent, or representative of such Liquidating Trust Protected Parties, nor shall such Liquidating Trust Protected Parties be liable for any act or omission taken or not taken in their capacity as Liquidating Trust Protected Parties other than for specific acts or omissions resulting from such Liquidating Trust Protected Parties' willful misconduct, gross negligence, or fraud. The Liquidating Trustee or the Liquidating Trust Oversight Committee may, in connection with the performance of the Liquidating Trustee's functions and the Liquidating Trust Oversight Committee's functions, and in the Liquidating Trustee's and/or the Liquidating Trust Oversight Committee's sole and absolute discretion, consult with the Liquidating Trustee's attorneys, accountants, financial advisors and agents. Notwithstanding such authority, the Liquidating Trustee and the Liquidating Trust Oversight Committee shall not be under any obligation to consult with its attorneys, accountants, financial advisors, and agents, and the Liquidating Trustee's and the Liquidating Trust Oversight Committee's determination not to do so shall not result in the imposition of liability on the Liquidating Trustee or the Liquidating Trust Protected Parties, unless such determination is based on willful misconduct, gross negligence, or fraud. The Liquidating Trust shall indemnify and hold harmless the Liquidating Trust Protected Parties from and against and in respect of all liabilities, losses, damages, claims, costs, and expenses (including, without limitation, reasonable attorney's fees, disbursements and related expenses), which such Liquidating Trust Protected Parties may incur or to which such Liquidating Trust Protected Parties may become subject to in connection with any action, suit, proceeding, or investigation brought by or threatened against such Liquidating Trust Protected Parties arising out of or due to their acts or omissions or consequences of such acts or omissions, with respect to the implementation or administration of the Liquidating Trust or the Plan or the discharge of their duties hereunder; provided, however, that no such indemnification will be made to such Liquidating Trust Protected Parties for actions or omissions as a result of their willful misconduct, gross negligence, or fraud.

(l) **Full and Final Satisfaction against Liquidating Trust.** On and after the Effective Date, the Liquidating Trust shall have no liability on account of any Claims or Interests except as set forth in the Plan and in the Liquidating Trust Agreement. All payments and all Distributions made by the Liquidating Trustee under the Plan shall be in full and final satisfaction, settlement, and release of and in exchange for all Claims or Interests against the Liquidating Trust; provided, however, that nothing contained in the Plan, the Disclosure Statement, the Confirmation Order, the Liquidating Trust Agreement, or any other document or agreement shall constitute, be deemed to constitute or shall result in a discharge of any Debtor under section 1141(d) of the Bankruptcy Code.

6.4 Transfer Taxes. Any transfer of the Estates' Assets to the Liquidation Trust shall be exempt from any stamp, real estate transfer, mortgage reporting, sales, use or other similar tax to the extent permitted under section 1146(a) of the Bankruptcy Code.

6.5 Settlement of Claims and Controversies. The Plan represents settlements by and between the Debtors and the Plan Supporter. Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration of the Distributions and other benefits provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement of all released claims against the Released Parties, and the Plan constitutes a request for the Bankruptcy Court to authorize and approve such compromise and settlement, to release all of the released claims belonging to the Debtors' Estates and any other Person that is deemed to have given a release pursuant to the Plan against each and every and all Released Parties (the "Settlement"). Distributions to be made pursuant to the Plan shall be made on account of and in consideration of the Settlement. Entry of the Confirmation Order shall confirm the Bankruptcy Court's approval, as of the Effective Date of the Plan, of all components of the Settlement and the Bankruptcy Court's finding that the Settlement is in the best interests of the Debtors, their respective Estates, the Liquidating Trustee, and the Holders of Claims and interests, and is fair, equitable and reasonable.

6.6 Subordination of Certain Claims. The Plan constitutes a request for the Bankruptcy Court to authorize and approve the subordination of the Subordinated Claims and Insider Subordinated Claims in accordance with Sections 510(b) and (c) of the Bankruptcy Code. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date of the Plan, of the subordination of the Subordinated Claims and Insider Subordinated Claims.

6.7 Closing the Chapter 11 Cases. Upon the Effective Date, the Chapter 11 Cases for the Consolidated AgFeed USA Debtors, except for AgFeed USA, shall be deemed closed, and the Liquidating Trustee shall submit separate orders to the Bankruptcy Court under certification of counsel closing each such Chapter 11 Case. After all Causes of Action and Disputed Claims have been resolved, the U.S. Trustee Fees have been paid , all of the Consolidated AgFeed USA Estate Assets have been distributed in accordance with this Plan and such Cash has been distributed in accordance with this Plan, or at such earlier time as the Liquidating Trustee deems appropriate, the Liquidating Trustee shall seek authority from the Bankruptcy Court to close the Chapter 11 Case for AgFeed USA, in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules. After all Causes of Action and Disputed Claims have been resolved, the U.S. Trustee Fees have been paid, all of the AgFeed Industries Estate Assets have been distributed in accordance with the Plan and such Cash has been distributed in accordance with the Plan, or such earlier time as the Liquidating Trustee deems appropriate, the Liquidating Trustee shall seek authority from the Bankruptcy Court to close the Chapter 11 Case for AgFeed Industries, in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules.

6.8 Cancellation of Instruments and Stock. On the Effective Date, all instruments evidencing or creating any indebtedness or obligation of the Debtors, except such instruments that are authorized or issued under the Plan, shall be canceled and extinguished. Additionally, as of the Effective Date, all Interests, and any and all warrants, options, rights or interests with respect to Interests that have been issued, could be issued or that have been authorized to be issued but that have not been issued, shall be deemed canceled and extinguished without any further action of any party provided, however, that AgFeed Industries shall issue one (1) share of common stock to the Liquidating Trust, and the Liquidating Trustee shall serve as the sole officer and director of AgFeed Industries. The Holders of, or parties to, the canceled notes, membership interests, share

certificates and other agreements and instruments shall have no rights arising from or relating to such notes, share certificates and other agreements and instruments or the cancellation thereof, except the rights provided pursuant to the Plan.

6.9 Operating Reports. Prior to the Effective Date, the Debtors shall timely File all reports, including without limitation, monthly operating reports required by the Bankruptcy Court, Bankruptcy Code, Bankruptcy Rules or the Office of the United States Trustee. On and after the Effective Date, the Liquidating Trustee shall timely File all reports, including without limitation, quarterly operating reports as required by the Bankruptcy Court, Bankruptcy Code, Bankruptcy Rules or the Office of the United States Trustee until entry of an order closing or converting the Chapter 11 Cases.

6.10 Disposition of Books and Records. After the Effective Date, the Debtors shall transfer the Debtors' books and records in the Debtors' possession, relating to the conduct of the Debtors' business prior to the Effective Date to the Liquidating Trust. From and after the Effective Date, the Liquidating Trustee shall continue to preserve and maintain all documents and electronic data transferred to the Liquidating Trust by the Debtors and the Liquidating Trustee, subject to Section 6.5, shall not destroy or otherwise abandon any such documents and records (in electronic or paper format) absent further order of the Bankruptcy Court after a hearing upon notice to parties-in-interest provided, however, that the Liquidating Trustee may destroy or abandon such books and records upon entry of a Final Order closing the last Chapter 11 Case.

6.11 Corporate Action. On the Effective Date, all matters expressly provided for under the Plan that would otherwise require approval of shareholders or directors of one or more of the Debtors, including, but not limited to dissolution or merger of any of the Debtors, shall be deemed to have occurred and shall be in effect upon the Effective Date.

6.12 Corporate Existence and Dissolution of Debtors. Upon the Effective Date, the Consolidated AgFeed USA Debtors, except for AgFeed USA, shall be deemed dissolved and the Liquidating Trustee shall be authorized to File a certificate of cancellation or any other documents necessary to cancel the legal existence of the Consolidated AgFeed USA Debtors other than AgFeed USA. Upon the final distributions, including the payment of the Remaining Distributable AgFeed USA Estate Assets to AgFeed Industries, AgFeed USA shall be deemed dissolved for all purposes without the necessity for other or further actions to be taken by or on behalf of the Debtors and the Liquidating Trustee shall be authorized to File any certificate of cancellation or other documents as may be necessary or desirable to terminate the legal existence of AgFeed USA. Upon the final distributions with respect to the Remaining AgFeed Industries Estate Assets, AgFeed Industries shall be deemed dissolved for all purposes without the necessity for other or further actions to be taken by or on behalf of the Debtors and the Liquidating Trustee shall be authorized to File any certificate of dissolution or other documents as may be necessary or desirable to terminate the legal existence of AgFeed Industries.

ARTICLE VII.

PROVISIONS GOVERNING ACCOUNTS AND RESERVES AND DISTRIBUTIONS

7.1 Establishment of Accounts Reserves. On or before the Effective Date, and prior to making any Distributions, the Debtors, in consultation with either the Plan Supporter or the Committees to the extent set forth in the Plan, shall establish, each in amounts approved by the Confirmation Order or other order of the Bankruptcy Court, the Post-Confirmation Operating Account, the AgFeed USA SAP Claims Reserve, the AgFeed Industries SAP Claims Reserve, the AgFeed USA General Unsecured Claims Reserve, the AgFeed Industries General Unsecured Claims Reserve, the AgFeed USA Professional Fee Claims Reserve, the AgFeed Industries Professional Fee Claims Reserve, the Insider Subordinated Claims Reserve and the Insider Interests Reserve and shall transfer thereto the amount of Cash, as set forth herein, in the Confirmation Order or other Order of the Bankruptcy Court, which has been deemed necessary to fund each Reserve which may be in one or more bank accounts or designated within one account. In addition, on the Effective Date and prior to making any Distributions, the Debtors, in consultation with the Plan Supporter shall also establish the Liquidating Trust Expense Reserve from the AgFeed Industries Estate Assets, and shall transfer thereto the amount of Cash as determined by the Liquidating Trustee that is necessary to fund the estimated Liquidating Trust Expenses, including, but not limited to the pursuit of Causes of Action. Following the Effective Date, the Liquidating Trustee shall be authorized, consistent with Section 7.2(b) of the Plan, to make any appropriate and necessary adjustments to the Reserves (i) in consultation with the Liquidating Trust Oversight Committee or (ii) upon order by the Bankruptcy Court after notice and a hearing.

7.2 Funding of Reserves; Released Reserve Funds.

(a) With respect to the AgFeed USA SAP Claims Reserve, the AgFeed Industries SAP Expense Claims Reserve, the AgFeed USA General Unsecured Claims Reserve, the AgFeed Industries General Unsecured Claims Reserve, Insider Interests Reserve and any reserves established under the Class Fund Distribution Procedures and/or the SEC Fairness Fund Distributions Procedures, the amount of Cash deposited or designated for each of the foregoing reserves shall be equal to the percentage of Cash that Holders of Disputed Claims or Interests in each reserve would be entitled under the Plan if such Disputed Claims or Interests were Allowed Claims or Interests in the amount of such Disputed Claims or Interests such lesser amount as authorized in Section 7.2(a) of the Plan. With respect to the Liquidating Trust Expense Reserve, the amount of Cash deposited into such reserve shall be equal to the amount of Cash necessary to fund the expenses expected to be incurred by the Liquidating Trustee as determined in the Liquidating Trustee's discretion.

(b) Upon resolution of a Disputed Claim or Disputed Interest, the funds in the applicable Reserve to pay such Claim or Interests to the extent Allowed shall be released for Distribution to the holder of such Claim or Interest pursuant to Section 7.7. The balance of funds in a Disputed Claim or Disputed Interests Reserve remaining following the release of funds sufficient for distribution to the Allowed

Claim or Interest, or any other available Cash, shall be contributed to the Liquidating Trust Expense Reserve which, to the extent overfunded upon the anticipated dissolution of the Liquidating Trust in accordance with Section 6.3(j), shall become Net Distributable Cash for distribution in accordance with the Plan.

(c) For the purposes of effectuating the provisions of this section and the Distributions to Holders of Allowed Claims, the Liquidating Trustee may, at any time and regardless of whether an objection to a Disputed Claim has been brought, request that the Bankruptcy Court estimate, set, fix or liquidate the amount of such Disputed Claims pursuant to Section 502(c) of the Bankruptcy Code, in which event the amounts so estimated, fixed or liquidated shall be deemed the Allowed amounts of such Claims for purposes of Distribution under the Plan and establishment of the necessary Reserve. In lieu of estimating, fixing or liquidating the amount of any Disputed Claims, the Bankruptcy Court may determine the amount to be reserved for such Disputed Claims (singularly or in the aggregate), or such amount may be fixed by an agreement in writing by and between the Liquidating Trustee and the Holder of such Disputed Claims.

7.3 Establishment of Class Fund and SEC Fairness Fund.

(a) Class Fund. On or before the Effective Date, and after all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, Allowed General Unsecured Claims, and Allowed Secured Claims have been paid (or the appropriate Reserves as set forth in the Plan have been funded), the Debtors or the Liquidating Trustee shall establish the Class Fund in the initial amount of approximately $4.785 million which amount represents the Class Plaintiffs' Allowed Claim in the amount of $7.0 million, less allowed professional fees and expenses approved by the Tennessee District Court, not to exceed $2.1 million in fees plus reasonable expenses up to $115,000. Fifty percent of the Subordinated Claims Distribution Expenses shall be paid from the Class Fund.

(b) SEC Fairness Fund. On or before the Effective Date, and after all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, Allowed General Unsecured Claims, and Allowed Secured Claims have been paid (or the appropriate Reserves as set forth in the Plan have been funded), the Debtors or the Liquidating Trustee shall establish the SEC Fairness Fund in the initial amount of $5.5 million which amount represents the contribution from the SEC on account of its Allowed Claim. Fifty percent of the Subordinated Claims Distribution Expenses shall be paid from the SEC Fairness Fund.

7.4 Disbursing Agent. On and after the Effective Date, the Liquidating Trustee shall serve as the Disbursing Agent, provided that, in the Liquidating Trustee's discretion, the Liquidating Trustee may retain a third party to act as Disbursing Agent to assist in or make the Distributions required by the Plan.

7.5 Distributions by Disbursing Agent. Within the time periods provided in Sections 7.6 and 7.7 of the Plan, the Disbursing Agent shall make periodic and final distributions of the Estates' Assets on hand, except that the Liquidating Trustee shall reserve such amounts as are necessary to maintain the Reserves in accordance with the terms of the Plan. The Liquidating Trustee may withhold from amounts distributable to any Person any and all amounts, determined in the Liquidating Trustee's reasonable sole discretion, to be required by any law, regulation, rule, ruling, directive or other governmental requirement.

The Liquidating Trustee shall require any Holders of Allowed Claims or Interests or other distributee to furnish to the Liquidating Trustee in writing an Employer Identification Number or Taxpayer Identification Number as assigned by the Internal Revenue Service and the Liquidating Trustee may condition any Distribution to any Holders of Allowed Claims or Interests or other distributee upon receipt of such identification number. If the Employer Identification Number or Taxpayer Identification Number are not provided by the required deadline established by the Liquidating Trustee, the Claim of any Holders of Allowed Claims or Interests or other distributee may be expunged and no Distribution will be issued by the Disbursing Agent to such Holders of Allowed Claims or Interests or other distributee.

7.6 Timing of Distributions.

(a) *For Claims Against and Interests In the Consolidated AgFeed USA Debtors*

(i) The Disbursing Agent shall pay each Allowed Administrative Expense Claim, Allowed Priority Tax Claim, Allowed Priority Non-Tax Claim, Allowed Secured Claim, Allowed General Unsecured Claim (or reserved for each as set forth in the Plan or Confirmation Order) and the Initial Distributable AgFeed USA Estate Assets (i) as soon as is reasonably practicable on or after the Effective Date, or (ii) on the later of: (x) as soon as practicable after the date on which such Claim becomes an Allowed Claim by Final Order, or (y) such other date as may be agreed upon by the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, or the Debtors, in consultation with the Plan Supporter and the Holder of such Allowed Claim; provided, however, that the list of Allowed Claims identified in the Plan Supplement, to the extent no already paid pursuant to an order of the Bankruptcy Court, shall become Allowed upon entry of the Confirmation Order; and provided, further, however, that Allowed General Unsecured Claims shall be paid no later than ten (10) business days after the Claim is Allowed; and

(ii) As soon as reasonably practicable, after all Claims against the Consolidated AgFeed USA Debtors, U.S. Trustee Fees, Professional Fees and the Liquidating Trustee Expenses have been Allowed and paid or Disallowed by Final Order, the Remaining Distributable AgFeed USA Estate Assets shall be distributed by the Disbursing Agent in accordance with the Plan.

(b) *For Claims Against and Interests in AgFeed Industries*

(i) The Disbursing Agent shall pay each Allowed Administrative Expense Claim, Allowed Priority Tax Claim, Allowed Priority Non-Tax Claim, Allowed General Unsecured Claim, and Allowed Secured Claim, or reserved for each as set forth in the Plan as soon as is reasonably practicable on or after the Effective Date. For each Administrative Expense Claim, Priority Tax Claim, Priority Non-Tax Claim, General Unsecured Claim, and Secured Claim that is subsequently Allowed, the Disbursing Agent shall pay the Holder of such Claim on the later of: (x) as soon as practicable after the date on which such Claim becomes an Allowed Claim by Final Order or (y) such other date as may be agreed upon by the Liquidating Trustee, in consultation with the Liquidating Trust Oversight Committee, or Debtors, in consultation with the Plan Supporter, and the Holder of such Allowed Claim; provided, however, that the list of Allowed Claims identified in the Plan Supplement, to the extent no already paid pursuant to an order of the Bankruptcy Court, shall become Allowed upon entry of the Confirmation Order; and provided, further, however, that Allowed General Unsecured Claims shall be paid no later than ten (10) business days after the Claim is Allowed;

(ii) As soon as reasonably practicable after all Claims identified in subsection (i) above have been paid, or reserved for each as set forth in the Plan, the Allowed SEC Claim, which shall be payable from the AgFeed Industries Net Distributable Cash, shall be deemed contributed under the Plan as follows: $12.5 million of the recovery on its Allowed Claim to the Liquidating Trust for Distribution to the Holders of Class 5B Interests and $5.5 million of the recovery on its Allowed Claim to the SEC Fairness Fund established under the Plan;

(iii) As soon as reasonably practicable, after all Claims identified in subsections (i) and (ii) above have been paid, or reserved for each as set forth in the Plan, the Liquidation Trustee shall Distribute their Pro Rata share of the $12.5 million from the contribution from the SEC Claim plus the AgFeed Industries Net Distributable Cash to the Holders of the Class 5B Interests as of the Distribution Record Date;

(iv) As soon as reasonably practicable, after all the Claims identified in subsections (i), (ii) and (iii) above have been paid, or reserved for as set forth in the Plan, the Class Plaintiffs Allowed Claim shall be satisfied as follows: $3.15 million from the AgFeed Industries Net Distributable Cash and $3.85 million from contributed insurance proceeds. The Class Plaintiffs shall be deemed to have contributed such $7.0 million Allowed Claim, less Class Plaintiffs' counsel legal fees and expenses incurred in connection with the Class Action Litigation in an amount approved by the Tennessee District Court, not to exceed $2.1 in fees million, plus expenses not to exceed $115,000, which shall be solely payable from the Allowed Class Plaintiff's Claim;

(v) As soon as reasonably practicable, after all the Claims or Interests identified in subsections (i), (ii), (iii) and (iv) above have been paid, or reserved for as

set forth in the Plan and Professional Fees and Liquidating Trustee Expenses have been paid and/or reserved for as set forth in the Plan, and after the Allowed amounts of all Subordinated Claims have been finally determined, the Liquidating Trustee shall distribute the Class Fund and the SEC Fairness Fund to Holders of Class 6B Subordinated Claims in accordance with the Class Fund Distribution Procedures and the SEC Fairness Fund Distribution Procedures;

(vi) As soon as reasonably practicable, after all the Claims or Interests identified in subsections (i), (ii) (iii), (iv) and (v) above have been paid, or reserved for as set forth in the Plan, Professional Fees and Liquidating Trustee Expenses have been paid and/or reserved for as set forth in the Plan, and after the Liquidating Trustee completes his or her investigation into potential Causes of Action and the allowance of Insider Subordinated Claim has been finally determined, the Liquidating Trustee shall distribute to any Holder of an Insider Subordinated Claim his or her Insider Subordinated Claim Recovery Percentage in accordance with Section 3.2(g) of this Plan; and

(vii) Net proceeds or recoveries from settlement, litigation or otherwise as the result of the Liquidating Trustee's pursuit of Causes of Action shall be Distributed Pro Rata to Allowed Class 5B Interests, provided, however, that Insider Interests are deemed Disputed until Allowed after the conclusion of the Liquidating Trustee's investigation into potential Causes of Action, and therefore, there shall be no Distributions to Holders of Insider Interests unless and until Allowed.

7.7 Distributions Upon Allowance of Disputed Claims or Disputed Interests. The Holder of a Disputed Claim or Disputed Interest that becomes an Allowed Claim or Allowed Interest subsequent to the Effective Date shall receive a Distribution from the applicable Reserve as soon as reasonably practicable following the date on which such Disputed Claim or Disputed Interest becomes an Allowed Claim pursuant to a Final Order or by agreement of the parties in accordance with Article VII of the Plan. Consistent with Section 6.3 of the Plan, the Liquidating Trustee is authorized to make such periodic Distributions in a manner and time period as the Liquidating Trustee deems appropriate in the Liquidating Trustee's sole discretion. Such Distributions shall be made in accordance with the Plan based upon the Distributions that would have been made to such Holder under the Plan if the Disputed Claim or Disputed Interest had been an Allowed Claim or Allowed Interest on or prior to the Effective Date. No Holder of a Disputed Claim or Disputed Interest shall have any Claim against the applicable Reserve, the Disbursing Agent, the Liquidating Trustee, the Liquidating Trust Oversight Committee, the Estates' Assets, the Debtors or the Estates with respect to such Claim or Interest until such Disputed Claim or Disputed Interest becomes an Allowed Claim or Allowed Interest, and no Holder of a Disputed Claim or Disputed Interest shall have any right to interest, dividends or other Distributions on such Disputed Claim or Disputed Interest except as provided in the Plan.

7.8 Undeliverable and Unclaimed Distributions.

Holding Undeliverable and Unclaimed Distributions. If the Distribution to any Holder of an Allowed Claim or Allowed Interest is returned to the Disbursing Agent as undeliverable or is otherwise unclaimed, no additional Distributions shall be made to such Holder unless and until the Disbursing Agent is notified in writing of such Holder's then-current address. Nothing contained in the Plan shall require the Disbursing Agent to attempt to locate any Holder of an Allowed Claim or Allowed Interest.

(a) **After Distributions Become Deliverable.** The Disbursing Agent shall make all Distributions that have become deliverable or have been claimed on and after the Distribution Date as soon as reasonably practicable after such Distribution has become deliverable or has been claimed.

(b) **Failure to Claim Unclaimed/Undeliverable Distributions.** Any Holder of an Allowed Claim or Allowed Interest that does not assert a claim pursuant to the Plan for an undeliverable or unclaimed Distribution within six (6) months after the Distribution Date shall be deemed to have forfeited its right to such undeliverable or unclaimed Distribution and any subsequent Distributions shall be forfeited unless and until the Holder provides the Disbursing Agent a correct and deliverable mailing address. Unclaimed Distributions shall be paid to Holders of Allowed Claims or Allowed Interests according to the parameters set forth in Article IV above within the time periods provided in Section 7.7 of the Plan, free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary.

(c) **Charitable Donations.** On or about the time that a final distribution is made and upon the Liquidating Trustee determining that there are insufficient funds remaining in the Liquidating Trust to warrant a further distribution to Holders of Claims or Interests under the Plan, the Liquidating Trustee may donate any undistributed funds to one or more charities selected by the Liquidating Trustee, provided that any charity selected shall not be affiliated with or connected to the Debtors or the Liquidating Trustee.

7.9 Interest on Claims. Post-Petition Interest on Allowed Claims shall accrue only as provided for in the Plan or in the Confirmation Order.

7.10 No Distribution in Excess of Allowed Amount of Claim. Notwithstanding anything to the contrary herein, no Holder of an Allowed Claim will receive, in respect of such Claim, Distributions under the Plan in excess of the Allowed amount of such Claim.

7.11 Means of Cash Payment. Cash payments made pursuant to the Plan shall be in U.S. funds, by the means, including by check or wire transfer, determined by the Liquidating Trustee.

7.12 Delivery of Distribution. Except as otherwise set forth in the Plan, Distributions to Holders of Allowed Claims or Allowed Interests shall be made (a) at the addresses set forth on the proofs of Claim or proofs of Interest Filed by such Holders (or at the last known addresses of such Holders if no proof of Claim is Filed or if the Disbursing Agent has been notified of a change of address), (b) at the addresses set forth in any written notices of address changes delivered to the

Disbursing Agent, or (c) if no proof of Claim or proof of Interest has been Filed and the Disbursing Agent has not received a written notice of a change of address, at the addresses reflected in the Schedules, if any.

7.13 Record Date for Distributions. The Liquidating Trustee will have no obligation to recognize the transfer of, or the sale of any participation in, any Allowed Claim that occurs after the 5:00 p.m. (prevailing Eastern Time) on the Distribution Record Date, and will be entitled for all purposes herein to recognize and distribute only to those Holders of Allowed Claims or Allowed Interests that are Holders of such Claims, Interests, or participants therein, as of the close of business on the Distribution Record Date. The Liquidating Trustee shall instead be entitled to recognize and deal for all purposes under the Plan with only those record holders stated on the official claims register as of the close of business on the Distribution Record Date.

7.14 No Distributions Pending Allowance. Notwithstanding any other provision of the Plan, no payments or Distributions by the Disbursing Agent shall be made with respect to all or any portion of a Disputed Claim, Disputed Interest, or any holder of a Claim that is the subject of pending litigation commenced by the Debtors or the Liquidating Trustee, unless and until all Objections to such Disputed Claim or Disputed Interest, or the litigation against the holder of a Claim that is subject to pending litigation by the Debtors or the Liquidating Trustee have been settled or withdrawn by agreement of the parties or have been determined by Final Order, and the Disputed Claim, Disputed Interest, or the holder of a Claim that is subject to pending litigation, or some portion thereof, has become an Allowed Claim or Allowed Interest; provided however, that the Liquidating Trustee may, in his or her sole discretion, pay any undisputed portion of a Disputed Claim, Disputed Interest, or Claim of a Holder that was subject to pending litigation.

7.15 Withholding and Reporting Requirements. In connection with the Plan and all Distributions hereunder, the Disbursing Agent shall, to the extent applicable, comply with all tax withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all Distributions hereunder shall be subject to any such withholding and reporting requirements. The Disbursing Agent shall be authorized to take any and all actions that may be reasonably necessary or appropriate to comply with such withholding and reporting requirements. Each Holder of an Allowed Claim or Allowed Interest shall be required to provide any information necessary to effect information reporting and the withholding of such taxes. Notwithstanding any other provision of the Plan, each Holder of an Allowed Claim or Allowed Interest that is to receive a Distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Unit, including income, withholding and other tax obligations, on account of such Distribution.

7.16 Setoffs. The Liquidating Trustee, as applicable, may, but shall not be required to, setoff against any Claim or Interest claims of any nature whatsoever that a Debtor may have against the Holder of such Claim or Interest; provided, however, neither the failure to do so nor the allowance of any Claim or Interest hereunder shall constitute a waiver or release by the Liquidating Trustee of any such claim that the Debtor may have against such Holder, unless otherwise agreed to in writing by such Holder and the Liquidating Trustee.

7.17 De Minimis Distributions. Notwithstanding any provision in the Plan to the contrary, no payment in the aggregate of less than one-hundred dollars ($100.00) shall be made on account of any Allowed Claim or Allowed Interest. All Distributions not made pursuant to this Section 7.17 shall be treated as Unclaimed Distributions and are subject to Section 7.8 hereof.

7.18 Extensions of Time. The Liquidating Trustee, with the unanimous consent of the Liquidating Trust Oversight Committee, may submit an order to the Bankruptcy Court under certification of counsel extending any deadlines for making of Distributions or the establishment of Reserves hereunder prior to the occurrence of any such deadline. If the Liquidating Trust Oversight Committee does not unanimously consent to such extension, the Liquidating Trustee may File a motion, upon notice and a hearing, to extend any such deadlines prior to the occurrence of any such deadlines, to the extent necessary, which deadlines shall be deemed automatically extended after the Filing of such motion, and pending the entry of an order by the Bankruptcy Court extending any such deadline.

ARTICLE VIII.

PROVISIONS FOR CLAIMS OBJECTIONS AND ESTIMATION OF CLAIMS

8.1 Claims Objection Deadline; Prosecution of Claims Objections. Except as otherwise provided for in the Plan, as soon as reasonably practicable on or after the Effective Date, but in no event later than the Claims Objection Deadline (unless extended by an Order of the Bankruptcy Court), the Liquidating Trustee shall File Objections to Claims and Interests and serve such objections upon the Holders of each of the Claims and Interests to which Objections are made. The Liquidating Trustee shall be authorized to resolve all Disputed Claims or Disputed Interests by withdrawing or settling such Objections thereto, or by litigating to judgment in the Bankruptcy Court, or such other court having competent jurisdiction, the validity, nature, and/or amount thereof. If the Liquidating Trustee agrees with the Holder of a Disputed Claim or Disputed Interest to compromise, settle, and resolve a Disputed Claim or Disputed Interest by granting such Holder an Allowed Claim or Allowed Interest, then the Liquidating Trustee may compromise, settle, or resolve such Disputed Claim without Bankruptcy Court approval, subject to Liquidating Trust Oversight Committee approval as required by Section 6.3(b) of the Plan.

8.2 Estimation of Claims. The Liquidating Trustee, may at any time, request that the Bankruptcy Court estimate any Contingent or unliquidated Claim pursuant to Section 502(c) of the Bankruptcy Code regardless of whether the Debtors, the Liquidating Trustee or any party in interests previously objected to such Claim. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation or a hearing concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. Subject to the provisions of Section 502(j) of the Bankruptcy Code, in the event that the Bankruptcy Court estimates any Contingent or unliquidated Claim, the amount so estimated shall constitute the maximum allowed amount of such Claim. If the estimated amount constitutes the maximum allowed amount of such Claim, the Liquidating Trustee may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation and resolution procedures are intended to be cumulative and not necessarily exclusive

of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court, or in accordance with the Plan.

ARTICLE IX.

EXECUTORY CONTRACTS AND LEASES

9.1 Executory Contracts and Unexpired Leases Deemed Rejected. Except as otherwise provided for in the Plan, on the Effective Date, all of the Debtors' Executory Contracts and unexpired leases will be deemed rejected as of the Effective Date in accordance with, and subject to, the provisions and requirements of Sections 365 and 1123 of the Bankruptcy Code, except to the extent: (a) the Debtors previously have assumed, assumed and assigned or rejected such Executory Contract or unexpired lease, or (b) prior to the Effective Date, the Debtors have Filed a motion to assume, assume and assign, or reject an Executory Contract or unexpired lease on which the Bankruptcy Court has not ruled. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of all rejections of Executory Contracts and unexpired leases pursuant to this Section 9.1 and Sections 365(a) and 1123 of the Bankruptcy Code.

9.2 Insurance Policies. Notwithstanding anything to the contrary in the Plan or Confirmation Order, any insurance policies of the Debtors in which the Debtors are or were insured parties (including, without limitation, any policies covering directors' or officers' conduct) or any related insurance agreement issued prior to the Petition Date shall continue in effect after the Effective Date pursuant to the respective terms and conditions and shall be treated as if assumed. To the extent that any insurance policies or related insurance agreements are deemed executory contracts, then, notwithstanding anything to the contrary in the Plan, the Plan shall constitute a motion to assume, assume and assign, or ratify such insurance policies or insurance agreements. Subject to the occurrence of the Effective Date, the entry of the Confirmation Order shall constitute approval of such assumption pursuant to section 365 of the Bankruptcy Code and a finding by the Bankruptcy Court that such assumption is in the best interest of the Estates. Unless otherwise determined by the Bankruptcy Court pursuant to a Final Order or agreed upon by the parties prior to the Effective Date, no payments shall be required to cure any defaults of the Debtors existing as of the Confirmation Date with respect to the respective insurance policy or insurance agreement assumed by the Debtors pursuant to this Section.

9.3 Bar Date For Rejection Damages. If the rejection by the Debtors of an Executory Contract or an unexpired lease pursuant to Section 9.1 of the Plan results in damages to the other party or parties to such Executory Contract or unexpired lease, a Claim for such damages arising from such rejection shall not be enforceable against the Debtors or their Estates or agents, successors, or assigns, unless a Proof of Claim is Filed with the Claims Agent **so as to actually be received on or before** the Rejection Bar Date.

ARTICLE X.

CONFIRMATION AND CONSUMMATION OF THE PLAN

10.1 Conditions Precedent to the Effective Date. Each of the following is a condition precedent to the occurrence of the Effective Date:

(a) the Confirmation Order, shall have been entered by the Bankruptcy Court;

(b) the Debtors and the Liquidating Trustee shall have executed the Liquidating Trust Agreement;

(c) the Debtors, in consultation with the Plan Supporter, shall have sufficient Cash to pay all Allowed Claims in accordance with the Plan or established the applicable Reserves pursuant to Article VII of the Plan; and

(d) all documents, instruments, and agreements provided under, or necessary to implement, the Plan shall have been executed and delivered by the applicable parties and shall be in a form and substance reasonably acceptable to the Debtors.

10.2 Notice of Effective Date. On or before five (5) Business Days after the Effective Date, the Liquidating Trustee shall mail or cause to be mailed to all Holders of Claims and Interests a notice that informs such Persons of (a) the entry of the Confirmation Order, (b) the occurrence of the Effective Date, (c) notice of the Second Administrative Expense Bar Date, Professional Fee Bar Date and Rejection Bar Date and (d) such other matters as the Debtors or the Liquidating Trustee deems appropriate or as may be ordered by the Bankruptcy Court.

10.3 Waiver of Conditions Precedent to the Effective Date. The Debtors, in consultation with the Plan Supporter, may at any time, without notice or authorization of the Bankruptcy Court, waive in writing any or all of the conditions precedent to the Effective Date set forth in Section 10.1(d), whereupon the Effective Date shall occur without further action by any Person. The Debtors and the Liquidating Trustee reserve the right to assert that any appeal from the Confirmation Order shall be moot after the Effective Date of the Plan.

10.4 Effect of Non-Occurrence of Effective Date. If each of the conditions specified in Section 10.1 have not been satisfied or waived in the manner provided in Section 10.3 herein within thirty (30) calendar days after the Confirmation Date, then any party in interest may File a motion with the Bankruptcy Court seeking to have the Confirmation Order vacated, and if the Bankruptcy Court enters an order vacating the Confirmation Order, then: (i) the Confirmation Order shall have no further force or effect; (ii) no Distributions under the Plan shall be made; (iii) the Debtors and all Holders of Claims against or Interests in the Debtors shall be restored to the status quo as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred; and (iv) all of the Debtors' obligations with respect to Claims and Interests shall remain unaffected by the Plan and nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors or any other Person or to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors, and the Plan shall be deemed withdrawn.

ARTICLE XI.

EFFECTS OF CONFIRMATION

11.1 Exculpation and Releases.

(a) **Exculpation and Limitation of Liability. Notwithstanding any other provision of the Plan, the Released Parties shall not have or incur any liability to, or be subject to any right of action by, any Holder of a Claim or an Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or agents acting in such capacity, or Affiliates, or any of their successors or assigns, for any act or omission relating to, in any way, or arising from (i) these Chapter 11 Cases, without limitation, including the decision to File these Chapter 11 Cases, (ii) formulating, negotiating or implementing the Plan (including the Disclosure Statement), any contract, instrument, release or other agreement or document created or entered into in connection with the Plan; (iii) any other post-petition act taken or omitted to be taken in connection with or in contemplation of the restructuring or liquidation of the Debtors; (iv) the solicitation of acceptances of the Plan, the pursuit of Confirmation of the Plan, the Confirmation of the Plan, the Consummation of the Plan or (v) the administration of the Plan or the property to be distributed under the Plan, except for their gross negligence or willful misconduct as determined by a Final Order. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations and any other applicable law or rules protecting such Released Parties from liability.**

(b) **Releases by the Debtors. Except as otherwise expressly provided in the Plan or the Confirmation Order, on the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, each of the Debtors, on their own behalf and as a representative of their respective Estates, shall, and shall be deemed to, completely and forever release, waive, void, extinguish and discharge unconditionally, each and all of the Released Parties and the Released Insurance Carrier(s) of and from any and all Claims, Causes of Action, obligations, suits, judgments, damages, debts, rights, remedies and liabilities of any nature whatsoever, whether liquidated or unliquidated, fixed or Contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, that are or may be based in whole or part on any act, omission, transaction, event or other circumstance taking place or existing on or prior to the Effective Date (including prior to the Petition Date) in connection with or related to any of the Debtors, their respective assets, property and Estates or the Chapter 11 Cases, that may be asserted by or on behalf of any of the Debtors or their respective Estates, against any of the Released Parties; provided, however, that nothing in this Article XI shall be either (i) construed as a release or waiver of either the Debtors' or the**

Liquidating Trustee's ability and right to assert claims in connection with the Class Action Litigation or (ii) construed as a release of any Released Party from willful misconduct or gross negligence as determined by a Final Order.

(c) **Injunction. Except as provided in the Plan or the Confirmation Order, as of the Effective Date, (i) all Persons that hold, have held, or may hold a Claim or any other obligation, suit, judgment, damages, debt, right, remedy, causes of action or liability of any nature whatsoever, relating to any of the Debtors or any of their respective assets, property and Estates, that is released or enjoined pursuant to the Plan and (ii) all other parties in interest in these Chapter 11 Cases are, and shall be, permanently, forever and completely stayed, restrained, prohibited, barred and enjoined from taking any of the following actions against any Released Party or Released Insurance Carrier(s), or the Estates' Assets, subject to administration under the Plan, on account of such released liabilities, whether directly or indirectly, derivatively or otherwise, on account of or based on the subject matter of such Claims or other obligations, suits, judgments, damages, debts, rights, remedies, causes of action or liabilities:**

(i) **commencing, conducting, or continuing in any manner, directly, or indirectly, any suit, action or other proceeding against any Released Party or Released Insurance Carrier(s), in their respective capacities as such, or the Estates' Assets, in any forum (including, without limitation, any judicial, arbitral, administrative or other proceeding);**

(ii) **enforcing, attaching, executing, collecting or recovering in any manner, directly or indirectly, any judgment, award, decree, or order against any Released Party or Released Insurance Carrier(s), in their respective capacities as such, or the Estates' Assets;**

(iii) **creating, perfecting, or enforcing, directly or indirectly, in any manner, any lien or encumbrance of any kind against any Released Party or Released Insurance Carrier(s), in their respective capacities as such, or the Estates' Assets;**

(iv) **asserting or effecting, directly or indirectly, any setoff or right of subrogation of any kind against any obligation due to any Released Party or Released Insurance Carrier(s), in their respective capacities as such, or the Estates' Assets; and**

(v) **any act, in any manner, in any place whatsoever, that does not conform to, comply with, or is inconsistent with the provisions of the Plan in respect of any Released Party or Released Insurance Carrier(s), in their respective capacities as such, or the Estates' Assets.**

For the avoidance of doubt and notwithstanding anything to the contrary in the Plan, the Disclosure Statement, or the Confirmation Order, nothing in this Section 11.1(c) shall stay, restrain, prohibit, bar or enjoin any entity from taking any action against or seeking relief from any Released Party or Released Insurance Carrier(s) for any act or omission constituting, arising out

of, or relating to such Released Party's or Released Insurance Carrier(s)' gross negligence or willful misconduct as determined by a Final Order.

Any Person or Entity injured by any willful violation of such injunction may seek actual damages and, in appropriate circumstances, may seek punitive damages from the willful violator. Nothing contained in this Article XI of the Plan shall prohibit the Holder of a Disputed Claim or Disputed Interest from litigating its right to seek to have such a Disputed Claim or Disputed Interest declared an Allowed Claim or Allowed Interest and paid in accordance with the distribution provisions of the Plan, or enjoin or prohibit the enforcement by the Holder of such Disputed Claim or Disputed Interest of any of the obligations of any Released Party or Released Insurance Carrier(s) under the Plan.

11.2 Term of Bankruptcy Injunction or Automatic Stays. All injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

ARTICLE XII.

RETENTION OF JURISDICTION

12.1 Exclusive Jurisdiction of Bankruptcy Court. Pursuant to Sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

(a) allow, disallow, determine, subordinate, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim or Interest (whether Filed before or after the Effective Date and whether or not Contingent, Disputed, or Unliquidated or for contribution, indemnification or reimbursement), including the compromise, settlement and resolution of any request for payment of any Claims or Interests, the resolution of any Objections to the allowance or priority of Claims or Interests and to hear and determine any other issue presented hereby or arising hereunder, including during the pendency of any appeal relating to any Objection to such Claim or Interest to the extent permitted under applicable law;

(b) grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan, for periods ending on or before the Effective Date;

(c) hear and determine any and all adversary proceedings, motions, applications, and contested or litigated matters, including, but not limited to, all Causes of Action,

and consider and act upon the compromise and settlement of any Claim or Interest, or Cause of Action;

(d) determine and resolve controversies related to the Estates' Assets;

(e) determine and resolve any matters related to the assumption, assumption and assignment or rejection of any Executory Contract or unexpired lease to which the Debtors are a party or with respect to which the Debtors may be liable, and to hear, determine and, if necessary, liquidate any Claims arising there from;

(f) ensure that all Distributions to Holders of Allowed Claims or Allowed Interests under the Plan and the performance of the provisions of the Plan are accomplished as provided herein and resolve any issues relating to Distributions to Holders of Allowed Claims or Allowed Interests pursuant to the provisions of the Plan;

(g) construe, take any action and issue such orders, prior to and following the Confirmation Date and consistent with Section 1142 of the Bankruptcy Code, as may be necessary for the enforcement, implementation, execution and Consummation of the Plan and all contracts, instruments, releases, other agreements or documents created in connection with the Plan, including, without limitation, the Disclosure Statement and the Confirmation Order, for the maintenance of the integrity of the Plan in accordance with Sections 524 and 1141 of the Bankruptcy Code following the occurrence of the Effective Date;

(h) determine and resolve any cases, controversies, suits or disputes that may arise in connection with the Consummation, interpretation, implementation or enforcement of the Plan (and all exhibits and schedules to the Plan) or the Confirmation Order, including the releases and injunction provisions set forth in and contemplated by the Plan or the Confirmation Order, or any entity's rights arising under or obligations incurred in connection therewith;

(i) modify the Plan, the Disclosure Statement, and/or the Confirmation Order before or after the Effective Date pursuant to Section 1127 of the Bankruptcy Code, as well as any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code and the Plan;

(j) issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any entity with Consummation, implementation or enforcement of the Plan or the Confirmation Order;

(k) enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

(l) determine any other matters that may arise in connection with or relating to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement, or the Confirmation Order;

(m) determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(n) hear and determine matters concerning state, local and federal taxes in accordance with Sections 346, 505 and 1146 of the Bankruptcy Code;

(o) enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with these Chapter 11 Cases;

(p) determine and resolve controversies related to the Debtors or the Estates from and after the Effective Date;

(q) determine and resolve controversies over the Class Fund Distribution Procedures and the SEC Fairness Fund Distribution Procedures;

(r) hear and determine any other matter relating to the Plan; and

(s) enter a final decree closing these Chapter 11 Cases.

ARTICLE XIII.

MISCELLANEOUS PROVISIONS

13.1 Modification of the Plan. The Debtors, with the consent of the Committees, may alter, amend, or modify the Plan or any exhibits or schedules hereto under Section 1127(a) of the Bankruptcy Code at any time after the Confirmation Date but prior to the substantial Consummation of the Plan, provided, however, that any such alteration, amendment or modification does not materially and adversely affect the treatment of Holders of Claims or Interests under the Plan, provided, further, however, that absent such consent from the Committees, the Debtors shall be authorized to seek Bankruptcy Court authority to alter, amend, or modify the Plan or any exhibits or schedules hereto under Section 1127 of the Bankruptcy Code. Any Holder of a Claim or Interest that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim or Interest of such Holder.

13.2 Substantial Consummation. Upon issuance of Distributions on account of all Claims on the Allowed Claims list, filed with the Plan Supplement, the Plan shall be deemed substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

13.3 Revocation, Withdrawal, or Non-Confirmation of the Plan. The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Hearing. If the Plan is revoked or withdrawn prior to the Confirmation Hearing, or if the Plan is not confirmed by the Bankruptcy Court, then: the Plan shall be null and void in all respects, and

(a) nothing contained in the Plan or the Disclosure Statement shall (i) constitute a waiver or release of any Claims by or against, or any Interests in, the Debtors or any other Person, (ii) prejudice in any manner the rights of the Debtors, the Creditors' Committee or the Equity Holders' Committee or any other Person, or (iii) constitute an admission of any sort by the Debtors, the Creditors' Committee or the Equity Holders' Committee, or any other Person.

13.4 Binding Effect. Except as otherwise provided in Section 1141(d)(3) of the Bankruptcy Code and subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Plan shall bind any Holder of a Claim against, or Interest in, the Debtors and such Holder's respective successors and assigns, whether or not the Claim or Interest of such Holder is Impaired under the Plan and whether or not such Holder has accepted the Plan.

13.5 Subordination Rights. The classification and manner of satisfying all Claims and Interests and the respective Distributions and treatments hereunder take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with the contractual, legal, and equitable subordination rights relating thereto, whether arising under contract, general principles of equitable subordination, Section 510(b) of the Bankruptcy Code, or otherwise. All subordination rights that a Holder of a Claim or Interest may have with respect to any Distribution to be made under the Plan shall be implemented through the Plan, and all actions by such Holder of a Claim or Interest related to the enforcement of such subordination rights shall be enjoined permanently. The provisions of any contractual or structural subordination of Claims or Interests shall remain enforceable by the Liquidating Trustee on behalf of the Estates and the Liquidating Trust after the occurrence of the Effective Date. Without limitation hereunder, the Liquidating Trustee, on behalf of the Estates and the Liquidating Trust, may likewise enforce any right of the Debtors or their Estates to equitably or otherwise subordinate Claims under Section 510 of the Bankruptcy Code, which rights are deemed transferred to, remain and are preserved in the Liquidating Trust Assets, except as otherwise expressly set forth herein or as expressly provided in a Final Order of the Bankruptcy Court in the Chapter 11 Cases.

13.6 Severability of Plan Provisions. If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may be altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

13.7 Dissolution of the Committees. The Committees shall each dissolve on the Effective Date and the members of such Committees shall be released and discharged from all further rights and duties arising from or related to these Chapter 11 Cases, except with respect to, and to the extent of any applications for Professional Fee Claims or expense reimbursements for members of such Committees. The Professionals retained by the Committees shall not be entitled to assert any Administrative Expense Claims nor shall they have an Allowed Administrative Expense Claims for any services rendered or expenses incurred after the Effective Date except in respect of the preparation and prosecution of or any objection to any Filed fee application.

13.8 Exemption from Section 1146. Pursuant to Section 1146(a) of the Bankruptcy Code, under the Plan, the issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer under the Plan, may not be taxed under any law imposing a stamp tax or similar tax. To the extent that the Liquidating Trustee elects to sell any property prior to or after the Confirmation Date, such sales of property will be exempt from any transfer taxes in accordance with Section 1146(a) of the Bankruptcy Code. Any subsequent issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer under the Plan in the Chapter 11 Cases shall be deemed to be or have been done in furtherance of the Plan.

13.9 Filing of Additional Documents. On or before the Effective Date of the Plan, the Debtors may issue, execute, deliver, and File with the Bankruptcy Court or record any agreements and other documents, and take any action as may be necessary or appropriate to effectuate, consummate and further evidence the terms and conditions of the Plan.

13.10 Insurance. Consistent with Section 9.2 of the Plan, Confirmation of the Plan and the occurrence of the Effective Date shall have no effect on insurance policies of the Debtors in which the Debtors are or were insured parties. Each insurance company is prohibited from, and the Confirmation Order shall include an injunction against, denying, refusing, altering or delaying coverage on any basis regarding or related to these Chapter 11 Cases, the Plan or any provision within the Plan, including the treatment or means of liquidation set out within the Plan for insured Claims.

13.11 Successors and Assigns. The rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Person.

13.12 Governing Law. Except to the extent that the Bankruptcy Code or Bankruptcy Rules or other federal laws is applicable, and subject to the provisions of any contract, instrument, release, or other agreement or document entered into in connection with the Plan, the construction, implementation and enforcement of the Plan and all rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to conflicts of law principles which would apply the law of a jurisdiction other than the State of Delaware or the United States of America.

13.13 Exhibits and Schedules. All exhibits and schedules annexed hereto, and all documents submitted in support hereof, are incorporated into and are a part of the Plan as if set forth in full herein. Holders of Claims and Interests may obtain copies of the Filed exhibits and schedules upon written request to the Debtors. Upon their Filing, the exhibits and schedules may be

inspected in the Office of the Clerk of the Bankruptcy Court or its designee during normal business hours. The documents contained in the exhibits and schedules shall be approved by the Bankruptcy Court pursuant to the Confirmation Order. To the extent any exhibit or schedule annexed hereto is inconsistent with the Plan, the contents of the Plan shall control.

13.14 Computation of Time. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

13.15 Notices. Any notice required or permitted to be provided under the Plan shall be in writing and served by either (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery, or (c) reputable overnight delivery service, freight prepaid, to be addressed as follows:

(a) If to the Debtors:

YOUNG CONAWAY STARGATT & TAYLOR, LLP
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Attn: Robert S. Brady
Donald J. Bowman, Jr.

(b) If to the Creditors' Committee:

LOWENSTEIN SANDLER, LLP
65 Livingston Avenue
Roseland, New Jersey 07068
Attn: Jeffrey D. Prol
Timothy R. Wheeler

LOWENSTEIN SANDLER, LLP
1251 Avenue of the Americas
New York, New York 10020
Attn: Bruce Nathan

-and-

GREENBERG TRAURIG, LLP
77 West Wacker Drive, Suite 3100
Chicago, Illinois 60601
Attn: Nancy A. Peterman
Matthew T. Gensburg

-and-

GREENBERG TRAURIG, LLP
The Nemours Building
1007 North Orange Street Suite 1200

Wilmington, Delaware 19801
Attn: Sandra Selzer

(c) If to the Equity Holders' Committee

ELLIOTT GREENLEAF
1105 Market Street, Suite 1700
Wilmington, Delaware 19801
Attn: Rafael X. Zahralddin
Eric M. Sutty
-and-

SUGAR FELSENTHAL GRAIS & HAMMER, LLP
30 N. LaSalle Street, Suite 3000
Chicago, Illinois 60602
Attn: Aaron L. Hammer
Mark S. Melickian

(d) If to the Office of the United States Trustee:

OFFICE OF THE UNITED STATES TRUSTEE
844 King Street, Suite 2207, Lockbox 35
Wilmington, Delaware 19801
Attn: David L. Buchbinder

13.16 Reservation of Rights. The Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by the Debtors with respect to the Plan shall not be, and shall not be deemed to be, an admission or waiver of any rights of the Debtors with respect to the Holders of Claims and Interests.

Dated: July 22, 2014
Wilmington, Delaware

AgFeed USA, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

AgFeed Industries, Inc.
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

TS Finishing, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

New York Finishing, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

Pork Technologies, L.C.
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

New Colony Farms, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

Heritage Farms, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

Heritage Land, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

Genetics Operating, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

M2P2 Facilities, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

MGM, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

M2P2 General Operations, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

New Colony Land Company, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

M2P2 AF JV, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

Midwest Finishing, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

Genetics Land, LLC
Debtor and Debtor-in-Possession

By */s/ Keith a. Maib*
Name: Keith A. Maib
Position: Chief Restructuring Officer

SCHEDULE 1.80

Officers or Directors During the Period from May 1, 2008 through December 19, 2011

Officers or Directors of the Debtors During the Period from May 1, 2008 through December 19, 2011

Cesca, Ray
Chen, Niki
Csik, Justin
Daignault, Gerard
Feng, Zhou
Ginn, Bruce
Gothner, K. Ivan F.
Jin, Selina
Lai, Elaine
Li, Songyan
Ouyang, Shaobo
Pazdro, Edward
Porter, Tonya
Rittereiser, Frederic W.
Stadler, John A.
Staloff, Arnold
Tu, Yaoliang
Tung, Rung-Syin
Webster, Milton III
Wei, Dr. Ming
Xiong, Junhong
Xiong, Zhengru
Yan, Liangfan
Zhang, Lixiang
Zheng, Yunlin

Schedule 1.102

Schedule of Allowed Claims and Claim Settlements

Schedule of Allowed Claims and Claim Settlements

Claimant	Claim Number	Asserted Claim Amount	Allowed Claim Amount	Terms of Settlement
FTI Consulting Inc.	281	$2,848,461.62[1]	$2,780,000.00	In addition to agreeing to the Allowed Claim Amount, FTI Consulting Inc. agreed to waive its right to post-petition interest, subject to allowance of the claim in the Allowed Claim Amount, and subject to payment of the Allowed Claim Amount Amount in full, at or promptly after the effective date of the plan. FTI Consulting Inc. also agrees to continue to provide reasonable access to information and pre-petition work product to the post-confirmation trustee without cost. In the event the plan does not provide for payment of the Allowed Claim Amount in full or in the event the plan effective date does not occur prior to July 15, 2014, FTI Consulting Inc. reserves the right to declare this compromise null and void, in which event the proof of claim amount and the right to post-petition interest will be reinstated in full, subject to the right of creditors and other parties in interest to object to same.

[1] In addition, FTI Consulting Inc. asserted $290,000 in post-petition interest at a stated contract rate of 18%.

Latham & Watkins LLP	133	$6,328,948.91	$6,012,501.46	Jefferies LLP[2] agreed to a 5% discount on the gross amount of the claim asserted by Latham & Watkins LLP. Payment of the Allowed Claim Amount will occur on the effective date of the plan.
Foley & Lardner LLP	289 290	$1,251,179.53 $1,180.50	$1,251,179.53 $1,180.50	Foley & Lardner LLP agreed to forego seeking pre-petition and post-petition interest at the contractual rate). However, the Allowed Claim Amounts are entitled to receive interest as provided for in the plan for non-priority unsecured claims. Foley & Lardner LLP also agreed to discount their post-petition fees by 20% retroactive to March 1, 2014 and going forward through the effective date of the plan. Payment of the Allowed Claim Amounts will occur on the effective date of the plan.
Marcum Bernstein & Pinchuk LLP	s580	$989,948.00[3]	$989,948.00	In addition to agreeing to the Allowed Claim Amount (which was a discounted rate and does not include interest or additional amounts they assert are owed), Marcum Bernstein & Pinchuk LLP agreed to waive any right to interest. Payment of the Allowed Claim Amount will occur on the effective date of the plan.

[2] The claim filed by Latham and Watkins LLP was purchased by Jefferies LLP.

[3] Marcum Bernstein & Pinchuk LLP did not file a proof of claim. However, they assert that they are actually owed $1,004,200 after applying a 25% discount and before interest.

EXHIBIT B

Shareholder Report

The Depository Trust Company
One Time Security Position Report
Position as of: 02/05/2014

Security Description	Cusip
AGFEED INDUSTRIES	00846L101

Participant Number	Participant Name	Quantity
5	GOLDMAN	1,181,680
10	BROWN BROS	1,167,507
15	MSSB	720,744
52	COR LLC	100,181
57	JONES E D	252,393
62	VANGUARD	515,804
75	LPL FIN CO	66,066
101	MSCO / SL	54
103	WEDBUSH	535,487
141	FRST CLEAR	1,675,291
158	APEX CLEAR	681,615
161	MERRIL	6,542
164	CHS SCHWAB	5,053,338
188	TD AMERITR	9,231,150
220	PEOPLE SEC	1,156
221	UBS FINAN	452,303
226	NFS LLC	5,632,876
229	BARCLAY/LE	152,341
235	RBCCAPMKTS	513,992
271	TRADESTATN	38,100
279	SOUTHWEST	89,570
280	US BANCORP	21,628
283	WIL-DAV	2,500
286	SG AMERICA	90
295	KCG	36,732
309	FST STH CO	13,313
338	OPTIONSXPR	137,755
352	JPMC CLEAR	1,266,084
355	CS SEC USA	12
361	DAVIDSON	9,753
367	USAA INVES	336,553

374	JMS LLC	9,650
385	E*TRADE	5,089,476
418	CITIGROUP	29,300
419	STEPHENS	11,700
443	PERSHING	7,003,278
445	STCKCROSS	7,100
501	GOLDMAN LP	8,726,555
512	LEK SECS	586,218
534	INT BROKER	1,058,944
547	R W BAIRD	16,415
549	TIMBER HIL	61
571	OPPENHEIME	106,799
573	DEUTSCHE	794,049
595	VIS FIN MK	360
642	UBS SECLLC	896
696	CANTOR CO	1,500
701	CETERA	15,373
702	BB&T SEC	29,660
705	SCOTTRADE	5,451,739
715	DAVENPORT	4,000
725	RAYMOND	1,975,643
727	MESIROW	7,000
728	FOLIO INV	6,983
750	STERNE AG	8,389
756	AEIS INC.	276,963
768	HILLIARD	27,312
793	STIFEL	300,570
901	BANK OF NY	1,148,872
902	JPMCBNA	244,200
908	CITIBANK	550,660
954	BNYMEL/TST	9,587
997	SSB&T CO	718,148
2012	CREST INTL	38,223
2027	WELLS BKNA	210
2039	SEI PRIVAT	17,500
2154	BNP PAR PB	102,256
2312	JPM/DB AG	521
2399	SSB/FRANK	2,318
2561	COUNTRY BK	1,300
2622	TX/SAFEKPG	103
2669	NRTHRN TR	2,736

2787	BNP/CUST	293,059
2803	US BANK NA	100
5001	LAURENTI**	3,100
5002	RBC/DOMN**	118,577
5008	NBCN INC**	425,563
5009	QTRADE/**	2,100
5011	SCOTIA**	83,799
5012	ED JONES**	4,500
5016	GMP SECS**	725
5028	DESJRDIN**	39,040
5029	MACK/CDS**	11,000
5030	CIBCWRLD**	69,792
5036	TD WATER**	1,242,721
5039	SCOTIA/CDS	7,900
5043	BMO NSBT**	106,893
5044	RBC1/CDS**	200
5046	CANA GEN**	9,100
5047	MANULIFE**	12,000
5069	GLOBAL**	500
5083	CRED/CDS**	3,200
5084	QUES/CDS**	93,310
5085	BBS/CDS**	300
5099	CDSCLEA**	68,300
5144	D LERNER	4,825
5198	ML SFKPG	924,814
	Total	67,800,595

EXHIBIT C

Corporate Organizational Chart

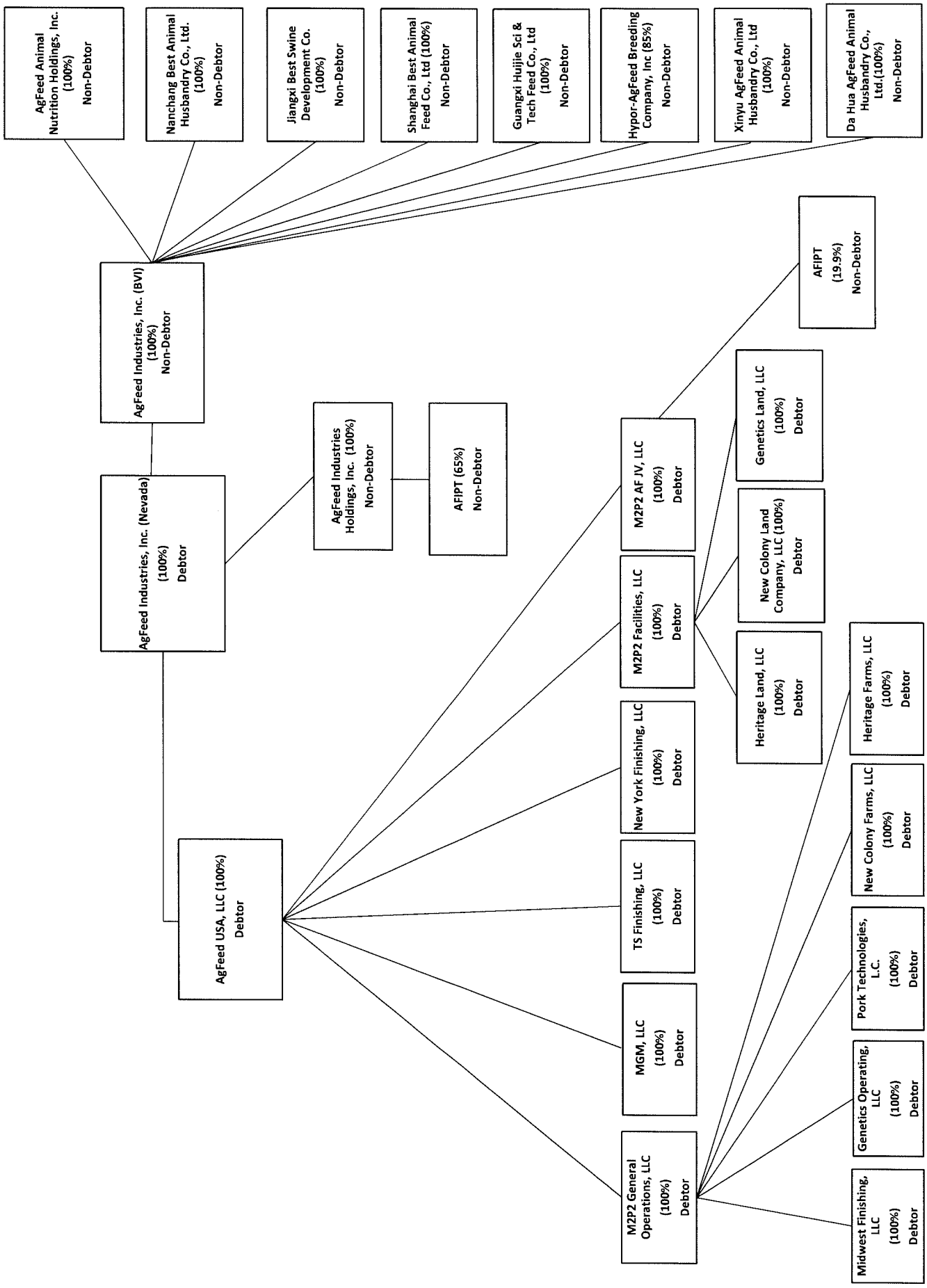

AgFeed Animal Nutrition Holdings, Inc. (100%) Non-Debtor
Nanchang Best Animal Husbandry Co., Ltd. (100%) Non-Debtor
Jiangxi Best Swine Development Co. (100%) Non-Debtor
Shanghai Best Animal Feed Co., Ltd (100%) Non-Debtor
Guangxi Huijie Sci & Tech Feed Co., Ltd (100%) Non-Debtor
Hypor-AgFeed Breeding Company, Inc (85%) Non-Debtor
Xinyu AgFeed Animal Husbandry Co., Ltd (100%) Non-Debtor
Da Hua AgFeed Animal Husbandry Co., Ltd.(100%) Non-Debtor
AgFeed Industries, Inc. (BVI) (100%) Non-Debtor
AgFeed Industries, Inc. (Nevada) (100%) Debtor
AgFeed Industries Holdings, Inc. (100%) Non-Debtor
AFIPT (65%) Non-Debtor
AFIPT (19.9%) Non-Debtor
AgFeed USA, LLC (100%) Debtor
M2P2 AF JV, LLC (100%) Debtor
M2P2 Facilities, LLC (100%) Debtor
Genetics Land, LLC (100%) Debtor
New Colony Land Company, LLC (100%) Debtor
Heritage Land, LLC (100%) Debtor
New York Finishing, LLC (100%) Debtor
TS Finishing, LLC (100%) Debtor
MGM, LLC (100%) Debtor
M2P2 General Operations, LLC (100%) Debtor
Heritage Farms, LLC (100%) Debtor
New Colony Farms, LLC (100%) Debtor
Pork Technologies, L.C. (100%) Debtor
Genetics Operating, LLC (100%) Debtor
Midwest Finishing, LLC (100%) Debtor

EXHIBIT D

Balance Sheet and Income Statements

AgFeed Industries, Inc. and Subsidiaries
Compiled Balance Sheet and Income Statement
Draft - Unaudited

	June 30, 2013 Pre - Petition Internal (Unaudited)	2012 Pre - Petition Internal (Unaudited)	2011 Pre - Petition Internal (Unaudited)	Q2 2011 As Restated	2010 As Restated	2009 As Restated	2008 As Restated	2007 As Restated
ASSETS								
CURRENT ASSETS:								
Cash and cash equivalents	$ 8,870,316	$ 7,666,742	$ 12,831,795	$ 10,758,836	$ 12,399,916	$ 37,580,154	$ 24,839,378	$ 7,696,209
Accounts receivable, net of allowance for doubtful accounts of $_____ and $_____	7,476,211	10,488,300	5,096,961	1,692,941	5,918,145	2,907,813	4,037,399	3,203,757
Advances to suppliers	242,928	690,081	520,229	37,969	822,873	1,187,775	518,829	442,851
Unallocated Difference	(0)	(0)	-	-	-	-	-	-
Inventory	92,212,608	94,751,383	87,939,668	89,170,989	82,074,161	21,776,480	21,293,848	2,728,160
Assets Held for Sale	-	-	1,593,349	-	-	-	-	-
Prepaid expenses and other current assets	6,277,197	5,304,119	6,518,961	3,781,166	3,854,926	3,031,068	3,232,676	1,103,217
Debt Issue Costs	-	-	-	-	-	-	246,223	-
Deferred tax asset	588,048	588,048	150,282	83,685	83,685	1,359,856	-	-
Total current assets	115,667,309	119,488,672	114,651,245	105,525,586	105,153,707	67,843,146	54,168,353	15,174,194
PROPERTY AND EQUIPMENT, net	64,846,819	69,525,814	68,006,740	63,042,986	51,218,454	18,472,566	19,271,888	3,802,632
INTANGIBLE ASSETS, net	7,320,315	4,694,916	5,268,540	5,439,708	5,785,471	1,064,252	1,089,458	839,802
GOODWILL	1,316,372	1,291,120	1,242,959	1,227,696	1,210,211	9,422,988	21,407,324	-
DEFERRED TAX ASSET	8,553,640	8,553,640	3,661,097	2,502,836	2,329,548	-	-	-
OTHER ASSETS	2,163,991	3,596,617	3,267,999	2,150,849	4,041,843	3,037,786	2,641,902	-
TOTAL ASSETS	$ 199,868,445	$ 207,150,779	$ 196,098,579	$ 179,889,661	$ 169,739,234	$ 99,840,738	$ 98,578,925	$ 19,816,628
LIABILITIES AND EQUITY								
CURRENT LIABILITIES:								
Short-term loan	$ -	$ -	$ -	$ 78,047	$ 4,627,533	$ 4,401,000	$ -	$ 1,110,413
Line of credit	55,394,132	59,751,014	44,058,884			-	-	-
Accounts payable	24,775,476	20,613,062	10,535,255	7,429,565	9,664,374	6,071,969	4,950,188	1,458,010
Other payables	2,287,121	1,852,039	1,763,486	3,146,624	3,736,931	1,892,858	5,766,741	705,150
Unearned revenue	315,737	543,828	383,631	15,602	542,856	383,338	321,664	99,848
Accrued expenses	6,226,332	9,558,519	10,859,955	12,857,331	11,649,142	10,019,178	3,612,216	18,223
Accrued payroll	2,210,121	1,712,248	2,090,429	1,154,654	1,209,120	975,485	818,052	168,560
Tax and welfare payable	2,824,505	2,168,806	1,741,652	1,428,706	2,263,980	396,370	465,875	9,534
Interest payable	-	-	244,096	18,408	121,392	120,419	121,139	-
Current portion of long-term debt	21,625,629	2,454,778	2,341,270	1,718,108	1,703,658	-	-	-
Liabilities of discontinued operations	-	-	789,129	97,446	-	-	-	-
Convertible notes, net of discount of $_____	-	-	-	-	969,855	-	-	-
Total current liabilities	115,659,054	98,654,295	74,807,787	27,944,491	36,488,841	24,260,617	16,055,875	3,569,738
CONVERTIBLE NOTES, net of debt discount of $_____	-	-	-	-	-	773,380	2,192,241	-
ACQUISITION NOTE PAYABLE	-	8,243,757	9,621,434	9,621,434	9,621,434	-	-	-
LINE OF CREDIT	-	-	-	48,535,609	42,231,176	-	-	-
LONG-TERM DEBT	-	11,547,897	13,516,708	13,852,537	15,024,666	-	-	-
TOTAL LIABILITIES	115,659,054	118,445,949	97,945,929	99,954,071	103,366,117	25,033,997	18,248,116	3,569,738
COMMITMENTS AND CONTINGENCIES (Note 15)	-	-	-	-	-	-	-	-
EQUITY:								
AgFeed stockholders' equity:								
Common stock, $0.001 per share; 75,000,000 shares authorized; _____	70,139	70,139	70,475	63,819	51,758	44,511	38,300	27,027
Additional paid-in capital	164,636,874	164,637,837	163,024,948	155,506,882	138,226,681	118,941,494	93,084,913	10,094,095
Accumulated other comprehensive income	9,708,507	8,113,411	7,559,234	6,481,151	5,212,603	3,106,146	3,116,242	669,690
Statutory reserve	5,621,920	5,621,920	5,621,937	5,644,967	5,621,937	4,685,115	3,236,054	752,225
Treasury stock (_____ shares)	(1,893,028)	(1,893,028)	(1,858,942)	(1,858,942)	(1,858,942)	(1,811,746)	(1,811,746)	-
Stock subscription receivable	-	-	-	-	-	-	-	-
Retained earnings (accumulated deficit)	(93,824,884)	(87,733,944)	(76,179,655)	(85,948,460)	(81,034,293)	(49,988,063)	(19,450,566)	4,703,853
Total AgFeed stockholders' equity	84,319,528	88,816,335	98,237,997	79,889,417	66,219,743	74,977,456	78,213,198	16,246,890
Noncontrolling interest (deficit)	(110,136)	(111,505)	(85,348)	46,173	153,373	(170,716)	2,117,611	-
Total equity	84,209,392	88,704,830	98,152,649	79,935,590	66,373,116	74,806,740	80,330,809	16,246,890
TOTAL LIABILITIES AND EQUITY	$ 199,868,445	$ 207,150,779	$ 196,098,578	$ 179,889,660	$ 169,739,234	$ 99,840,737	$ 98,578,925	$ 19,816,628

The accompanying notes are an integral part of these consolidated financial statements.

0

AgFeed Industries, Inc. and Subsidiaries
Compiled Balance Sheet and Income Statement
Draft - Unaudited

	June 30, 2013	2012	2011	Q2 2011	2010	2009	2008	2007
	Pre - Petition Internal (Unaudited)	*Pre - Petition Internal (Unaudited)*	*Pre - Petition Internal (Unaudited)*	*As Restated*	*As Restated*	*As Restated*	*As Restated*	*As Restated*
Check	0	0	(2)	(1)	(0)	(1)	(0)	-
Revenues	$ 179,124,350	$ 372,461,051	$ 357,382,725	$ 162,300,088	$ 165,538,601	$ 101,423,631	$ 70,672,101	$ 28,303,534
Cost of goods sold	168,882,956	343,706,542	320,109,748	145,930,023	158,233,740	87,397,687	58,418,174	20,623,762
Gross profit	10,241,394	28,754,509	37,272,977	16,370,065	7,304,861	14,025,943	12,253,927	7,679,772
Operating expenses								
Selling expenses	1,924,981	4,851,216	4,413,185	2,072,968	4,386,259	3,934,047	3,941,247	2,693,613
General and administrative expenses	10,688,783	35,889,926	28,394,413	11,598,554	20,076,074	10,945,838	5,754,742	1,385,476
Loss on Sale of Farm	-	-	-	-	-	-	-	-
Receivable credit and collection losses	-	(5,760)	19,640	6,564,750	-	-	-	-
Impairment of long-term assets	1,221,980	-	454,277	-	3,997,972	685,440	-	-
Impairment of goodwill	-	-	(1)	-	8,640,342	11,976,984	19,718,791	-
Total operating expenses	13,835,744	40,735,382	33,281,514	20,236,272	37,100,647	27,542,309	29,414,780	4,079,089
Income (loss) from operations	(3,594,350)	(11,980,872)	3,991,463	(3,866,207)	(29,795,786)	(13,516,366)	(17,160,853)	3,600,683
Non-operating income (expense):								
Other income (expense)	475,744	(177,120)	122,275	550,237	(735,937)	1,370,073	4,206,928	160,496
Interest income	31,321	55,808	183,057	22,393	117,457	213,018	190,965	142,148
Interest and financing costs	(2,958,390)	(4,388,485)	(3,152,339)	(1,930,077)	(1,490,370)	(1,905,996)	(11,845,468)	(153,723)
Change in derivative liability	-	26,650	3,360,993	2,894,395	2,740,119	(14,257,687)	(3,377,496)	-
Foreign currency transaction loss	17,516	39,503	180,618	(14,595)	(5,261)	(17,943)	(559,299)	-
Total non-operating income (expense)	(2,433,810)	(4,443,644)	694,604	1,522,353	626,008	(14,598,535)	(11,384,370)	148,921
Income (loss) before income taxes	(6,028,160)	(16,424,516)	4,686,067	(2,343,854)	(29,169,778)	(28,114,901)	(28,545,223)	3,749,604
Income tax expense	62,780	(4,843,322)	(600,423)	234,495	1,234,725	1,142,105	587,222	(193,203)
Net income (loss) continuing operations	(6,090,940)	(11,581,194)	5,286,490	(2,578,349)	(30,404,503)	(29,257,006)	(29,132,445)	3,942,807
Net income (loss) discontinued operations	-	-	(678,858)	(2,425,287)	-	-	-	-
				-	-	-	-	-
Net Loss	(6,090,940)	(11,581,194)	4,607,632	(5,003,636)	(30,404,503)	(29,257,006)	(29,132,445)	3,942,807
Less: Net income (loss) attributed to noncontrolling interest	-	26,906	247,006	112,499	295,095	168,569	(421,519)	-
				-	-	-	-	-
Net income (loss) attributed to AgFeed	$ (6,090,940)	$ (11,554,288)	$ 4,854,638	$ (4,891,137)	$ (30,109,408)	$ (29,088,437)	$ (29,553,964)	$ 3,942,807

AgFeed Industries, Inc. and Subsidiaries
Compiled Balance Sheet and Income Statement
Unaudited

	As of June 30, 2013 (Unaudited)	As of December 31, 2012 (Unaudited)	As of December 31, 2011 (Unaudited)	As of June 30, 2011 AS Reported (Unaudited)	Feed	Hog Farm	PPA	Other	As of June 30, 2011 As Restated (Unaudited)	As of December 31, 2010 As Restated (Unaudited)	As of December 31, 2009 As Restated (Unaudited)	As of December 31, 2008 As Restated (Unaudited)	As of December 31, 2007 (Unaudited)
ASSETS													
CURRENT ASSETS:													
Cash and cash equivalents	$ 8,870,316	$ 7,666,742	$ 12,831,795	$ 10,758,836	-	-	-	-	10,758,836	$ 12,399,916	$ 37,580,154	$ 24,839,378	$ 7,696,209
Accounts receivable, net of allowance for doubtful accounts of $_____ and $_____	7,476,211	10,488,300	5,096,961	13,230,158	-	-	-	(11,537,217)	1,692,941	5,918,145	2,907,813	4,037,399	3,203,757
Advances to suppliers	242,928	690,081	520,229	37,969	-	-	-	-	37,969	822,873	1,187,775	518,829	442,851
Unallocated Difference	(0)	(0)	-	-	(6,277,369)	(1,836,977)	-	8,114,347	1	-	-	(0)	(0)
Inventory	92,212,608	94,751,383	87,939,668	87,942,225	(41,399)	(356,682)	2,280,177	(653,331)	89,170,989	82,074,161	21,776,480	21,293,848	2,728,160
Assets Held for Sale	-	-	1,593,349	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other current assets	6,277,197	5,304,119	6,518,961	3,275,227	(12,143,571)	(600,518)	-	13,250,029	3,781,166	3,854,927	3,031,068	3,232,676	1,103,217
Debt Issue Costs	-	-	-	-	-	-	-	-	-	-	-	246,223	-
Deferred tax asset	588,048	588,048	150,282	83,685	-	-	-	-	83,685	83,685	1,359,856	-	-
				-				-					
Total current assets	115,667,309	119,488,673	114,651,245	115,328,100	(18,462,340)	(2,794,177)	2,280,177	9,173,828	105,525,587	105,153,708	67,843,146	54,168,353	15,174,194
				-			-	-					
PROPERTY AND EQUIPMENT, net	64,846,819	69,525,814	68,006,740	76,748,174	(427,228)	(11,476,172)	(3,158,211)	1,356,423	63,042,986	51,218,454	18,472,566	19,271,888	3,802,632
INTANGIBLE ASSETS, net	7,320,315	4,694,916	5,268,540	5,439,708	-	-	-	-	5,439,708	5,785,471	1,064,252	1,089,458	839,802
GOODWILL	1,316,372	1,291,120	1,242,959	22,801,262	-	443,277	(9,654,036)	(12,362,807)	1,227,696	1,210,211	9,422,988	21,407,324	-
DEFERRED TAX ASSET	8,553,640	8,553,640	3,661,097	2,502,836	-	-	-	-	2,502,836	2,329,548	-	-	-
OTHER ASSETS	2,163,991	3,596,617	3,267,999	2,114,750	-	(1,085,719)	-	1,121,818	2,150,849	4,041,843	3,037,786	2,641,902	-
				-				-					
TOTAL ASSETS	$ 199,868,445	$ 207,150,779	$ 196,098,579	$ 224,934,830	(18,889,569)	(14,912,792)	(10,532,070)	(710,737)	179,889,662	$ 169,739,235	$ 99,840,738	$ 98,578,925	$ 19,816,628
LIABILITIES AND EQUITY													
CURRENT LIABILITIES:													
Short-term loan	$ -	$ -	$ -	$ -	-	-	-	78,047	78,047	$ 4,627,533	$ 4,401,000	$ -	$ 1,110,413
Line of credit	55,394,132	59,751,014	44,058,884	-	-	-	-	-			-	-	-
Accounts payable	24,775,476	20,613,062	10,535,255	7,429,565	-	-	-	-	7,429,565	9,664,374	6,071,969	4,950,188	1,458,010
Other payables	2,287,121	1,852,039	1,763,486	3,146,624	-	-	-	-	3,146,624	3,736,931	1,892,858	5,766,741	705,150
Unearned revenue	315,737	543,828	383,631	15,602	-	-	-	-	15,602	542,856	383,338	321,664	99,848
Accrued expenses	6,226,332	9,558,519	10,859,955	11,311,639	-	-	-	1,545,692	12,857,331	11,649,142	10,019,178	3,612,216	18,223
Accrued payroll	2,210,121	1,712,248	2,090,429	1,154,654	-	-	-	-	1,154,654	1,209,120	975,485	818,052	168,560
Tax and welfare payable	2,824,505	2,168,806	1,741,652	1,078,320	-	-	-	350,386	1,428,706	2,263,980	396,370	465,875	9,534
Interest payable	-	-	244,096	18,408	-	-	-	-	18,408	121,392	120,419	121,139	-
Current portion of long-term debt	21,625,629	2,454,778	2,341,270	1,718,108	-	-	-	-	1,718,108	1,703,658	-	-	-
Liabilities of discontinued operations	-	-	789,129	97,446	-	-	-	-	97,446	-	-	-	-
Convertible notes, net of discount of $_____	-	-	-	-	-	-	-	-	-	969,855	-	-	-
				-				-					
Total current liabilities	115,659,054	98,654,295	74,807,787	25,970,366	-	-	-	1,974,125	27,944,491	36,488,841	24,260,617	16,055,875	3,569,738
				-				-					
CONVERTIBLE NOTES, net of debt discount of $_____	-	-	-	-	-	-	-	-	-	-	773,380	2,192,241	-
ACQUISITION NOTE PAYABLE	-	8,243,757	9,621,434	9,621,434	-	-	-	-	9,621,434	9,621,434	-	-	-
LINE OF CREDIT	-	-	-	48,535,609	-	-	-	-	48,535,609	42,231,176	-	-	-
LONG-TERM DEBT	-	11,547,897	13,516,708	13,852,537	-	-	-	-	13,852,537	15,024,666	-	-	-
				-				-					
TOTAL LIABILITIES	115,659,054	118,445,949	97,945,929	97,979,946	-	-	-	1,974,125	99,954,071	103,366,117	25,033,997	18,248,116	3,569,738
				-				-					
COMMITMENTS AND CONTINGENCIES (Note 15)	-	-	-	-	-	-	-	-	-	-	-	-	-
EQUITY:													
AgFeed stockholders' equity:													
Common stock, $0.001 par share; 75,000,000 shares authorized;	70,139	70,139	70,475	63,819	-	-	-	-	63,819	51,758	44,511	38,300	27,027
Additional paid-in capital	164,636,874	164,637,837	163,024,948	142,581,263	-	-	-	12,925,619	155,506,882	138,226,681	118,941,494	93,084,913	10,094,095
Accumulated other comprehensive income	9,708,508	8,113,411	7,559,234	10,356,717	(1,630,932)	(1,099,330)	(732,539)	(412,766)	6,481,151	5,212,603	3,106,146	3,116,242	669,690
Statutory reserve	5,621,920	5,621,920	5,621,937	5,644,967	-	-	-	-	5,644,967	5,621,937	4,685,115	3,236,054	752,225
Treasury stock (_____ shares)	(1,893,028)	(1,893,028)	(1,858,942)	(1,858,942)	-	-	-	-	(1,858,942)	(1,858,942)	(1,811,746)	(1,811,746)	-
Stock subscription receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings (accumulated deficit)	(93,824,884)	(87,733,944)	(76,179,655)	(29,879,113)	(17,258,637)	(13,813,462)	(9,799,532)	(15,197,715)	(85,948,460)	(81,034,293)	(49,988,063)	(19,450,566)	4,703,853
Total AgFeed stockholders' equity	84,319,529	88,816,335	98,237,997	126,908,711	(18,889,569)	(14,912,792)	(10,532,071)	(2,684,863)	79,889,417	66,219,743	74,977,456	78,213,198	16,246,890
Noncontrolling interest (deficit)	(110,136)	(111,505)	(85,348)	46,173	-	-	-	-	46,173	153,373	(170,716)	2,117,611	-
Total equity	84,209,392	88,704,830	98,152,649	126,954,884	(18,889,569)	(14,912,792)	(10,532,071)	(2,684,863)	79,935,590	66,373,116	74,806,740	80,330,809	16,246,890
				-			-	-					
TOTAL LIABILITIES AND EQUITY	$ 199,868,446	$ 207,150,779	$ 196,098,578	$ 224,934,830	(18,889,569)	(14,912,792)	(10,532,071)	(710,738)	179,889,660	$ 169,739,234	$ 99,840,737	$ 98,578,925	$ 19,816,628
The accompanying notes are an integral part of these consolidated financial statements.		0		-			-	-					
Check	0	(0)	(2)	-	-	-	(0)	(1)	(1)	(1)	(0)	(0)	-

	For the Six Months Ended June 30, 2013 (Unaudited)	For the Year Ended December 31, 2012 (Unaudited)	For the Year Ended December 31, 2011 (Unaudited)	0 0 -			0 0 -	0 0 -	For the Six Months Ended June 30, 2011 (Unaudited)	For the Year Ended December 31, 2010 (Unaudited)	For the Year Ended December 31, 2009 (Unaudited)	For the Year Ended December 31, 2008 (Unaudited)	For the Year Ended December 31, 2007 (Unaudited)
Revenues	$ 179,124,350	$ 372,461,051	$ 357,382,725	$ 178,385,171	(16,083,362)	(1,722)	-	-	162,300,088	$ 165,538,601	$ 101,423,631	$ 70,672,101	$ 28,303,534
				-			-	-					
Cost of goods sold	168,882,956	343,706,542	320,109,748	162,418,653	(15,584,750)	(1,152,717)	-	248,836	145,930,023	158,233,740	87,397,687	58,418,174	20,623,762
				-			-	-					
Gross profit	10,241,394	28,754,509	37,272,977	15,966,518	(498,612)	1,150,995	-	(248,836)	16,370,065	7,304,861	14,025,943	12,253,927	7,679,772

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 76 of 122

AgFeed Industries, Inc. and Subsidiaries
Compiled Balance Sheet and Income Statement
Unaudited

	As of June 30, 2013 (Unaudited)	As of December 31, 2012 (Unaudited)	As of December 31, 2011 (Unaudited)	As of June 30, 2011 AS Reported (Unaudited)	Feed	Hog Farm	PPA	Other	As of June 30, 2011 As Restated (Unaudited)	As of December 31, 2010 As Restated (Unaudited)	As of December 31, 2009 As Restated (Unaudited)	As of December 31, 2008 As Restated (Unaudited)	As of December 31, 2007 (Unaudited)
				-			-	-					
Operating expenses				-			-	-					
Selling expenses	1,924,981	4,851,216	4,413,185	2,072,968	-	-	-	-	2,072,968	4,386,259	3,934,047	3,941,247	2,693,613
General and administrative expenses	10,688,783	35,889,926	28,394,413	11,343,437	585,109	(329,993)	-	-	11,598,554	20,076,074	10,945,838	5,754,742	1,385,476
Loss on Sale of Farm	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivable credit and collection losses	-	(5,760)	19,640	15,484,448	(8,919,698)	-	-	-	6,564,750	-	-	-	-
Impairment of long-term assets	1,221,980	-	454,277	-	-	-	-	-	-	3,997,972	685,440	-	-
Impairment of goodwill	-	-	(1)	-	-	-	-	-	-	8,640,342	11,976,984	19,718,791	-
Total operating expenses	13,835,744	40,735,382	33,281,514	28,900,853	(8,334,588)	(329,993)	-	-	20,236,272	37,100,647	27,542,309	29,414,780	4,079,089
				-			-	-					
Income (loss) from operations	(3,594,350)	(11,980,872)	3,991,463	(12,934,335)	7,835,977	1,480,988	-	(248,836)	(3,866,207)	(29,795,786)	(13,516,366)	(17,160,853)	3,600,683
				-			-	-					
Non-operating income (expense):				-			-	-					
Other income (expense)	475,744	(177,120)	122,275	(41,238)	(71,484)	662,959	-	-	550,237	(735,937)	1,370,073	4,206,928	160,496
Interest income	31,321	55,808	183,057	22,393	-	-	-	-	22,393	117,457	213,018	190,965	142,148
Interest and financing costs	(2,958,390)	(4,388,485)	(3,152,339)	(1,910,796)	-	-	-	(19,281)	(1,930,077)	(1,490,370)	(1,905,996)	(11,845,468)	(153,723)
Change in derivative liability	-	26,650	3,360,993	-	-	-	-	2,894,395	2,894,395	2,740,119	(14,257,687)	(3,377,496)	-
Foreign currency transaction loss	17,516	39,503	180,618	(14,595)	-	-	-	-	(14,595)	(5,261)	(17,943)	(559,299)	-
				-			-	-					
Total non-operating income (expense)	(2,433,810)	(4,443,644)	694,604	(1,944,236)	(71,484)	662,959	-	2,875,114	1,522,353	626,008	(14,598,535)	(11,384,370)	148,921
				-			-	-					
Income (loss) before income taxes	(6,028,160)	(16,424,516)	4,686,067	(14,878,571)	7,764,493	2,143,947	-	2,626,278	(2,343,853)	(29,169,778)	(28,114,901)	(28,545,223)	3,749,604
				-			-	-					
Income tax expense	62,780	(4,843,322)	(600,423)	234,495	-	-	-	-	234,495	1,234,725	1,142,105	587,222	(193,203)
				-			-	-					
Net income (loss) continuing operations	(6,090,940)	(11,581,194)	5,286,490	(15,113,066)	7,764,493	2,143,947	-	2,626,278	(2,578,348)	(30,404,503)	(29,257,006)	(29,132,445)	3,942,807
				-			-	-					
Net income (loss) discontinued operations	-	-	(678,858)	(2,425,287)	-	-	-	-	(2,425,287)	-	-	-	-
				-			-	-	-	-	-	-	-
Net Loss	(6,090,940)	(11,581,194)	4,607,632	(17,538,353)	7,764,493	2,143,947	-	2,626,278	(5,003,635)	(30,404,503)	(29,257,006)	(29,132,445)	3,942,807
				-			-	-					
Less: Net income (loss) attributed to noncontrolling interest	-	26,906	247,006	112,499	-	-	-	-	112,499	295,095	168,569	(421,519)	-
				-			-	-	-	-	-	-	-
Net income (loss) attributed to AgFeed	$ (6,090,940)	$ (11,554,288)	$ 4,854,638	$ (17,425,854)	7,764,493	2,143,947	-	2,626,278	(4,891,136)	$ (30,109,408)	$ (29,088,437)	$ (29,553,964)	$ 3,942,807

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 77 of 122

EXHIBIT E

Directors and Officers

Board of Directors

AgFeed Industries Inc.

Event Date	Chairman	Vice Chairman	Ind. Director	Ind. Director	Ind. Director	Ind. Director	Ind. Director	Ind. Director	Ind. Director	Ind. Director	Ind. Director	Ind. Director
AgFeed founding (2006)	Songyan Li	Junhong Xiong										
May 2007			Lixiang									
November 2007				Frederic Rittereiser	Arnold Staloff							
December 2009				Resigned		Van Gothner						
July 2010					Resigned							
September 2010							John Stadler					
February 2011	Resigned	Resigned						Milton Webster III				
	John Stadler						Became Chairman					
July 2011		Van Gothner				Became Vice			David Johnson			
September 2011									Resigned	Bruce Ginn		
December 2011	Resigned Van Gothner	Became Chairman										
February 2012								Resigned			H. David Sherman	Todd Zelek

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 79 of 122

Corporate

AgFeed Industries Inc.

Event Date	Chairman	CEO	CRO	President	COO	CFO	CAO
AgFeed founding (2006)	Songyan Li	Junhong Xiong		Junhong Xiong		Liangfan Yan	
August 2008					Gerard Daignault		
April 2009						Selina Jin	
November 2010						Edward Pazdro (3)	
February 2011	John Stadler	John Stadler		John Stadler		Edward Pazdro (4)	
March 2011				Ray Cesca			
June 30, 2011--internal					Glenn McClelland (5)	Clay Marshall (5)	
August 2011--Chief Accouting Officer position created (7)							Edward Pazdro (6)
December 2011	Van Gothner	Van Gothner					
January 2012				Position not filled	Position not filled		
August 2012--(Country Controller position created) (9)						Gerard Daignault (3)	
May 2013			Keith Maib				
August 2013		Position not filled					

Notes:
(1) Representing M2P2 LLC as JV partner in AgFeed International Protein Technology Corp.
(2) Representing AgFeed post acquisition of M2P2 LLC
(3) Appointed interim CFO
(4) Appointed CFO
(5) Announced July 15, 2011
(6) Reporting to CFO
(7) For SEC filings, the CFO is and remains the Principal Accounting Officer
(8) Reports to Corporate CEO
(9) Direct report to Country Manager, dotted line to CAO
(10) Hired to eventually become CFO of AgFeed Industries, Inc.

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 80 of 122

Business Unit

Event Date	Legacy Hogs					AFIPT/Western Hogs				
	Country Manager	Operations	Country CFO	Country Controller	Finance	Country Manager	Operations	Country CFO	Country Controller	Finance
AgFeed founding (2006)		Zhengru Xiong			Feng Zhou					
April 2009					Selina Jin					
July 2009							Glenn McClelland			Edward Pazdro
January 2010		Gerard Daignault			Edward Pazdro					
Q2/Q3 2010--internal					Selina Jin					
August 2010--internal		Yaoliang Tu								
September 2010							Glenn McClelland			Clay Marshall
April 2011		Glenn McClelland			Elaine Lai					
March 2012--(Country Manager position created) (8)	Thomas Yang	Ming Wei				Thomas Yang	Bill Wilson			
August 2012--(Country Controller position created) (9)				Elaine Lai	Oversight by Thomas/Elaine				Elaine Lai	Oversight by Thomas/Elaine
October 2012				Neal Lei					Neal Lei	
November 2012										
January 2013			Gerry Cheung (10)	Position not filled				Gerry Cheung (10)	Position not filled	
May 2013	Position not filled					Position not filled				

Notes:
(1) Representing M2P2 LLC as JV partner in AgFeed International Protein Technology Corp.
(2) Representing AgFeed post acquisition of M2P2 LLC
(3) Appointed interim CFO
(4) Appointed CFO
(5) Announced July 15, 2011
(6) Reporting to CFO
(7) For SEC filings, the CFO is and remains the Principal Accounting Officer
(8) Reports to Corporate CEO
(9) Direct report to Country Manager, dotted line to CAO
(10) Hired to eventually become CFO of AgFeed Industries, Inc.

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 81 of 122

	Business Unit								
	US Hogs (M2P2/AgFeed USA)			Feed/AANI					
Event Date	CRO	Operations	Finance	President/CEO	Country Manager	Operations	Country CFO	Country Controller	Finance
AgFeed founding (2006)						Yunlin Zheng			Feng Zhou
April 2009									Selina Jin
Q2/Q3 2010--internal									Edward Pazdro
September 2010		Glenn McClelland	Clay Marshall						
November 2010				Gerard Daignault					
January 2011						Rung-Syin Tung			
June 30, 2011--internal				Ray Cesca					Clay Marshall (assumed)
January 2012		Van Gothner		Position not filled					
March 2012--(Country Manager position created) (8)					Thomas Yang				
August 2012--(Country Controller position created) (9)			Andrew Forbes			Tony Liu		Elaine Lai	Oversight by Thomas/Elaine
October 2012								Neal Lei	
November 2012		Gerard Daignault							
January 2013							Gerry Cheung	Position not filled	
February 2013	Keith Maib					Position not filled			
May 2013					Position not filled				
August 2013									
September 2013		Steve Price							

Notes:
(1) Representing M2P2 LLC as JV partner in AgFeed International Protein Technology Corp.
(2) Representing AgFeed post acquisition of M2P2 LLC
(3) Appointed interim CFO
(4) Appointed CFO
(5) Announced July 15, 2011
(6) Reporting to CFO
(7) For SEC filings, the CFO is and remains the Principal Accounting Officer
(8) Reports to Corporate CEO
(9) Direct report to Country Manager, dotted line to CAO
(10) Hired to eventually become CFO of AgFeed Industries, Inc.

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 82 of 122

EXHIBIT F

NERA Analysis

Brief Description of NERA's Methodology to Estimate the Percentage of AgFeed Shares Held as of December 19, 2011 that Are Still Held by the Same Investors on February 7, 2014

Counsel for the Equity Committee has asked us to estimate the percentage of AgFeed shares held as of the December 19, 2011 disclosure and retained through the February 7, 2014. We refer to investors who held AgFeed shares as of December 19, 2011 as the "Pre-Disclosure Investors." Given that actual data on share ownership have not been provided to us, our estimation is based on publicly available data. We understand from counsel that the number of shares participating in bankruptcy was 69,598,998.

1. Summary and Conclusions

Exhibit 1 presents the trading volume in AgFeed stock from January 2, 2009 to February 7, 2014. It shows that the average trading volume in the period prior to December 19, 2011 was about ten times as large as the average trading volume in the period following it.[1]

To estimate the number of shares that Pre-Disclosure Investors retained through February 7, 2014 we use NERA's Multi-Sector, Multi-Trader proprietary Model. Exhibit 2 summarizes our findings. The estimated number of shares that Pre-Disclosure Investors retained through February 7, 2014 is **52,393,283**, or **75.3%** of the shares outstanding in bankruptcy today.

2. Introduction to NERA's Multi-Sector, Multi-Trader model

NERA's Multi-Sector, Multi-Trader model was first published in 1994. The current version is in "Best-Fit Estimation of Damaged Volume in Shareholder Class Actions: The Multi-Sector, Multi-Trader Model of Investor Behavior," by Dr. Marcia Kramer Mayer, 2000, attached.[2] The model was created to estimate damaged volume in a class action alleging violation of Rule 10b-5 before claims are submitted – i.e. the model uses publicly available data. Although the purpose of the model related to damaged volume, it can be used to estimate the number of shares held on one date that are retained to a later date, without any reference to damages.

NERA's Multi-Sector, Multi-Trader model separates trading activity and share ownership into two sectors: observed and unobserved. The observed sector consists of 13-F filing institutions; the unobserved sector contains the remainder of shares, hence the "multi-sector" part of the name. The shares held by the unobserved sector are then subdivided into two parts based on proportions reported in the above-mentioned Mayer paper which were estimated on historical cases for which actual claiming data were available. The two parts are the one held by high activity traders and the one held by low activity traders, hence the "multi-sector" part of the name. The number of shares traded on each day by high and low activity traders is obtained by adjusting the trading volume as specified below.

3. The observed sector

As said, the observed sector consists of institutions. Institutions file quarterly form 13-F with the SEC detailing their securities holdings. We used data from Thomson Financial, which aggregates such

---

[1] The average trading volume for the period following December 19, 2011 excludes the sub-period between the trading halt on the Nasdaq (December 19, 2011) and the trading re-start on the OTC (February 10, 2012).

[2] Also available at http://www.nera.com/extImage/PUB_MultiTrader_Model.pdf

holdings. Exhibit 4 shows such holdings with respect to AgFeed stock for each quarter between September 30, 2011 and December 31, 2013. As shown in Exhibit 4, institutions did not hold any AgFeed shares at any of the following quarter ends: March 31, 2013, June 30, 2013, September 30, 2013 or December 31, 2013. Consequently, 13-F filing institutions did not retain to February 7, 2014 any of the AgFeed shares they owned as of December 19, 2011.

4. The unobserved sector

The unobserved sector contains the shares not held by institutions. Calculations pertaining to the unobserved sector are shown in Exhibit 3. Trading of AgFeed stock was halted on the Nasdaq on December 19, 2011 and restarted on the OTC on February 10, 2012. Each row of Exhibit 3 corresponds to one trading day from the restarting of trading to February 7, 2014.

4.1. Holdings by the unobserved sector

Holdings by the unobserved sector are calculated as shares outstanding, column (4),

- Less insider holdings, column (6), which are kept constant in this case: AgFeed stopped filing proxy statements;
- Less institutional holdings, which are calculated from Exhibit 4 by prorating the quarterly change on the basis of the trading volume;
- Plus short interest, column (5).[3]

As said, the Multi-Sector, Multi-Trader model divides the unobserved sector into two classes of shareholders who differ in their relative trading rates. High-activity traders account for 31.65% of ownership on the first trading day following December 19, 2011, low-activity traders for 68.35%.[4] See the first row in the columns labeled "Float" of Exhibit 3.

4.2. Sales by the unobserved sector

Sales by the unobserved sector are calculated as follows. Start with the trading volume in column (2) and

- Reduce it by dealer trading (54.76%);[5] the result is shown in column (3);
- Reduce it by short sales, which is the estimated increase in daily short interest on the basis of the short interest shown in column (5);
- Reduce it by insider sales; no insider sales is used in this case: AgFeed stopped filing proxy statements;
- Reduce it by institutional sales, which are the estimated daily decrease in institutional holdings on the basis of the quarterly holdings shown in Exhibit 4.

---

[3] Shares outstanding are obtained from the company's SEC filings, trading volume and short interest are from Bloomberg Finance L.P., and institutional holdings are from Thomson Financial. The change in shares outstanding from the latest information available from the company's SEC filings to today's number as provided by Counsel is set on 12/31/13.

[4] *Ibid.*

[5] We use the broker-dealer intermediation rate for the Nasdaq, which is also a market where intermediation occurs through broker-dealers. See Marcia Kramer Mayer and Fernando Avalos (2002) "Dealer Participation on The New York Stock Exchange & Nasdaq," NERA Economic Consulting.

Sales by the unobserved sector are reduced by 32.86% to account for intraday traders.[6] Then, the result is subdivided in sales by high-activity traders, column (8) and sales by low-activity traders, column (13). High-activity traders account for 80.90% of all transactions, low-activity traders for 19.10% of all transactions.[7]

The following steps are applied separately to high-activity and low-activity traders. The sale rate is computed as the ratio of the daily sales to the daily float, columns (9) and (14). The sale rate of the December 19, 2011 holdings in the unobserved sector is the percentage of those holdings that are sold on that given day. It is calculated as the sale rate on that day, times 1 minus the sum of all previous sale rates of the December 19, 2011 holdings in the unobserved sector, columns (10) and (15). The estimate of the number of December 19, 2011 holdings sold on any given day is calculated as the sale rate of the December 19, 2011 holdings in the unobserved sector on that day, times the December 19, 2011 holdings in the unobserved sector (20,580,559 for the high activity sector, 44,436,256 for the low activity sector).. See columns (11) and (16). The total over the period analyzed is the sum of these two columns, and equals the total number of shares held as of December 19, 2011 and sold by high-activity traders or low-activity traders, 9,655,727 and 2,967,805 respectively.

5. Estimated number of shares that Pre-Disclosure Investors retained through February 7, 2014

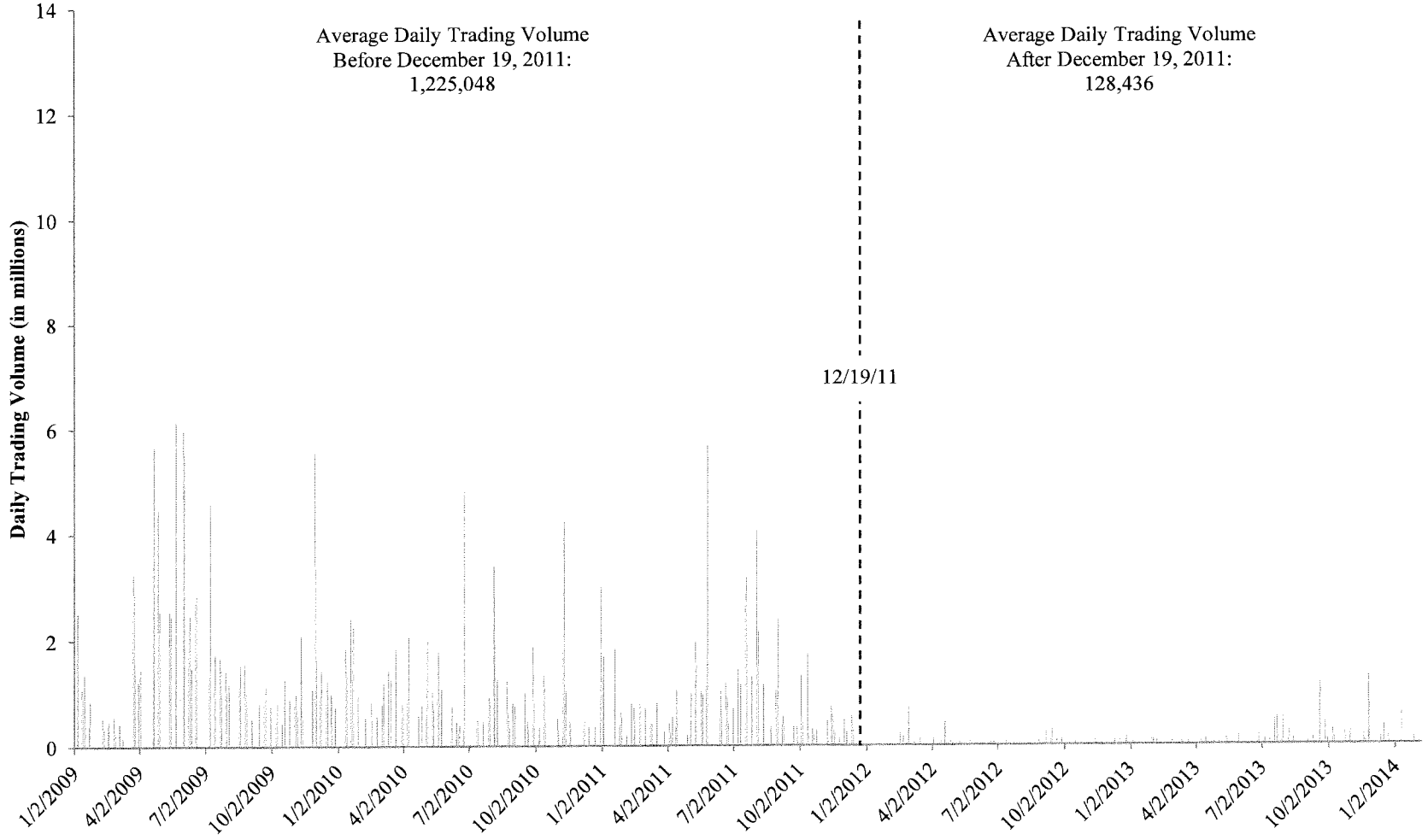
Putting high- and low-activity traders back together, we obtain total holdings of the unobserved sector, 65,016,814, and total shares sold by the unobserved sector, 12,623,531. See bottom of Exhibit 3. The estimated number of shares held as of December 19, 2011 and retained through February 7, 2014 in the unobserved sector is obtained by difference, 52,393,283. As noted above, the institutional sector did not retain any share through February 7, 2014, so the estimated number of shares held as of December 19, 2011 and retained through February 7, 2014 corresponds to the total number of shares held as of December 19, 2011 and retained through February 7, 2014: **52,393,283** shares, or **75.3%** of the 69,598,998 shares outstanding in bankruptcy today.

---

6 See Marcia Kramer Mayer (2000) "Best-Fit Estimation of Damaged Volume in Shareholder Class Actions: The Multi-Sector, Multi-Trader Model of Investor Behavior."

7 *Ibid.*

Exhibit 1
AgFeed Industries, Inc.
Daily Trading Volume
January 2, 2009 through February 7, 2014



Notes and Sources:
Data are from Bloomberg Finance, L.P.
Average daily trading volume after December 19, 2011 excludes days following the trading halt on the Nasdaq and preceding the beginning of trade on the OTC.

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 87 of 122

Exhibit 2
AgFeed Industries, Inc.
Estimated Number of Shares Held as of 12/19/11 that Are Still Held by the Same Investors on 2/7/14
Using NERA's Multi-Sector, Multi-Trader Model

A.	Shares participating in Bankruptcy [1]		69,598,998
B.	Estimated number of Shares Held as of 12/19/11 and retained through 2/7/14		52,393,283
C.	Estimated fraction of Shares Held as of 12/19/11 and retained through 2/7/14	**= B / A**	**75.3%**

Notes and Sources:

The Multi-Sector, Multi-Trader model separates trading activity and share ownership into two sectors: observed and unobserved. In this case, where the records of the transfer agent and brokerage firms have not yet been examined, the observed sector consists of institutions for whom Thomson Financial data are available. The unobserved sector contains the remainder of shares for which we currently have no data regarding actual trading. Shares available to trade for the unobserved sector are calculated as shares outstanding less insider holdings, less institutional holdings, plus short interest. Purchase and sale volume data for the unobserved sector are reduced by dealer trading (54.76%), insider trading, short covers and sales, institutional trading and intra-day trading (32.86% of the adjusted volume).

The Multi-Sector, Multi-Trader model divides the unobserved sector into two classes of shareholders who differ in their relative trading rates. High-activity traders account for 80.90% of all purchases, low-activity traders for 19.10%. High-activity traders account for 31.65% of ownership as of the first trading day following December 19, 2011, low-activity traders for 68.35%. High activity traders sell their holdings 9.15 times faster than the low-activity traders. Within these two classes of shareholders, a proportional decay model is used to estimate the number of shares purchased on any given day that are still held as of each subsequent day.

Shares outstanding are from the company's SEC filings, trading volume and short interest are from Bloomberg Finance L.P., and institutional holdings are from Thomson Financial.

Change in shares outstanding from the latest information available from the company's SEC filings to today's number as provided by Counsel (69,598,998) is set on 12/31/13.

Periodically available float data (shares out, short interest, institutions) are prorated based on adjusted trading volume.

[1] Shares participating in Bankruptcy are from counsel.

Exhibit 3
AgFeed Industries, Inc.
Details on the Estimation of the Number of Shares Held as of 12/19/11 that Are Still Held by the Same Investors on 2/7/14
Using NERA's Multi-Sector, Multi-Trader Model

						High-Activity Traders[1]					Low-Activity Traders[1]				
									12/19/11 High Act. Holdings					12/19/11 Low Act. Holdings	
Date	Trading Volume[2]	Adjusted Trading Volume[3]	Shares Outstanding[4]	Short Interest[5]	Insider Holdings[6]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) =(8)/(7)	(10)	(11)	(12)	(13)	(14) =(13)/(12)	(15)	(16)
Trading was halted on the Nasdaq on December 19, 2011 and restarted on the OTC on February 10, 2012.															
2/10/2012	961,505	434,985	63,941,163	2,198,391	921,347	20,580,559	63,999	0.311%	0.311%	63,999	44,436,256	15,109	0.03%	0.03%	15,109
2/13/2012	544,320	246,250	63,941,163	2,109,626	921,347	20,807,340	36,293	0.174%	0.174%	35,786	44,518,324	8,491	0.02%	0.02%	8,472
2/14/2012	518,398	234,523	63,941,163	2,109,626	921,347	20,899,928	34,589	0.165%	0.165%	33,895	44,556,386	8,063	0.02%	0.02%	8,037
2/15/2012	338,243	153,021	63,941,163	2,109,626	921,347	20,988,102	22,583	0.108%	0.107%	22,000	44,592,639	5,246	0.01%	0.01%	5,224
2/16/2012	99,808	45,153	63,941,163	2,109,626	921,347	21,045,626	6,666	0.032%	0.031%	6,470	44,616,300	1,545	0.00%	0.00%	1,538
2/17/2012	225,826	102,164	63,941,163	2,109,626	921,347	21,062,599	15,085	0.072%	0.071%	14,624	44,623,284	3,495	0.01%	0.01%	3,477
2/21/2012	193,143	87,378	63,941,163	2,109,626	921,347	21,101,002	12,906	0.061%	0.061%	12,479	44,639,085	2,985	0.01%	0.01%	2,969
2/22/2012	238,203	107,763	63,941,163	2,109,626	921,347	21,133,846	15,920	0.075%	0.075%	15,361	44,652,599	3,678	0.01%	0.01%	3,656
2/23/2012	113,183	51,204	63,941,163	2,109,626	921,347	21,174,353	7,567	0.036%	0.035%	7,281	44,669,266	1,745	0.00%	0.00%	1,734
2/24/2012	98,572	44,594	63,941,163	2,109,626	921,347	21,193,598	6,591	0.031%	0.031%	6,334	44,677,187	1,519	0.00%	0.00%	1,509
2/27/2012	115,115	52,078	63,941,163	1,812,789	921,347	21,210,359	7,698	0.036%	0.036%	7,390	44,684,086	1,773	0.00%	0.00%	1,761
2/28/2012	645,310	291,938	63,941,163	1,812,789	921,347	21,234,546	43,160	0.203%	0.201%	41,372	44,693,230	9,933	0.02%	0.02%	9,864
2/29/2012	718,730	325,153	63,941,163	1,812,789	921,347	21,370,156	48,118	0.225%	0.222%	45,739	44,744,466	11,016	0.02%	0.02%	10,925
3/1/2012	97,683	44,192	63,941,163	1,812,789	921,347	21,521,193	6,547	0.030%	0.030%	6,165	44,801,533	1,490	0.00%	0.00%	1,476
3/2/2012	215,241	97,375	63,941,163	1,812,789	921,347	21,541,715	14,428	0.067%	0.066%	13,570	44,809,296	3,281	0.01%	0.01%	3,249
3/5/2012	344,510	155,856	63,941,163	1,812,789	921,347	21,586,935	23,100	0.107%	0.105%	21,667	44,826,398	5,245	0.01%	0.01%	5,190
3/6/2012	149,506	67,637	63,941,163	1,812,789	921,347	21,659,315	10,030	0.046%	0.046%	9,366	44,853,768	2,271	0.01%	0.01%	2,246
3/7/2012	66,646	30,151	63,941,163	1,812,789	921,347	21,690,723	4,472	0.021%	0.020%	4,168	44,865,649	1,011	0.00%	0.00%	1,000
3/8/2012	57,470	25,999	63,941,163	1,812,789	921,347	21,704,723	3,857	0.018%	0.017%	3,592	44,870,946	872	0.00%	0.00%	862
3/9/2012	232,529	105,196	63,941,163	1,812,789	921,347	21,716,796	15,605	0.072%	0.071%	14,522	44,875,513	3,526	0.01%	0.01%	3,485
3/12/2012	81,170	36,721	63,941,163	1,812,789	921,347	21,765,645	5,449	0.025%	0.025%	5,056	44,893,991	1,229	0.00%	0.00%	1,214
3/13/2012	123,008	55,649	63,941,163	1,612,286	921,347	21,782,696	8,259	0.038%	0.037%	7,655	44,900,443	1,861	0.00%	0.00%	1,838
3/14/2012	34,803	15,745	63,941,163	1,612,286	921,347	21,802,387	2,337	0.011%	0.011%	2,163	44,908,768	526	0.00%	0.00%	520
3/15/2012	128,690	58,219	63,941,163	1,612,286	921,347	21,807,958	8,642	0.040%	0.039%	7,997	44,911,123	1,946	0.00%	0.00%	1,921
3/16/2012	130,702	59,130	63,941,163	1,612,286	921,347	21,828,558	8,778	0.040%	0.039%	8,112	44,919,833	1,975	0.00%	0.00%	1,950
3/19/2012	77,359	34,997	63,941,163	1,612,286	921,347	21,849,480	5,196	0.024%	0.023%	4,795	44,928,679	1,168	0.00%	0.00%	1,153
3/20/2012	180,684	81,741	63,941,163	1,612,286	921,347	21,861,863	12,138	0.056%	0.054%	11,193	44,933,915	2,728	0.01%	0.01%	2,692
3/21/2012	68,422	30,954	63,941,163	1,612,286	921,347	21,890,787	4,597	0.021%	0.021%	4,231	44,946,144	1,032	0.00%	0.00%	1,018
3/22/2012	97,095	43,926	63,941,163	1,612,286	921,347	21,901,739	6,524	0.030%	0.029%	6,001	44,950,776	1,464	0.00%	0.00%	1,444
3/23/2012	20,857	9,436	63,941,163	1,612,286	921,347	21,917,281	1,402	0.006%	0.006%	1,288	44,957,348	314	0.00%	0.00%	310
3/26/2012	88,091	39,852	63,941,163	1,612,286	921,347	21,920,619	5,920	0.027%	0.026%	5,438	44,958,760	1,328	0.00%	0.00%	1,309
3/28/2012	82,665	37,398	63,941,163	1,481,171	921,347	21,934,720	5,556	0.025%	0.025%	5,099	44,964,723	1,245	0.00%	0.00%	1,228
3/29/2012	4,900	2,217	63,941,163	1,481,171	921,347	21,956,704	329	0.002%	0.001%	302	44,972,384	74	0.00%	0.00%	73
3/30/2012	59,850	27,076	63,941,163	1,481,171	921,347	21,958,007	4,023	0.018%	0.018%	3,687	44,972,838	901	0.00%	0.00%	888
4/2/2012	116,485	52,698	63,941,163	1,481,171	921,347	21,973,924	21,652	0.099%	0.096%	19,827	44,978,386	4,846	0.01%	0.01%	4,776
4/3/2012	140,334	63,487	63,941,163	1,481,171	921,347	21,986,138	26,087	0.119%	0.116%	23,852	44,984,922	5,836	0.01%	0.01%	5,750
4/4/2012	93,701	42,390	63,941,163	1,481,171	921,347	22,000,851	17,420	0.079%	0.077%	15,898	44,992,798	3,895	0.01%	0.01%	3,837
4/5/2012	207,060	93,674	63,941,163	1,481,171	921,347	22,010,674	38,497	0.175%	0.170%	35,089	44,998,059	8,606	0.02%	0.02%	8,474
4/9/2012	19,725	8,924	63,941,163	1,481,171	921,347	22,032,380	3,668	0.017%	0.016%	3,334	45,009,683	819	0.00%	0.00%	806
4/10/2012	41,550	18,797	63,941,163	1,481,171	921,347	22,034,447	7,726	0.035%	0.034%	7,021	45,010,791	1,726	0.00%	0.00%	1,699
4/11/2012	58,900	26,646	63,941,163	1,479,986	921,347	22,038,802	10,953	0.050%	0.048%	9,948	45,013,125	2,446	0.01%	0.01%	2,407
4/12/2012	8,800	3,981	63,941,163	1,479,986	921,347	22,045,048	1,636	0.007%	0.007%	1,485	45,016,450	365	0.00%	0.00%	360
4/13/2012	85,300	38,590	63,941,163	1,479,986	921,347	22,045,981	15,863	0.072%	0.070%	14,394	45,016,947	3,542	0.01%	0.01%	3,485
4/16/2012	31,125	14,081	63,941,163	1,479,986	921,347	22,055,026	5,788	0.026%	0.025%	5,247	45,021,764	1,292	0.00%	0.00%	1,271
4/17/2012	236,812	107,134	63,941,163	1,479,986	921,347	22,058,326	44,041	0.200%	0.194%	39,903	45,023,521	9,829	0.02%	0.02%	9,670
4/18/2012	34,795	15,741	63,941,163	1,479,986	921,347	22,083,436	6,472	0.029%	0.028%	5,846	45,036,894	1,443	0.00%	0.00%	1,419
4/19/2012	451,540	204,277	63,941,163	1,479,986	921,347	22,087,124	83,990	0.380%	0.368%	75,825	45,038,860	18,727	0.04%	0.04%	18,413

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 89 of 122

Exhibit 3
AgFeed Industries, Inc.
Details on the Estimation of the Number of Shares Held as of 12/19/11 that Are Still Held by the Same Investors on 2/7/14
Using NERA's Multi-Sector, Multi-Trader Model

						High-Activity Traders[1]					Low-Activity Traders[1]				
									12/19/11 High Act. Holdings					12/19/11 Low Act. Holdings	
Date	Trading Volume[2]	Adjusted Trading Volume[3]	Shares Outstanding[4]	Short Interest[5]	Insider Holdings[6]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) =(8)/(7)	(10)	(11)	(12)	(13)	(14) =(13)/(12)	(15)	(16)
4/20/2012	236,288	106,897	63,941,163	1,479,986	921,347	22,134,996	43,964	0.199%	0.192%	39,454	45,064,364	9,787	0.02%	0.02%	9,613
4/23/2012	32,040	14,495	63,941,163	1,479,986	921,347	22,160,037	5,962	0.027%	0.026%	5,334	45,077,721	1,326	0.00%	0.00%	1,302
4/24/2012	74,984	33,923	63,941,163	1,479,986	921,347	22,163,431	13,954	0.063%	0.061%	12,478	45,079,533	3,103	0.01%	0.01%	3,047
4/25/2012	53,702	24,295	63,941,163	1,479,986	921,347	22,171,375	9,994	0.045%	0.043%	8,928	45,083,774	2,222	0.00%	0.00%	2,181
4/26/2012	10,135	4,585	63,941,163	1,479,968	921,347	22,177,065	1,869	0.008%	0.008%	1,668	45,086,812	415	0.00%	0.00%	408
4/27/2012	68,248	30,875	63,941,163	1,479,968	921,347	22,178,164	12,584	0.057%	0.055%	11,233	45,087,391	2,797	0.01%	0.01%	2,745
4/30/2012	68,631	31,049	63,941,163	1,479,968	921,347	22,185,569	12,655	0.057%	0.055%	11,286	45,091,291	2,812	0.01%	0.01%	2,760
5/1/2012	29,870	13,513	63,941,163	1,479,968	921,347	22,193,015	5,508	0.025%	0.024%	4,908	45,095,214	1,224	0.00%	0.00%	1,201
5/2/2012	6,200	2,805	63,941,163	1,479,968	921,347	22,196,256	1,143	0.005%	0.005%	1,018	45,096,921	254	0.00%	0.00%	249
5/3/2012	48,349	21,873	63,941,163	1,479,968	921,347	22,196,929	8,916	0.040%	0.039%	7,940	45,097,276	1,981	0.00%	0.00%	1,943
5/4/2012	9,252	4,186	63,941,163	1,479,968	921,347	22,202,174	1,706	0.008%	0.007%	1,519	45,100,040	379	0.00%	0.00%	372
5/7/2012	18,280	8,270	63,941,163	1,479,968	921,347	22,203,178	3,371	0.015%	0.015%	3,000	45,100,569	749	0.00%	0.00%	734
5/8/2012	41,933	18,970	63,941,163	1,479,968	921,347	22,205,161	7,733	0.035%	0.033%	6,880	45,101,614	1,717	0.00%	0.00%	1,685
5/9/2012	55,500	25,108	63,941,163	1,479,968	921,347	22,209,709	10,236	0.046%	0.044%	9,101	45,104,011	2,273	0.01%	0.01%	2,229
5/10/2012	81,590	36,911	63,941,163	1,479,968	921,347	22,215,730	15,048	0.068%	0.065%	13,370	45,107,184	3,341	0.01%	0.01%	3,276
5/11/2012	17,495	7,915	63,941,163	1,481,802	921,347	22,224,580	2,959	0.013%	0.013%	2,626	45,111,850	657	0.00%	0.00%	644
5/14/2012	51,770	23,421	63,941,163	1,481,802	921,347	22,226,876	8,755	0.039%	0.038%	7,769	45,112,940	1,943	0.00%	0.00%	1,905
5/15/2012	45,885	20,758	63,941,163	1,481,802	921,347	22,233,669	7,760	0.035%	0.033%	6,881	45,116,168	1,722	0.00%	0.00%	1,688
5/16/2012	72,067	32,603	63,941,163	1,481,802	921,347	22,239,690	12,188	0.055%	0.052%	10,801	45,119,028	2,704	0.01%	0.01%	2,650
5/17/2012	76,516	34,616	63,941,163	1,481,802	921,347	22,249,146	12,941	0.058%	0.056%	11,457	45,123,522	2,870	0.01%	0.01%	2,813
5/18/2012	37,000	16,739	63,941,163	1,481,802	921,347	22,259,185	6,258	0.028%	0.027%	5,535	45,128,293	1,387	0.00%	0.00%	1,359
5/21/2012	11,195	5,065	63,941,163	1,481,802	921,347	22,264,039	1,894	0.009%	0.008%	1,674	45,130,601	420	0.00%	0.00%	411
5/22/2012	198,182	89,658	63,941,163	1,481,802	921,347	22,265,508	33,523	0.151%	0.144%	29,629	45,131,299	7,430	0.02%	0.02%	7,280
5/23/2012	1,700	769	63,941,163	1,481,802	921,347	22,291,509	288	0.001%	0.001%	254	45,143,658	64	0.00%	0.00%	62
5/24/2012	76,125	34,439	63,941,163	1,481,802	921,347	22,291,732	12,879	0.058%	0.055%	11,352	45,143,764	2,852	0.01%	0.01%	2,793
5/25/2012	27,964	12,651	63,941,163	1,481,802	921,347	22,301,718	4,731	0.021%	0.020%	4,166	45,148,513	1,047	0.00%	0.00%	1,025
5/29/2012	1,400	633	63,941,163	1,507,331	921,347	22,305,386	261	0.001%	0.001%	230	45,150,258	58	0.00%	0.00%	57
5/30/2012	165,584	74,910	63,941,163	1,507,331	921,347	22,305,467	30,841	0.138%	0.132%	27,147	45,150,321	6,826	0.02%	0.02%	6,684
5/31/2012	14,939	6,758	63,941,163	1,507,331	921,347	22,315,054	2,783	0.012%	0.012%	2,445	45,157,830	616	0.00%	0.00%	603
6/1/2012	46,481	21,028	63,941,163	1,507,331	921,347	22,315,919	8,658	0.039%	0.037%	7,606	45,158,508	1,916	0.00%	0.00%	1,875
6/4/2012	27,832	12,591	63,941,163	1,507,331	921,347	22,318,609	5,184	0.023%	0.022%	4,552	45,160,616	1,147	0.00%	0.00%	1,123
6/5/2012	27,400	12,396	63,941,163	1,507,331	921,347	22,320,221	5,104	0.023%	0.022%	4,480	45,161,879	1,129	0.00%	0.00%	1,105
6/6/2012	5,534	2,504	63,941,163	1,507,331	921,347	22,321,807	1,031	0.005%	0.004%	905	45,163,122	228	0.00%	0.00%	223
6/7/2012	54,366	24,595	63,941,163	1,507,331	921,347	22,322,127	10,127	0.045%	0.043%	8,886	45,163,373	2,240	0.00%	0.00%	2,192
6/8/2012	19,450	8,799	63,941,163	1,507,331	921,347	22,325,274	3,623	0.016%	0.015%	3,177	45,165,839	801	0.00%	0.00%	784
6/11/2012	26,050	11,785	63,941,163	1,507,331	921,347	22,326,400	4,853	0.022%	0.021%	4,254	45,166,721	1,073	0.00%	0.00%	1,050
6/12/2012	7,305	3,305	63,941,163	1,507,331	921,347	22,327,908	1,361	0.006%	0.006%	1,193	45,167,903	301	0.00%	0.00%	294
6/13/2012	66,003	29,860	63,941,163	1,483,841	921,347	22,328,331	12,295	0.055%	0.052%	10,776	45,168,234	2,720	0.01%	0.01%	2,661
6/14/2012	66,484	30,077	63,941,163	1,483,841	921,347	22,333,071	12,385	0.055%	0.053%	10,846	45,171,446	2,739	0.01%	0.01%	2,679
6/15/2012	33,490	15,151	63,941,163	1,483,841	921,347	22,337,846	6,239	0.028%	0.027%	5,459	45,174,681	1,380	0.00%	0.00%	1,349
6/18/2012	24,600	11,129	63,941,163	1,483,841	921,347	22,340,251	4,583	0.021%	0.019%	4,009	45,176,311	1,013	0.00%	0.00%	991
6/19/2012	15,932	7,208	63,941,163	1,483,841	921,347	22,342,018	2,968	0.013%	0.013%	2,595	45,177,508	656	0.00%	0.00%	642
6/20/2012	36,160	16,359	63,941,163	1,483,841	921,347	22,343,162	6,736	0.030%	0.029%	5,890	45,178,283	1,489	0.00%	0.00%	1,457
6/21/2012	52,227	23,627	63,941,163	1,483,841	921,347	22,345,758	9,730	0.044%	0.041%	8,503	45,180,043	2,151	0.00%	0.00%	2,104
6/22/2012	22,946	10,381	63,941,163	1,483,841	921,347	22,349,509	4,275	0.019%	0.018%	3,734	45,182,585	945	0.00%	0.00%	924
6/25/2012	30,916	13,986	63,941,163	1,483,841	921,347	22,351,156	5,760	0.026%	0.024%	5,029	45,183,702	1,273	0.00%	0.00%	1,245
6/26/2012	56,474	25,549	63,941,163	1,483,841	921,347	22,353,376	10,521	0.047%	0.045%	9,184	45,185,207	2,325	0.01%	0.01%	2,274
6/27/2012	28,411	12,853	63,941,163	1,466,806	921,347	22,357,431	5,293	0.024%	0.022%	4,617	45,187,955	1,170	0.00%	0.00%	1,144

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 90 of 122

Exhibit 3
AgFeed Industries, Inc.
Details on the Estimation of the Number of Shares Held as of 12/19/11 that Are Still Held by the Same Investors on 2/7/14
Using NERA's Multi-Sector, Multi-Trader Model

						High-Activity Traders [1]					Low-Activity Traders [1]				
									12/19/11 High Act. Holdings					12/19/11 Low Act. Holdings	
Date	Trading Volume[2]	Adjusted Trading Volume[3]	Shares Outstanding[4]	Short Interest[5]	Insider Holdings[6]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) =(8)/(7)	(10)	(11)	(12)	(13)	(14) =(13)/(12)	(15)	(16)
6/28/2012	40,575	18,356	63,941,163	1,466,806	921,347	22,359,044	7,560	0.034%	0.032%	6,592	45,189,238	1,671	0.00%	0.00%	1,633
6/29/2012	21,621	9,781	63,941,163	1,466,806	921,347	22,361,347	4,028	0.018%	0.017%	3,511	45,191,069	890	0.00%	0.00%	870
7/2/2012	19,302	8,732	63,941,163	1,466,806	921,347	22,362,575	5,048	0.023%	0.021%	4,399	45,192,044	1,115	0.00%	0.00%	1,090
7/3/2012	12,100	5,474	63,941,163	1,466,806	921,347	22,361,947	3,164	0.014%	0.013%	2,757	45,192,531	699	0.00%	0.00%	683
7/6/2012	40,850	18,481	63,941,163	1,466,806	921,347	22,361,553	10,683	0.048%	0.045%	9,307	45,192,835	2,361	0.01%	0.01%	2,307
7/9/2012	13,375	6,051	63,941,163	1,466,806	921,347	22,360,225	3,498	0.016%	0.015%	3,046	45,193,864	773	0.00%	0.00%	755
7/10/2012	31,602	14,297	63,941,163	1,466,806	921,347	22,359,790	8,264	0.037%	0.035%	7,196	45,194,201	1,826	0.00%	0.00%	1,785
7/11/2012	62,625	28,332	63,941,163	1,454,206	921,347	22,358,762	15,428	0.069%	0.065%	13,429	45,194,997	3,410	0.01%	0.01%	3,332
7/12/2012	13,925	6,300	63,941,163	1,454,206	921,347	22,359,809	3,431	0.015%	0.014%	2,984	45,197,288	758	0.00%	0.00%	741
7/13/2012	82,450	37,300	63,941,163	1,454,206	921,347	22,360,042	20,313	0.091%	0.086%	17,665	45,197,797	4,490	0.01%	0.01%	4,387
7/16/2012	42,530	19,241	63,941,163	1,454,206	921,347	22,361,420	10,478	0.047%	0.044%	9,103	45,200,813	2,316	0.01%	0.01%	2,262
7/17/2012	26,754	12,104	63,941,163	1,454,206	921,347	22,362,131	6,591	0.029%	0.028%	5,723	45,202,368	1,457	0.00%	0.00%	1,423
7/18/2012	141,796	64,149	63,941,163	1,454,206	921,347	22,362,579	34,933	0.156%	0.147%	30,325	45,203,347	7,721	0.02%	0.02%	7,542
7/19/2012	21,500	9,727	63,941,163	1,454,206	921,347	22,364,949	5,297	0.024%	0.022%	4,590	45,208,533	1,171	0.00%	0.00%	1,143
7/20/2012	23,939	10,830	63,941,163	1,454,206	921,347	22,365,308	5,898	0.026%	0.025%	5,110	45,209,319	1,304	0.00%	0.00%	1,273
7/23/2012	34,575	15,642	63,941,163	1,454,206	921,347	22,365,709	8,518	0.038%	0.036%	7,378	45,210,195	1,883	0.00%	0.00%	1,838
7/24/2012	36,377	16,457	63,941,163	1,454,206	921,347	22,366,287	8,962	0.040%	0.038%	7,759	45,211,459	1,981	0.00%	0.00%	1,934
7/25/2012	12,050	5,451	63,941,163	1,454,206	921,347	22,366,895	2,969	0.013%	0.012%	2,569	45,212,790	656	0.00%	0.00%	641
7/26/2012	76,229	34,486	63,941,163	1,454,206	921,347	22,367,096	18,780	0.084%	0.079%	16,251	45,213,231	4,151	0.01%	0.01%	4,052
7/27/2012	40,843	18,477	63,941,163	1,454,206	921,347	22,368,371	10,062	0.045%	0.042%	8,699	45,216,019	2,224	0.00%	0.00%	2,171
7/30/2012	74,691	33,790	63,941,163	1,454,206	921,347	22,369,053	18,401	0.082%	0.077%	15,901	45,217,512	4,067	0.01%	0.01%	3,970
7/31/2012	46,543	21,056	63,941,163	1,454,206	921,347	22,370,302	11,466	0.051%	0.048%	9,900	45,220,244	2,534	0.01%	0.01%	2,473
8/1/2012	45,305	20,496	63,941,163	1,454,206	921,347	22,371,080	11,161	0.050%	0.047%	9,631	45,221,946	2,467	0.01%	0.01%	2,407
8/2/2012	49,606	22,442	63,941,163	1,454,206	921,347	22,371,838	12,221	0.055%	0.051%	10,540	45,223,603	2,701	0.01%	0.01%	2,636
8/3/2012	107,835	48,785	63,941,163	1,454,206	921,347	22,372,667	26,566	0.119%	0.111%	22,899	45,225,418	5,872	0.01%	0.01%	5,729
8/6/2012	153,716	69,541	63,941,163	1,454,206	921,347	22,374,470	37,869	0.169%	0.158%	32,600	45,229,362	8,370	0.02%	0.02%	8,164
8/7/2012	23,222	10,506	63,941,163	1,454,206	921,347	22,377,040	5,721	0.026%	0.024%	4,916	45,234,984	1,265	0.00%	0.00%	1,233
8/8/2012	18,150	8,211	63,941,163	1,454,206	921,347	22,377,428	4,471	0.020%	0.019%	3,841	45,235,833	988	0.00%	0.00%	964
8/9/2012	38,301	17,327	63,941,163	1,454,206	921,347	22,377,731	9,436	0.042%	0.039%	8,104	45,236,497	2,086	0.00%	0.00%	2,033
8/10/2012	4,878	2,207	63,941,163	1,454,206	921,347	22,378,372	1,202	0.005%	0.005%	1,032	45,237,898	266	0.00%	0.00%	259
8/13/2012	58,769	26,587	63,941,163	1,454,206	921,347	22,378,453	14,716	0.066%	0.061%	12,633	45,238,076	3,253	0.01%	0.01%	3,171
8/14/2012	77,714	35,158	63,941,163	1,454,206	921,347	22,378,512	19,459	0.087%	0.081%	16,694	45,240,011	4,301	0.01%	0.01%	4,193
8/15/2012	129,131	58,419	63,941,163	1,454,206	921,347	22,378,590	32,334	0.144%	0.135%	27,714	45,242,569	7,148	0.02%	0.02%	6,966
8/16/2012	107,018	48,415	63,941,163	1,454,206	921,347	22,378,720	26,796	0.120%	0.111%	22,935	45,246,821	5,924	0.01%	0.01%	5,772
8/17/2012	29,609	13,395	63,941,163	1,454,206	921,347	22,378,828	7,414	0.033%	0.031%	6,338	45,250,343	1,639	0.00%	0.00%	1,597
8/20/2012	23,997	10,856	63,941,163	1,454,206	921,347	22,378,858	6,009	0.027%	0.025%	5,135	45,251,318	1,328	0.00%	0.00%	1,294
8/21/2012	6,900	3,122	63,941,163	1,454,206	921,347	22,378,882	1,728	0.008%	0.007%	1,476	45,252,108	382	0.00%	0.00%	372
8/22/2012	8,003	3,621	63,941,163	1,454,206	921,347	22,378,889	2,004	0.009%	0.008%	1,712	45,252,335	443	0.00%	0.00%	432
8/23/2012	12,600	5,700	63,941,163	1,454,206	921,347	22,378,897	3,155	0.014%	0.013%	2,695	45,252,598	698	0.00%	0.00%	679
8/24/2012	119,399	54,016	63,941,163	1,454,206	921,347	22,378,910	29,896	0.134%	0.124%	25,533	45,253,013	6,610	0.01%	0.01%	6,439
8/27/2012	91,283	41,296	63,941,163	1,454,206	921,347	22,379,031	22,856	0.102%	0.095%	19,494	45,256,943	5,054	0.01%	0.01%	4,922
8/28/2012	47,537	21,506	63,941,163	1,454,206	921,347	22,379,123	11,902	0.053%	0.049%	10,141	45,259,947	2,632	0.01%	0.01%	2,563
8/29/2012	137,710	62,300	63,941,163	1,440,418	921,347	22,379,172	34,608	0.155%	0.143%	29,472	45,261,511	7,653	0.02%	0.02%	7,451
8/30/2012	65,640	29,696	63,941,163	1,440,418	921,347	22,378,923	16,496	0.074%	0.068%	14,026	45,265,953	3,648	0.01%	0.01%	3,551
8/31/2012	375,410	169,835	63,941,163	1,440,418	921,347	22,378,805	94,343	0.422%	0.389%	80,160	45,268,070	20,867	0.05%	0.05%	20,307
9/4/2012	132,947	60,145	63,941,163	1,440,418	921,347	22,378,129	33,409	0.149%	0.137%	28,267	45,280,178	7,391	0.02%	0.02%	7,188
9/5/2012	156,499	70,800	63,941,163	1,440,418	921,347	22,377,891	39,326	0.176%	0.161%	33,225	45,284,464	8,702	0.02%	0.02%	8,460
9/6/2012	244,910	110,797	63,941,163	1,440,418	921,347	22,377,612	61,541	0.275%	0.252%	51,903	45,289,509	13,619	0.03%	0.03%	13,236

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 91 of 122

Exhibit 3
AgFeed Industries, Inc.
Details on the Estimation of the Number of Shares Held as of 12/19/11 that Are Still Held by the Same Investors on 2/7/14
Using NERA's Multi-Sector, Multi-Trader Model

						High-Activity Traders[1]					Low-Activity Traders[1]				
									12/19/11 High Act. Holdings					12/19/11 Low Act. Holdings	
Date	Trading Volume[2]	Adjusted Trading Volume[3]	Shares Outstanding[4]	Short Interest[5]	Insider Holdings[6]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) =(8)/(7)	(10)	(11)	(12)	(13)	(14) =(13)/(12)	(15)	(16)
9/7/2012	174,251	78,831	63,941,163	1,440,418	921,347	22,377,176	43,785	0.196%	0.179%	36,826	45,297,403	9,691	0.02%	0.02%	9,415
9/10/2012	511,616	231,455	63,941,163	1,440,418	921,347	22,376,866	128,552	0.574%	0.524%	107,912	45,303,018	28,457	0.06%	0.06%	27,636
9/11/2012	542,774	245,551	63,941,163	1,440,418	921,347	22,375,960	136,371	0.609%	0.553%	113,823	45,319,504	30,201	0.07%	0.07%	29,299
9/12/2012	388,656	175,828	63,941,163	1,386,929	921,347	22,375,005	97,345	0.435%	0.392%	80,758	45,336,987	21,567	0.05%	0.05%	20,902
9/13/2012	116,125	52,535	63,941,163	1,386,929	921,347	22,375,225	29,084	0.130%	0.117%	24,023	45,349,706	6,445	0.01%	0.01%	6,242
9/14/2012	322,545	145,919	63,941,163	1,386,929	921,347	22,375,291	80,781	0.361%	0.324%	66,637	45,353,505	17,904	0.04%	0.04%	17,334
9/17/2012	405,776	183,573	63,941,163	1,386,929	921,347	22,375,478	101,622	0.454%	0.406%	83,526	45,364,057	22,528	0.05%	0.05%	21,797
9/18/2012	102,195	46,233	63,941,163	1,386,929	921,347	22,375,715	25,592	0.114%	0.102%	20,939	45,377,328	5,675	0.01%	0.01%	5,487
9/19/2012	502,719	227,430	63,941,163	1,386,929	921,347	22,375,776	125,892	0.563%	0.500%	102,885	45,380,670	27,918	0.06%	0.06%	26,986
9/20/2012	311,571	140,955	63,941,163	1,386,929	921,347	22,376,075	78,019	0.349%	0.308%	63,402	45,397,106	17,308	0.04%	0.04%	16,714
9/21/2012	108,912	49,272	63,941,163	1,386,929	921,347	22,376,265	27,271	0.122%	0.107%	22,084	45,407,289	6,051	0.01%	0.01%	5,840
9/24/2012	45,010	20,363	63,941,163	1,386,929	921,347	22,376,333	11,270	0.050%	0.044%	9,115	45,410,847	2,501	0.01%	0.01%	2,413
9/25/2012	40,901	18,504	63,941,163	1,386,929	921,347	22,376,361	10,241	0.046%	0.040%	8,279	45,412,318	2,273	0.01%	0.00%	2,193
9/26/2012	25,948	11,739	63,941,163	1,340,038	921,347	22,376,386	6,388	0.029%	0.025%	5,162	45,413,654	1,418	0.00%	0.00%	1,368
9/27/2012	28,000	12,667	63,941,163	1,340,038	921,347	22,376,824	6,893	0.031%	0.027%	5,568	45,414,599	1,530	0.00%	0.00%	1,476
9/28/2012	100,018	45,248	63,941,163	1,340,038	921,347	22,377,295	24,623	0.110%	0.097%	19,883	45,415,619	5,464	0.01%	0.01%	5,271
10/1/2012	11,601	5,248	63,941,163	1,340,038	921,347	22,378,981	2,788	0.012%	0.011%	2,249	45,419,264	619	0.00%	0.00%	597
10/2/2012	15,650	7,080	63,941,163	1,340,038	921,347	22,379,274	3,761	0.017%	0.015%	3,033	45,419,709	835	0.00%	0.00%	805
10/3/2012	4,310	1,950	63,941,163	1,340,038	921,347	22,379,670	1,036	0.005%	0.004%	835	45,420,309	230	0.00%	0.00%	222
10/4/2012	205,147	92,809	63,941,163	1,340,038	921,347	22,379,779	49,305	0.220%	0.193%	39,753	45,420,474	10,941	0.02%	0.02%	10,552
10/5/2012	15,571	7,044	63,941,163	1,340,038	921,347	22,384,968	3,742	0.017%	0.015%	3,010	45,428,341	830	0.00%	0.00%	801
10/8/2012	9,677	4,378	63,941,163	1,340,038	921,347	22,385,361	2,326	0.010%	0.009%	1,870	45,428,938	516	0.00%	0.00%	497
10/9/2012	32,155	14,547	63,941,163	1,340,038	921,347	22,385,606	7,728	0.035%	0.030%	6,214	45,429,309	1,715	0.00%	0.00%	1,653
10/10/2012	16,402	7,420	63,941,163	1,340,038	921,347	22,386,419	3,942	0.018%	0.015%	3,168	45,430,543	875	0.00%	0.00%	843
10/11/2012	10,094	4,567	63,941,163	1,340,038	921,347	22,386,834	2,426	0.011%	0.009%	1,950	45,431,172	538	0.00%	0.00%	519
10/12/2012	54,550	24,678	63,941,163	1,340,038	921,347	22,387,089	13,111	0.059%	0.051%	10,534	45,431,559	2,909	0.01%	0.01%	2,804
10/15/2012	21,278	9,626	63,941,163	1,340,038	921,347	22,388,469	5,114	0.023%	0.020%	4,106	45,433,651	1,135	0.00%	0.00%	1,094
10/16/2012	59,384	26,865	63,941,163	1,340,038	921,347	22,389,007	14,272	0.064%	0.056%	11,458	45,434,467	3,167	0.01%	0.01%	3,052
10/17/2012	58,701	26,556	63,941,163	1,340,038	921,347	22,390,509	14,108	0.063%	0.055%	11,318	45,436,744	3,130	0.01%	0.01%	3,016
10/18/2012	22,868	10,345	63,941,163	1,340,038	921,347	22,391,993	5,496	0.025%	0.021%	4,406	45,438,996	1,220	0.00%	0.00%	1,175
10/19/2012	13,450	6,085	63,941,163	1,340,038	921,347	22,392,571	3,233	0.014%	0.013%	2,591	45,439,873	717	0.00%	0.00%	691
10/22/2012	36,739	16,621	63,941,163	1,340,038	921,347	22,392,911	8,830	0.039%	0.034%	7,076	45,440,388	1,959	0.00%	0.00%	1,887
10/23/2012	50,172	22,698	63,941,163	1,340,038	921,347	22,393,840	12,059	0.054%	0.047%	9,658	45,441,798	2,676	0.01%	0.01%	2,577
10/24/2012	23,545	10,652	63,941,163	1,340,038	921,347	22,395,109	5,659	0.025%	0.022%	4,530	45,443,722	1,256	0.00%	0.00%	1,209
10/25/2012	54,250	24,543	63,941,163	1,340,038	921,347	22,395,704	13,039	0.058%	0.051%	10,434	45,444,625	2,893	0.01%	0.01%	2,786
10/26/2012	37,682	17,047	63,941,163	1,340,038	921,347	22,397,076	9,057	0.040%	0.035%	7,243	45,446,706	2,009	0.00%	0.00%	1,935
10/31/2012	31,140	14,088	63,941,163	1,340,038	921,347	22,398,029	7,484	0.033%	0.029%	5,983	45,448,151	1,661	0.00%	0.00%	1,599
11/1/2012	92,000	41,621	63,941,163	1,340,038	921,347	22,398,816	22,112	0.099%	0.086%	17,669	45,449,345	4,906	0.01%	0.01%	4,724
11/2/2012	2,950	1,335	63,941,163	1,340,038	921,347	22,401,142	709	0.003%	0.003%	566	45,452,874	157	0.00%	0.00%	151
11/5/2012	10,200	4,614	63,941,163	1,340,038	921,347	22,401,217	2,452	0.011%	0.010%	1,957	45,452,987	544	0.00%	0.00%	524
11/6/2012	46,814	21,179	63,941,163	1,340,038	921,347	22,401,475	11,252	0.050%	0.044%	8,980	45,453,378	2,496	0.01%	0.01%	2,403
11/7/2012	6,110	2,764	63,941,163	1,340,038	921,347	22,402,658	1,469	0.007%	0.006%	1,171	45,455,174	326	0.00%	0.00%	314
11/8/2012	31,956	14,457	63,941,163	1,340,038	921,347	22,402,813	7,681	0.034%	0.030%	6,126	45,455,408	1,704	0.00%	0.00%	1,640
11/9/2012	61,328	27,745	63,941,163	1,340,038	921,347	22,403,621	14,740	0.066%	0.057%	11,752	45,456,634	3,270	0.01%	0.01%	3,148
11/12/2012	45,650	20,652	63,941,163	1,340,038	921,347	22,405,171	10,972	0.049%	0.042%	8,742	45,458,986	2,434	0.01%	0.01%	2,343
11/13/2012	84,570	38,259	63,941,163	1,340,038	921,347	22,406,325	20,326	0.091%	0.079%	16,186	45,460,737	4,509	0.01%	0.01%	4,340
11/14/2012	118,776	53,734	63,941,163	1,340,038	921,347	22,408,463	28,548	0.127%	0.110%	22,710	45,463,981	6,333	0.01%	0.01%	6,094
11/15/2012	81,065	36,674	63,941,163	1,340,038	921,347	22,411,466	19,484	0.087%	0.075%	15,478	45,468,537	4,322	0.01%	0.01%	4,158

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 92 of 122

Exhibit 3
AgFeed Industries, Inc.
Details on the Estimation of the Number of Shares Held as of 12/19/11 that Are Still Held by the Same Investors on 2/7/14
Using NERA's Multi-Sector, Multi-Trader Model

						High-Activity Traders[1]					Low-Activity Traders[1]				
									12/19/11 High Act. Holdings					12/19/11 Low Act. Holdings	
Date	Trading Volume[2]	Adjusted Trading Volume[3]	Shares Outstanding[4]	Short Interest[5]	Insider Holdings[6]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) =(8)/(7)	(10)	(11)	(12)	(13)	(14) =(13)/(12)	(15)	(16)
11/16/2012	37,540	16,983	63,941,163	1,340,038	921,347	22,413,515	9,023	0.040%	0.035%	7,161	45,471,647	2,002	0.00%	0.00%	1,925
11/19/2012	29,445	13,321	63,941,163	1,340,038	921,347	22,414,464	7,077	0.032%	0.027%	5,614	45,473,087	1,570	0.00%	0.00%	1,510
11/20/2012	9,295	4,205	63,941,163	1,340,038	921,347	22,415,208	2,234	0.010%	0.009%	1,772	45,474,216	496	0.00%	0.00%	477
11/21/2012	15,220	6,886	63,941,163	1,340,038	921,347	22,415,443	3,658	0.016%	0.014%	2,901	45,474,573	811	0.00%	0.00%	780
11/23/2012	6,110	2,764	63,941,163	1,340,038	921,347	22,415,828	1,469	0.007%	0.006%	1,164	45,475,157	326	0.00%	0.00%	313
11/26/2012	15,650	7,080	63,941,163	1,340,038	921,347	22,415,982	3,762	0.017%	0.014%	2,982	45,475,391	834	0.00%	0.00%	802
11/27/2012	71,815	32,489	63,941,163	1,340,038	921,347	22,416,378	17,261	0.077%	0.066%	13,680	45,475,992	3,829	0.01%	0.01%	3,682
11/28/2012	28,021	12,677	63,941,163	1,340,038	921,347	22,418,193	6,629	0.030%	0.026%	5,249	45,478,746	1,470	0.00%	0.00%	1,414
11/29/2012	63,520	28,736	63,941,163	1,340,038	921,347	22,419,059	15,027	0.067%	0.058%	11,895	45,479,857	3,333	0.01%	0.01%	3,204
11/30/2012	43,662	19,753	63,941,163	1,340,038	921,347	22,421,022	10,329	0.046%	0.040%	8,170	45,482,375	2,291	0.01%	0.00%	2,202
12/3/2012	21,524	9,737	63,941,163	1,340,038	921,347	22,422,372	5,092	0.023%	0.020%	4,026	45,484,106	1,129	0.00%	0.00%	1,086
12/4/2012	55,804	25,246	63,941,163	1,340,038	921,347	22,423,037	13,201	0.059%	0.051%	10,434	45,484,959	2,928	0.01%	0.01%	2,814
12/5/2012	50,896	23,025	63,941,163	1,340,038	921,347	22,424,761	12,040	0.054%	0.046%	9,510	45,487,171	2,670	0.01%	0.01%	2,566
12/6/2012	45,781	20,711	63,941,163	1,340,038	921,347	22,426,334	10,830	0.048%	0.042%	8,549	45,489,188	2,402	0.01%	0.01%	2,308
12/7/2012	19,059	8,622	63,941,163	1,340,038	921,347	22,427,749	4,509	0.020%	0.017%	3,557	45,491,003	1,000	0.00%	0.00%	961
12/10/2012	101,482	45,910	63,941,163	1,340,038	921,347	22,428,338	24,008	0.107%	0.092%	18,936	45,491,759	5,324	0.01%	0.01%	5,116
12/11/2012	88,363	39,975	63,941,163	1,340,038	921,347	22,431,473	20,904	0.093%	0.080%	16,469	45,495,782	4,636	0.01%	0.01%	4,453
12/12/2012	40,211	18,191	63,941,163	1,343,737	921,347	22,434,204	9,665	0.043%	0.037%	7,607	45,499,285	2,143	0.00%	0.00%	2,059
12/13/2012	41,465	18,759	63,941,163	1,343,737	921,347	22,434,992	9,967	0.044%	0.038%	7,840	45,500,774	2,210	0.00%	0.00%	2,123
12/14/2012	78,400	35,468	63,941,163	1,343,737	921,347	22,435,805	18,845	0.084%	0.072%	14,817	45,502,309	4,179	0.01%	0.01%	4,013
12/17/2012	83,005	37,551	63,941,163	1,343,737	921,347	22,437,342	19,952	0.089%	0.076%	15,673	45,505,213	4,424	0.01%	0.01%	4,248
12/18/2012	94,651	42,820	63,941,163	1,343,737	921,347	22,438,969	22,751	0.101%	0.087%	17,854	45,508,287	5,045	0.01%	0.01%	4,843
12/19/2012	49,928	22,587	63,941,163	1,343,737	921,347	22,440,824	12,001	0.053%	0.046%	9,408	45,511,792	2,661	0.01%	0.01%	2,554
12/20/2012	52,468	23,737	63,941,163	1,343,737	921,347	22,441,803	12,612	0.056%	0.048%	9,881	45,513,641	2,797	0.01%	0.01%	2,684
12/21/2012	45,813	20,726	63,941,163	1,343,737	921,347	22,442,831	11,012	0.049%	0.042%	8,622	45,515,584	2,442	0.01%	0.01%	2,343
12/24/2012	54,268	24,551	63,941,163	1,343,737	921,347	22,443,729	13,044	0.058%	0.050%	10,208	45,517,281	2,893	0.01%	0.01%	2,775
12/26/2012	155,712	70,444	63,941,163	1,343,737	921,347	22,444,793	37,428	0.167%	0.142%	29,272	45,519,291	8,300	0.02%	0.02%	7,963
12/27/2012	192,969	87,299	63,941,163	1,338,861	921,347	22,447,845	46,384	0.207%	0.176%	36,210	45,525,057	10,286	0.02%	0.02%	9,865
12/28/2012	167,031	75,565	63,941,163	1,338,861	921,347	22,452,706	40,150	0.179%	0.152%	31,272	45,532,458	8,903	0.02%	0.02%	8,535
12/31/2012	320,517	145,002	63,941,163	1,338,861	921,347	22,456,912	77,044	0.343%	0.291%	59,889	45,538,865	17,083	0.04%	0.04%	16,372
1/2/2013	46,020	20,819	63,941,163	1,338,861	921,347	22,464,984	10,701	0.048%	0.040%	8,287	45,551,158	2,372	0.01%	0.01%	2,272
1/3/2013	50,200	22,710	63,941,163	1,338,861	921,347	22,466,690	11,673	0.052%	0.044%	9,034	45,553,048	2,588	0.01%	0.01%	2,478
1/4/2013	69,080	31,252	63,941,163	1,338,861	921,347	22,468,550	16,063	0.071%	0.060%	12,425	45,555,108	3,561	0.01%	0.01%	3,410
1/7/2013	44,018	19,914	63,941,163	1,338,861	921,347	22,471,111	10,236	0.046%	0.038%	7,911	45,557,944	2,269	0.00%	0.00%	2,173
1/8/2013	15,900	7,193	63,941,163	1,338,861	921,347	22,472,742	3,697	0.016%	0.014%	2,856	45,559,752	820	0.00%	0.00%	785
1/9/2013	63,417	28,690	63,941,163	1,338,861	921,347	22,473,331	14,747	0.066%	0.055%	11,389	45,560,405	3,269	0.01%	0.01%	3,129
1/10/2013	40,282	18,224	63,941,163	1,338,861	921,347	22,475,682	9,367	0.042%	0.035%	7,229	45,563,008	2,076	0.00%	0.00%	1,987
1/11/2013	7,200	3,257	63,941,163	1,338,761	921,347	22,477,174	1,672	0.007%	0.006%	1,290	45,564,662	371	0.00%	0.00%	355
1/14/2013	73,828	33,400	63,941,163	1,338,761	921,347	22,477,445	17,145	0.076%	0.064%	13,223	45,564,959	3,800	0.01%	0.01%	3,637
1/15/2013	50,788	22,976	63,941,163	1,338,761	921,347	22,480,221	11,794	0.052%	0.044%	9,089	45,567,999	2,614	0.01%	0.01%	2,502
1/16/2013	44,284	20,034	63,941,163	1,338,761	921,347	22,482,130	10,284	0.046%	0.038%	7,920	45,570,091	2,279	0.01%	0.00%	2,181
1/17/2013	37,545	16,985	63,941,163	1,338,761	921,347	22,483,795	8,719	0.039%	0.033%	6,711	45,571,915	1,932	0.00%	0.00%	1,849
1/18/2013	58,172	26,317	63,941,163	1,338,761	921,347	22,485,207	13,509	0.060%	0.051%	10,394	45,573,461	2,994	0.01%	0.01%	2,864
1/22/2013	97,394	44,061	63,941,163	1,338,761	921,347	22,487,393	22,618	0.101%	0.084%	17,390	45,575,857	5,012	0.01%	0.01%	4,795
1/23/2013	23,133	10,465	63,941,163	1,338,761	921,347	22,491,055	5,372	0.024%	0.020%	4,126	45,579,869	1,190	0.00%	0.00%	1,139
1/24/2013	15,450	6,990	63,941,163	1,338,761	921,347	22,491,924	3,588	0.016%	0.013%	2,755	45,580,822	795	0.00%	0.00%	760
1/25/2013	191,184	86,492	63,941,163	1,338,761	921,347	22,492,505	44,401	0.197%	0.166%	34,081	45,581,458	9,838	0.02%	0.02%	9,409
1/28/2013	40,931	18,517	63,941,163	1,338,761	921,347	22,499,691	9,506	0.042%	0.035%	7,280	45,589,333	2,106	0.00%	0.00%	2,013

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 93 of 122

Exhibit 3
AgFeed Industries, Inc.
Details on the Estimation of the Number of Shares Held as of 12/19/11 that Are Still Held by the Same Investors on 2/7/14
Using NERA's Multi-Sector, Multi-Trader Model

						High-Activity Traders[1]					Low-Activity Traders[1]				
									12/19/11 High Act. Holdings					12/19/11 Low Act. Holdings	
Date	Trading Volume[2]	Adjusted Trading Volume[3]	Shares Outstanding[4]	Short Interest[5]	Insider Holdings[6]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) =(8)/(7)	(10)	(11)	(12)	(13)	(14) =(13)/(12)	(15)	(16)
1/29/2013	53,022	23,987	63,941,163	1,339,148	921,347	22,501,230	12,331	0.055%	0.046%	9,438	45,591,019	2,732	0.01%	0.01%	2,611
1/30/2013	119,832	54,212	63,941,163	1,339,148	921,347	22,503,191	27,868	0.124%	0.104%	21,318	45,593,197	6,174	0.01%	0.01%	5,901
1/31/2013	81,675	36,950	63,941,163	1,339,148	921,347	22,507,622	18,995	0.084%	0.070%	14,509	45,598,117	4,208	0.01%	0.01%	4,021
2/1/2013	111,302	50,353	63,941,163	1,339,148	921,347	22,510,643	25,885	0.115%	0.096%	19,753	45,601,471	5,734	0.01%	0.01%	5,478
2/4/2013	151,780	68,665	63,941,163	1,339,148	921,347	22,514,758	35,299	0.157%	0.131%	26,902	45,606,042	7,818	0.02%	0.02%	7,468
2/5/2013	151,189	68,398	63,941,163	1,339,148	921,347	22,520,370	35,163	0.156%	0.130%	26,749	45,612,275	7,787	0.02%	0.02%	7,436
2/6/2013	80,270	36,314	63,941,163	1,339,148	921,347	22,525,960	18,669	0.083%	0.069%	14,176	45,618,485	4,134	0.01%	0.01%	3,946
2/7/2013	10,700	4,841	63,941,163	1,339,148	921,347	22,528,928	2,489	0.011%	0.009%	1,888	45,621,782	551	0.00%	0.00%	526
2/8/2013	33,150	14,997	63,941,163	1,339,148	921,347	22,529,323	7,710	0.034%	0.028%	5,848	45,622,222	1,707	0.00%	0.00%	1,629
2/11/2013	108,999	49,311	63,941,163	1,339,148	921,347	22,530,549	25,351	0.113%	0.093%	19,222	45,623,584	5,613	0.01%	0.01%	5,357
2/12/2013	26,777	12,114	63,941,163	1,339,148	921,347	22,534,578	6,228	0.028%	0.023%	4,716	45,628,061	1,379	0.00%	0.00%	1,316
2/13/2013	16,959	7,672	63,941,163	1,338,989	921,347	22,535,567	3,944	0.018%	0.015%	2,986	45,629,161	873	0.00%	0.00%	833
2/14/2013	10,400	4,705	63,941,163	1,338,989	921,347	22,536,197	2,419	0.011%	0.009%	1,831	45,629,859	536	0.00%	0.00%	511
2/15/2013	44,577	20,167	63,941,163	1,338,989	921,347	22,536,582	10,368	0.046%	0.038%	7,846	45,630,286	2,295	0.01%	0.00%	2,190
2/19/2013	16,754	7,580	63,941,163	1,338,989	921,347	22,538,236	3,897	0.017%	0.014%	2,947	45,632,119	863	0.00%	0.00%	823
2/20/2013	256,794	116,174	63,941,163	1,338,989	921,347	22,538,858	59,728	0.265%	0.219%	45,165	45,632,808	13,222	0.03%	0.03%	12,613
2/21/2013	78,113	35,338	63,941,163	1,338,989	921,347	22,548,385	18,169	0.081%	0.067%	13,697	45,643,366	4,021	0.01%	0.01%	3,834
2/22/2013	25,010	11,315	63,941,163	1,338,989	921,347	22,551,282	5,817	0.026%	0.021%	4,381	45,646,579	1,288	0.00%	0.00%	1,227
2/25/2013	40,877	18,493	63,941,163	1,338,989	921,347	22,552,210	9,508	0.042%	0.035%	7,159	45,647,607	2,104	0.00%	0.00%	2,006
2/26/2013	33,310	15,069	63,941,163	1,338,989	921,347	22,553,726	7,748	0.034%	0.028%	5,831	45,649,288	1,715	0.00%	0.00%	1,634
2/27/2013	64,705	29,273	63,941,163	1,338,989	921,347	22,554,961	15,051	0.067%	0.055%	11,322	45,650,658	3,331	0.01%	0.01%	3,175
2/28/2013	15,065	6,815	63,941,163	1,338,989	921,347	22,557,359	3,504	0.016%	0.013%	2,634	45,653,319	775	0.00%	0.00%	739
3/1/2013	10,850	4,909	63,941,163	1,338,989	921,347	22,557,918	2,524	0.011%	0.009%	1,897	45,653,939	558	0.00%	0.00%	532
3/4/2013	9,300	4,207	63,941,163	1,338,989	921,347	22,558,320	2,163	0.010%	0.008%	1,626	45,654,385	479	0.00%	0.00%	456
3/5/2013	27,549	12,463	63,941,163	1,338,989	921,347	22,558,665	6,408	0.028%	0.023%	4,815	45,654,767	1,418	0.00%	0.00%	1,351
3/6/2013	17,200	7,781	63,941,163	1,338,989	921,347	22,559,686	4,001	0.018%	0.015%	3,005	45,655,900	885	0.00%	0.00%	844
3/7/2013	101,109	45,742	63,941,163	1,338,989	921,347	22,560,323	23,519	0.104%	0.086%	17,662	45,656,608	5,204	0.01%	0.01%	4,959
3/8/2013	87,083	39,396	63,941,163	1,338,989	921,347	22,564,071	20,257	0.090%	0.074%	15,193	45,660,766	4,482	0.01%	0.01%	4,270
3/11/2013	135,465	61,284	63,941,163	1,338,989	921,347	22,567,299	31,511	0.140%	0.115%	23,610	45,664,348	6,972	0.02%	0.01%	6,640
3/12/2013	12,644	5,720	63,941,163	1,338,989	921,347	22,572,320	2,941	0.013%	0.011%	2,200	45,669,919	651	0.00%	0.00%	620
3/13/2013	59,360	26,854	63,941,163	1,338,978	921,347	22,572,788	13,808	0.061%	0.050%	10,328	45,670,439	3,055	0.01%	0.01%	2,909
3/14/2013	25,070	11,342	63,941,163	1,338,978	921,347	22,574,989	5,832	0.026%	0.021%	4,359	45,672,881	1,290	0.00%	0.00%	1,228
3/15/2013	30,005	13,574	63,941,163	1,338,978	921,347	22,575,919	6,980	0.031%	0.025%	5,215	45,673,913	1,544	0.00%	0.00%	1,470
3/18/2013	23,672	10,709	63,941,163	1,338,978	921,347	22,577,031	5,507	0.024%	0.020%	4,113	45,675,147	1,218	0.00%	0.00%	1,160
3/19/2013	15,178	6,867	63,941,163	1,338,978	921,347	22,577,909	3,531	0.016%	0.013%	2,636	45,676,121	781	0.00%	0.00%	743
3/20/2013	12,541	5,674	63,941,163	1,338,978	921,347	22,578,471	2,917	0.013%	0.011%	2,178	45,676,746	645	0.00%	0.00%	614
3/21/2013	32,681	14,785	63,941,163	1,338,978	921,347	22,578,936	7,602	0.034%	0.028%	5,675	45,677,262	1,682	0.00%	0.00%	1,601
3/22/2013	81,038	36,662	63,941,163	1,338,978	921,347	22,580,148	18,851	0.083%	0.068%	14,066	45,678,606	4,170	0.01%	0.01%	3,969
3/25/2013	28,240	12,776	63,941,163	1,338,978	921,347	22,583,152	6,569	0.029%	0.024%	4,897	45,681,940	1,453	0.00%	0.00%	1,383
3/26/2013	87,411	39,545	63,941,163	1,338,978	921,347	22,584,199	20,334	0.090%	0.074%	15,153	45,683,102	4,497	0.01%	0.01%	4,280
3/27/2013	10,138	4,586	63,941,163	1,338,978	921,347	22,587,251	2,358	0.010%	0.009%	1,756	45,686,655	522	0.00%	0.00%	496
3/28/2013	28,358	12,829	63,941,163	1,338,978	921,347	22,587,605	6,597	0.029%	0.024%	4,910	45,687,067	1,459	0.00%	0.00%	1,388
4/1/2013	31,925	14,443	63,941,163	1,338,978	921,347	22,588,596	7,963	0.035%	0.029%	5,925	45,688,219	1,761	0.00%	0.00%	1,675
4/2/2013	11,460	5,185	63,941,163	1,338,978	921,347	22,588,948	2,859	0.013%	0.010%	2,126	45,689,345	632	0.00%	0.00%	601
4/3/2013	297,027	134,375	63,941,163	1,338,978	921,347	22,589,074	74,091	0.328%	0.268%	55,102	45,689,749	16,386	0.04%	0.04%	15,587
4/4/2013	68,005	30,765	63,941,163	1,338,978	921,347	22,592,350	16,963	0.075%	0.061%	12,572	45,700,220	3,752	0.01%	0.01%	3,567
4/5/2013	18,100	8,188	63,941,163	1,338,978	921,347	22,593,100	4,515	0.020%	0.016%	3,344	45,702,617	999	0.00%	0.00%	949
4/8/2013	74,770	33,826	63,941,163	1,338,978	921,347	22,593,299	18,650	0.083%	0.067%	13,809	45,703,255	4,125	0.01%	0.01%	3,921

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 94 of 122

Exhibit 3
AgFeed Industries, Inc.
Details on the Estimation of the Number of Shares Held as of 12/19/11 that Are Still Held by the Same Investors on 2/7/14
Using NERA's Multi-Sector, Multi-Trader Model

						High-Activity Traders[1]					Low-Activity Traders[1]				
									12/19/11 High Act. Holdings					12/19/11 Low Act. Holdings	
Date	Trading Volume[2]	Adjusted Trading Volume[3]	Shares Outstanding[4]	Short Interest[5]	Insider Holdings[6]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) =(8)/(7)	(10)	(11)	(12)	(13)	(14) =(13)/(12)	(15)	(16)
4/9/2013	101,600	45,964	63,941,163	1,338,978	921,347	22,594,124	25,343	0.112%	0.091%	18,748	45,705,890	5,606	0.01%	0.01%	5,327
4/10/2013	54,400	24,611	63,941,163	1,338,978	921,347	22,595,245	13,569	0.060%	0.049%	10,027	45,709,472	3,001	0.01%	0.01%	2,852
4/11/2013	57,440	25,986	63,941,163	1,336,896	921,347	22,595,845	14,284	0.063%	0.051%	10,548	45,711,389	3,160	0.01%	0.01%	3,002
4/12/2013	49,450	22,371	63,941,163	1,336,896	921,347	22,596,607	12,297	0.054%	0.044%	9,075	45,713,443	2,720	0.01%	0.01%	2,584
4/15/2013	106,774	48,305	63,941,163	1,336,896	921,347	22,597,263	26,551	0.117%	0.095%	19,583	45,715,212	5,873	0.01%	0.01%	5,579
4/16/2013	28,859	13,056	63,941,163	1,336,896	921,347	22,598,680	7,176	0.032%	0.026%	5,286	45,719,030	1,587	0.00%	0.00%	1,508
4/17/2013	64,145	29,019	63,941,163	1,336,896	921,347	22,599,063	15,951	0.071%	0.057%	11,746	45,720,062	3,528	0.01%	0.01%	3,351
4/18/2013	28,796	13,027	63,941,163	1,336,896	921,347	22,599,914	7,161	0.032%	0.026%	5,269	45,722,356	1,584	0.00%	0.00%	1,504
4/19/2013	31,724	14,352	63,941,163	1,336,896	921,347	22,600,296	7,889	0.035%	0.028%	5,803	45,723,386	1,745	0.00%	0.00%	1,657
4/22/2013	10,979	4,967	63,941,163	1,336,896	921,347	22,600,717	2,730	0.012%	0.010%	2,008	45,724,520	604	0.00%	0.00%	573
4/23/2013	27,193	12,302	63,941,163	1,336,896	921,347	22,600,863	6,762	0.030%	0.024%	4,972	45,724,913	1,496	0.00%	0.00%	1,420
4/24/2013	35,540	16,078	63,941,163	1,336,896	921,347	22,601,224	8,838	0.039%	0.032%	6,496	45,725,885	1,955	0.00%	0.00%	1,856
4/25/2013	117,577	53,192	63,941,163	1,336,896	921,347	22,601,695	29,237	0.129%	0.104%	21,481	45,727,156	6,468	0.01%	0.01%	6,140
4/26/2013	45,343	20,513	63,941,163	1,336,946	921,347	22,603,255	11,279	0.050%	0.040%	8,275	45,731,361	2,495	0.01%	0.01%	2,368
4/29/2013	20,578	9,309	63,941,163	1,336,946	921,347	22,603,850	5,119	0.023%	0.018%	3,754	45,732,980	1,132	0.00%	0.00%	1,075
4/30/2013	19,911	9,008	63,941,163	1,336,946	921,347	22,604,120	4,953	0.022%	0.018%	3,631	45,733,715	1,096	0.00%	0.00%	1,040
5/1/2013	17,532	7,931	63,941,163	1,336,946	921,347	22,604,381	4,361	0.019%	0.016%	3,196	45,734,427	965	0.00%	0.00%	915
5/2/2013	2,800	1,267	63,941,163	1,336,946	921,347	22,604,611	696	0.003%	0.002%	510	45,735,053	154	0.00%	0.00%	146
5/3/2013	57,863	26,177	63,941,163	1,336,946	921,347	22,604,647	14,393	0.064%	0.051%	10,547	45,735,153	3,184	0.01%	0.01%	3,021
5/6/2013	23,636	10,693	63,941,163	1,336,946	921,347	22,605,406	5,879	0.026%	0.021%	4,305	45,737,220	1,301	0.00%	0.00%	1,234
5/7/2013	88,327	39,959	63,941,163	1,336,946	921,347	22,605,716	21,971	0.097%	0.078%	16,085	45,738,064	4,861	0.01%	0.01%	4,611
5/8/2013	70,050	31,691	63,941,163	1,336,946	921,347	22,606,874	17,424	0.077%	0.062%	12,743	45,741,219	3,855	0.01%	0.01%	3,656
5/9/2013	106,213	48,051	63,941,163	1,336,946	921,347	22,607,793	26,419	0.117%	0.094%	19,306	45,743,722	5,845	0.01%	0.01%	5,543
5/10/2013	21,662	9,800	63,941,163	1,336,946	921,347	22,609,186	5,388	0.024%	0.019%	3,933	45,747,515	1,192	0.00%	0.00%	1,130
5/13/2013	130,742	59,148	63,941,163	1,336,896	921,347	22,609,470	32,517	0.144%	0.115%	23,727	45,748,289	7,194	0.02%	0.02%	6,821
5/14/2013	69,339	31,369	63,941,163	1,336,896	921,347	22,611,196	17,245	0.076%	0.061%	12,564	45,752,962	3,816	0.01%	0.01%	3,617
5/15/2013	98,537	44,578	63,941,163	1,336,896	921,347	22,612,111	24,507	0.108%	0.087%	17,841	45,755,440	5,422	0.01%	0.01%	5,139
5/16/2013	5,400	2,443	63,941,163	1,336,896	921,347	22,613,412	1,343	0.006%	0.005%	977	45,758,961	297	0.00%	0.00%	282
5/17/2013	29,500	13,346	63,941,163	1,336,896	921,347	22,613,483	7,337	0.032%	0.026%	5,335	45,759,154	1,623	0.00%	0.00%	1,538
5/20/2013	267,907	121,201	63,941,163	1,336,896	921,347	22,613,873	66,630	0.295%	0.235%	48,431	45,760,208	14,743	0.03%	0.03%	13,969
5/21/2013	223,995	101,335	63,941,163	1,336,896	921,347	22,617,410	55,709	0.246%	0.196%	40,367	45,769,783	12,327	0.03%	0.03%	11,673
5/22/2013	36,580	16,549	63,941,163	1,336,896	921,347	22,620,367	9,098	0.040%	0.032%	6,575	45,777,787	2,013	0.00%	0.00%	1,906
5/23/2013	260,311	117,765	63,941,163	1,336,896	921,347	22,620,851	64,740	0.286%	0.227%	46,770	45,779,094	14,326	0.03%	0.03%	13,560
5/24/2013	54,385	24,604	63,941,163	1,336,896	921,347	22,624,288	13,526	0.060%	0.047%	9,742	45,788,396	2,993	0.01%	0.01%	2,832
5/28/2013	89,510	40,494	63,941,163	1,336,896	921,347	22,625,007	22,261	0.098%	0.078%	16,023	45,790,339	4,926	0.01%	0.01%	4,660
5/29/2013	91,911	41,581	63,941,163	1,336,896	921,347	22,626,189	22,858	0.101%	0.080%	16,436	45,793,537	5,059	0.01%	0.01%	4,784
5/30/2013	156,214	70,671	63,941,163	1,336,896	921,347	22,627,403	38,850	0.172%	0.136%	27,905	45,796,821	8,598	0.02%	0.02%	8,130
5/31/2013	7,900	3,574	63,941,163	1,336,896	921,347	22,629,466	1,965	0.009%	0.007%	1,409	45,802,403	435	0.00%	0.00%	411
6/3/2013	7,100	3,212	63,941,163	1,336,896	921,347	22,629,571	1,766	0.008%	0.006%	1,266	45,802,685	391	0.00%	0.00%	369
6/4/2013	14,700	6,650	63,941,163	1,336,896	921,347	22,629,665	3,656	0.016%	0.013%	2,621	45,802,939	809	0.00%	0.00%	765
6/5/2013	96,132	43,490	63,941,163	1,336,896	921,347	22,629,859	23,908	0.106%	0.083%	17,135	45,803,464	5,291	0.01%	0.01%	5,001
6/6/2013	19,710	8,917	63,941,163	1,336,896	921,347	22,631,129	4,902	0.022%	0.017%	3,509	45,806,899	1,085	0.00%	0.00%	1,025
6/7/2013	4,996	2,260	63,941,163	1,336,896	921,347	22,631,389	1,242	0.005%	0.004%	889	45,807,603	275	0.00%	0.00%	260
6/10/2013	83,099	37,594	63,941,163	1,336,896	921,347	22,631,455	20,666	0.091%	0.072%	14,792	45,807,781	4,574	0.01%	0.01%	4,322
6/11/2013	29,436	13,317	63,941,163	1,336,896	921,347	22,632,553	7,321	0.032%	0.025%	5,235	45,810,750	1,620	0.00%	0.00%	1,531
6/12/2013	14,200	6,424	63,941,163	1,336,896	921,347	22,632,942	3,531	0.016%	0.012%	2,524	45,811,802	782	0.00%	0.00%	738
6/13/2013	15,056	6,811	63,941,163	1,336,896	921,347	22,633,130	3,744	0.017%	0.013%	2,676	45,812,309	829	0.00%	0.00%	783
6/14/2013	10,277	4,649	63,941,163	1,336,896	921,347	22,633,329	2,556	0.011%	0.009%	1,826	45,812,847	566	0.00%	0.00%	534

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 95 of 122

Exhibit 3
AgFeed Industries, Inc.
Details on the Estimation of the Number of Shares Held as of 12/19/11 that Are Still Held by the Same Investors on 2/7/14
Using NERA's Multi-Sector, Multi-Trader Model

						High-Activity Traders[1]					Low-Activity Traders[1]				
									12/19/11 High Act. Holdings					12/19/11 Low Act. Holdings	
Date	Trading Volume[2]	Adjusted Trading Volume[3]	Shares Outstanding[4]	Short Interest[5]	Insider Holdings[6]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) =(8)/(7)	(10)	(11)	(12)	(13)	(14) =(13)/(12)	(15)	(16)
6/17/2013	43,275	19,578	63,941,163	1,336,896	921,347	22,633,464	10,762	0.048%	0.037%	7,689	45,813,214	2,382	0.01%	0.01%	2,250
6/18/2013	13,700	6,198	63,941,163	1,336,896	921,347	22,634,036	3,407	0.015%	0.012%	2,433	45,814,760	754	0.00%	0.00%	712
6/19/2013	1,500	679	63,941,163	1,336,896	921,347	22,634,217	373	0.002%	0.001%	266	45,815,250	83	0.00%	0.00%	78
6/20/2013	78,460	35,495	63,941,163	1,336,896	921,347	22,634,237	19,513	0.086%	0.068%	13,932	45,815,303	4,319	0.01%	0.01%	4,079
6/21/2013	47,500	21,489	63,941,163	1,336,896	921,347	22,635,274	11,813	0.052%	0.041%	8,427	45,818,106	2,615	0.01%	0.01%	2,469
6/24/2013	11,200	5,067	63,941,163	1,336,896	921,347	22,635,901	2,785	0.012%	0.010%	1,986	45,819,803	616	0.00%	0.00%	582
6/25/2013	98,019	44,344	63,941,163	1,336,896	921,347	22,636,049	24,377	0.108%	0.084%	17,377	45,820,204	5,395	0.01%	0.01%	5,095
6/26/2013	146,288	66,181	63,941,163	1,336,896	921,347	22,637,345	36,381	0.161%	0.126%	25,905	45,823,705	8,052	0.02%	0.02%	7,603
6/27/2013	188,011	85,056	63,941,163	1,336,896	921,347	22,639,278	46,757	0.207%	0.161%	33,237	45,828,931	10,349	0.02%	0.02%	9,769
6/28/2013	34,038	15,399	63,941,163	1,336,896	921,347	22,641,762	8,465	0.037%	0.029%	6,004	45,835,648	1,874	0.00%	0.00%	1,768
7/1/2013	53,640	24,267	63,941,163	1,336,896	921,347	22,642,212	13,340	0.059%	0.046%	9,458	45,836,864	2,953	0.01%	0.01%	2,786
7/2/2013	7,899	3,574	63,941,163	1,336,896	921,347	22,642,921	1,964	0.009%	0.007%	1,392	45,838,780	435	0.00%	0.00%	410
7/3/2013	36,412	16,473	63,941,163	1,336,896	921,347	22,643,026	9,055	0.040%	0.031%	6,416	45,839,062	2,004	0.00%	0.00%	1,891
7/5/2013	110,152	49,833	63,941,163	1,336,896	921,347	22,643,507	27,393	0.121%	0.094%	19,400	45,840,363	6,064	0.01%	0.01%	5,720
7/8/2013	66,796	30,219	63,941,163	1,336,896	921,347	22,644,963	16,611	0.073%	0.057%	11,749	45,844,297	3,677	0.01%	0.01%	3,468
7/9/2013	127,659	57,753	63,941,163	1,336,896	921,347	22,645,846	31,747	0.140%	0.109%	22,438	45,846,683	7,028	0.02%	0.01%	6,627
7/10/2013	87,856	39,746	63,941,163	1,336,896	921,347	22,647,533	21,848	0.096%	0.075%	15,419	45,851,244	4,837	0.01%	0.01%	4,560
7/11/2013	176,382	79,795	63,941,163	1,336,896	921,347	22,648,695	43,813	0.193%	0.150%	30,889	45,854,382	9,699	0.02%	0.02%	9,142
7/12/2013	69,106	31,264	63,941,163	1,336,896	921,347	22,651,101	17,166	0.076%	0.059%	12,077	45,860,699	3,800	0.01%	0.01%	3,581
7/15/2013	164,049	74,216	63,941,163	1,336,896	921,347	22,652,044	40,749	0.180%	0.139%	28,647	45,863,174	9,021	0.02%	0.02%	8,499
7/16/2013	568,125	257,020	63,941,163	1,336,896	921,347	22,654,283	141,120	0.623%	0.481%	99,020	45,869,049	31,243	0.07%	0.07%	29,425
7/17/2013	371,109	167,890	63,941,163	1,336,896	921,347	22,662,034	92,180	0.407%	0.312%	64,255	45,889,395	20,410	0.04%	0.04%	19,201
7/18/2013	135,537	61,317	63,941,163	1,336,896	921,347	22,667,100	33,666	0.149%	0.114%	23,367	45,902,684	7,455	0.02%	0.02%	7,008
7/19/2013	493,618	223,313	63,941,163	1,336,896	921,347	22,668,950	122,608	0.541%	0.413%	84,966	45,907,537	27,150	0.06%	0.06%	25,515
7/22/2013	520,127	235,305	63,941,163	1,336,896	921,347	22,675,689	129,191	0.570%	0.433%	89,017	45,925,211	28,610	0.06%	0.06%	26,861
7/23/2013	205,634	93,029	63,941,163	1,336,896	921,347	22,682,791	51,075	0.225%	0.170%	34,981	45,943,834	11,312	0.02%	0.02%	10,610
7/24/2013	87,035	39,375	63,941,163	1,336,896	921,347	22,685,599	21,618	0.095%	0.072%	14,771	45,951,195	4,788	0.01%	0.01%	4,489
7/25/2013	132,226	59,819	63,941,163	1,336,896	921,347	22,686,788	32,842	0.145%	0.109%	22,417	45,954,311	7,274	0.02%	0.02%	6,818
7/26/2013	65,392	29,583	63,941,163	1,336,896	921,347	22,688,594	16,242	0.072%	0.054%	11,069	45,959,044	3,597	0.01%	0.01%	3,371
7/29/2013	76,216	34,480	63,941,163	1,338,445	921,347	22,689,488	18,970	0.084%	0.063%	12,919	45,961,385	4,202	0.01%	0.01%	3,937
7/30/2013	551,958	249,706	63,941,163	1,338,445	921,347	22,690,442	137,381	0.605%	0.454%	93,477	45,964,093	30,429	0.07%	0.06%	28,508
7/31/2013	181,961	82,319	63,941,163	1,338,445	921,347	22,697,352	45,289	0.200%	0.149%	30,620	45,983,707	10,032	0.02%	0.02%	9,389
8/1/2013	280,937	127,096	63,941,163	1,338,445	921,347	22,699,631	69,922	0.308%	0.229%	47,175	45,990,172	15,490	0.03%	0.03%	14,491
8/2/2013	88,781	40,165	63,941,163	1,338,445	921,347	22,703,150	22,096	0.097%	0.072%	14,860	46,000,153	4,895	0.01%	0.01%	4,577
8/5/2013	42,550	19,250	63,941,163	1,338,445	921,347	22,704,262	10,590	0.047%	0.035%	7,115	46,003,307	2,346	0.01%	0.00%	2,193
8/6/2013	60,286	27,273	63,941,163	1,338,445	921,347	22,704,795	15,004	0.066%	0.049%	10,075	46,004,819	3,324	0.01%	0.01%	3,107
8/7/2013	96,600	43,702	63,941,163	1,338,445	921,347	22,705,550	24,042	0.106%	0.078%	16,133	46,006,961	5,327	0.01%	0.01%	4,979
8/8/2013	258,948	117,148	63,941,163	1,338,445	921,347	22,706,761	64,448	0.284%	0.210%	43,198	46,010,392	14,279	0.03%	0.03%	13,343
8/9/2013	75,073	33,963	63,941,163	1,338,445	921,347	22,710,005	18,684	0.082%	0.061%	12,486	46,019,591	4,140	0.01%	0.01%	3,867
8/12/2013	149,282	67,535	63,941,163	1,338,445	921,347	22,710,946	37,153	0.164%	0.121%	24,807	46,022,258	8,232	0.02%	0.02%	7,688
8/13/2013	153,310	69,357	63,941,163	1,336,796	921,347	22,712,817	38,055	0.168%	0.123%	25,366	46,027,561	8,432	0.02%	0.02%	7,872
8/14/2013	126,800	57,364	63,941,163	1,336,796	921,347	22,714,944	31,475	0.139%	0.102%	20,942	46,033,053	6,974	0.02%	0.01%	6,509
8/15/2013	82,363	37,261	63,941,163	1,336,796	921,347	22,716,703	20,444	0.090%	0.066%	13,583	46,037,596	4,530	0.01%	0.01%	4,227
8/16/2013	29,100	13,165	63,941,163	1,336,796	921,347	22,717,845	7,223	0.032%	0.023%	4,795	46,040,547	1,601	0.00%	0.00%	1,493
8/19/2013	92,409	41,806	63,941,163	1,336,796	921,347	22,718,249	22,938	0.101%	0.074%	15,220	46,041,589	5,083	0.01%	0.01%	4,742
8/20/2013	341,023	154,279	63,941,163	1,336,796	921,347	22,719,531	84,649	0.373%	0.273%	56,108	46,044,900	18,758	0.04%	0.04%	17,496
8/21/2013	138,851	62,816	63,941,163	1,336,796	921,347	22,724,263	34,465	0.152%	0.111%	22,755	46,057,117	7,638	0.02%	0.02%	7,119
8/22/2013	1,490,129	674,134	63,941,163	1,336,796	921,347	22,726,190	369,875	1.628%	1.185%	243,810	46,062,091	81,971	0.18%	0.17%	76,381

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 96 of 122

Exhibit 3
AgFeed Industries, Inc.
Details on the Estimation of the Number of Shares Held as of 12/19/11 that Are Still Held by the Same Investors on 2/7/14
Using NERA's Multi-Sector, Multi-Trader Model

						High-Activity Traders[1]					Low-Activity Traders[1]				
									12/19/11 High Act. Holdings					12/19/11 Low Act. Holdings	
Date	Trading Volume[2]	Adjusted Trading Volume[3]	Shares Outstanding[4]	Short Interest[5]	Insider Holdings[6]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) =(8)/(7)	(10)	(11)	(12)	(13)	(14) =(13)/(12)	(15)	(16)
8/23/2013	87,768	39,706	63,941,163	1,336,796	921,347	22,746,867	21,784	0.096%	0.069%	14,113	46,115,473	4,829	0.01%	0.01%	4,487
8/26/2013	335,740	151,889	63,941,163	1,336,796	921,347	22,748,085	83,332	0.366%	0.262%	53,932	46,118,616	18,473	0.04%	0.04%	17,160
8/27/2013	411,433	186,132	63,941,163	1,336,796	921,347	22,752,748	102,119	0.449%	0.320%	65,835	46,130,640	22,639	0.05%	0.05%	21,015
8/28/2013	166,281	75,226	63,941,163	1,339,296	921,347	22,758,462	41,473	0.182%	0.129%	26,611	46,145,373	9,195	0.02%	0.02%	8,529
8/29/2013	45,225	20,460	63,941,163	1,339,296	921,347	22,760,267	11,280	0.050%	0.035%	7,224	46,151,211	2,501	0.01%	0.01%	2,319
8/30/2013	52,565	23,780	63,941,163	1,339,296	921,347	22,760,758	13,110	0.058%	0.041%	8,392	46,152,799	2,907	0.01%	0.01%	2,695
9/3/2013	54,880	24,828	63,941,163	1,339,296	921,347	22,761,328	13,688	0.060%	0.043%	8,756	46,154,644	3,035	0.01%	0.01%	2,814
9/4/2013	126,855	57,389	63,941,163	1,339,296	921,347	22,761,924	31,639	0.139%	0.098%	20,227	46,156,571	7,015	0.02%	0.01%	6,503
9/5/2013	141,666	64,090	63,941,163	1,339,296	921,347	22,763,302	35,333	0.155%	0.110%	22,556	46,161,024	7,835	0.02%	0.02%	7,261
9/6/2013	73,874	33,421	63,941,163	1,339,296	921,347	22,764,840	18,425	0.081%	0.057%	11,743	46,165,998	4,086	0.01%	0.01%	3,785
9/9/2013	36,279	16,413	63,941,163	1,339,296	921,347	22,765,642	9,048	0.040%	0.028%	5,762	46,168,591	2,006	0.00%	0.00%	1,859
9/10/2013	142,499	64,467	63,941,163	1,339,296	921,347	22,766,036	35,540	0.156%	0.110%	22,623	46,169,864	7,881	0.02%	0.02%	7,300
9/11/2013	59,008	26,695	63,941,163	1,336,796	921,347	22,767,584	14,680	0.064%	0.045%	9,329	46,174,866	3,256	0.01%	0.01%	3,015
9/12/2013	31,089	14,065	63,941,163	1,336,796	921,347	22,768,335	7,735	0.034%	0.024%	4,912	46,176,963	1,715	0.00%	0.00%	1,588
9/13/2013	29,400	13,301	63,941,163	1,336,796	921,347	22,768,731	7,314	0.032%	0.023%	4,643	46,178,068	1,622	0.00%	0.00%	1,502
9/16/2013	1,259,475	569,786	63,941,163	1,336,796	921,347	22,769,106	313,340	1.376%	0.966%	198,855	46,179,112	69,487	0.15%	0.14%	64,332
9/17/2013	1,023,383	462,978	63,941,163	1,336,796	921,347	22,785,138	254,592	1.117%	0.774%	159,235	46,223,867	56,474	0.12%	0.12%	52,155
9/18/2013	550,678	249,127	63,941,163	1,336,796	921,347	22,798,176	136,989	0.601%	0.411%	84,675	46,260,223	30,394	0.07%	0.06%	28,013
9/19/2013	941,220	425,808	63,941,163	1,336,796	921,347	22,805,196	234,138	1.027%	0.699%	143,809	46,279,781	51,954	0.11%	0.11%	47,832
9/20/2013	1,227,969	555,533	63,941,163	1,336,796	921,347	22,817,197	305,458	1.339%	0.902%	185,591	46,313,207	67,793	0.15%	0.14%	62,300
9/23/2013	271,361	122,764	63,941,163	1,336,796	921,347	22,832,863	67,498	0.296%	0.196%	40,434	46,356,808	14,984	0.03%	0.03%	13,737
9/24/2013	698,373	315,944	63,941,163	1,336,796	921,347	22,836,327	173,711	0.761%	0.504%	103,736	46,366,441	38,565	0.08%	0.08%	35,336
9/25/2013	241,912	109,441	63,941,163	1,336,796	921,347	22,845,245	60,171	0.263%	0.173%	35,645	46,391,230	13,360	0.03%	0.03%	12,225
9/26/2013	288,718	130,616	63,941,163	1,332,521	921,347	22,848,335	72,582	0.318%	0.208%	42,879	46,399,815	16,117	0.03%	0.03%	14,740
9/27/2013	413,233	186,947	63,941,163	1,332,521	921,347	22,849,700	103,881	0.455%	0.297%	61,171	46,409,524	23,070	0.05%	0.05%	21,088
9/30/2013	83,176	37,629	63,941,163	1,332,521	921,347	22,851,655	20,909	0.091%	0.060%	12,255	46,423,417	4,644	0.01%	0.01%	4,242
10/1/2013	196,540	88,915	63,941,163	1,332,521	921,347	22,852,049	49,405	0.216%	0.141%	28,931	46,426,213	10,975	0.02%	0.02%	10,022
10/2/2013	28,426	12,860	63,941,163	1,332,521	921,347	22,852,981	7,145	0.031%	0.020%	4,175	46,432,819	1,587	0.00%	0.00%	1,449
10/3/2013	148,342	67,110	63,941,163	1,332,521	921,347	22,853,116	37,289	0.163%	0.106%	21,780	46,433,774	8,284	0.02%	0.02%	7,562
10/4/2013	177,003	80,076	63,941,163	1,332,521	921,347	22,853,820	44,493	0.195%	0.126%	25,945	46,438,759	9,886	0.02%	0.02%	9,021
10/7/2013	301,074	136,206	63,941,163	1,332,521	921,347	22,854,660	75,678	0.331%	0.214%	44,043	46,444,707	16,816	0.04%	0.03%	15,340
10/8/2013	155,833	70,499	63,941,163	1,332,521	921,347	22,856,090	39,169	0.171%	0.110%	22,719	46,454,824	8,705	0.02%	0.02%	7,936
10/9/2013	154,305	69,808	63,941,163	1,332,521	921,347	22,856,832	38,785	0.170%	0.109%	22,456	46,460,059	8,620	0.02%	0.02%	7,857
10/10/2013	225,487	102,010	63,941,163	1,332,521	921,347	22,857,566	56,676	0.248%	0.159%	32,758	46,465,243	12,597	0.03%	0.03%	11,478
10/11/2013	442,634	200,248	63,941,163	1,309,525	921,347	22,858,640	109,993	0.481%	0.308%	63,415	46,472,817	24,451	0.05%	0.05%	22,270
10/14/2013	141,734	64,120	63,941,163	1,309,525	921,347	22,864,555	35,220	0.154%	0.098%	20,203	46,488,564	7,830	0.02%	0.02%	7,125
10/15/2013	20,070	9,080	63,941,163	1,309,525	921,347	22,866,449	4,987	0.022%	0.014%	2,856	46,493,606	1,109	0.00%	0.00%	1,009
10/16/2013	119,974	54,276	63,941,163	1,309,525	921,347	22,866,717	29,812	0.130%	0.083%	17,069	46,494,320	6,628	0.01%	0.01%	6,029
10/17/2013	177,801	80,437	63,941,163	1,309,525	921,347	22,868,321	44,182	0.193%	0.123%	25,262	46,498,588	9,823	0.02%	0.02%	8,934
10/18/2013	317,863	143,801	63,941,163	1,309,525	921,347	22,870,698	78,985	0.345%	0.219%	45,069	46,504,913	17,561	0.04%	0.04%	15,966
10/21/2013	174,860	79,107	63,941,163	1,309,525	921,347	22,874,947	43,450	0.190%	0.120%	24,703	46,516,219	9,661	0.02%	0.02%	8,778
10/22/2013	210,900	95,411	63,941,163	1,309,525	921,347	22,877,285	52,405	0.229%	0.144%	29,734	46,522,439	11,653	0.03%	0.02%	10,584
10/23/2013	152,359	68,927	63,941,163	1,309,525	921,347	22,880,106	37,859	0.165%	0.104%	21,429	46,529,940	8,418	0.02%	0.02%	7,643
10/24/2013	229,588	103,866	63,941,163	1,309,525	921,347	22,882,143	57,048	0.249%	0.157%	32,234	46,535,359	12,686	0.03%	0.03%	11,514
10/25/2013	157,835	71,405	63,941,163	1,309,525	921,347	22,885,214	39,219	0.171%	0.107%	22,102	46,543,524	8,721	0.02%	0.02%	7,912
10/28/2013	395,974	179,139	63,941,163	1,309,525	921,347	22,887,325	98,391	0.430%	0.269%	55,348	46,549,137	21,881	0.05%	0.04%	19,845
10/29/2013	128,789	58,264	63,941,163	1,309,525	921,347	22,892,622	32,071	0.140%	0.087%	17,959	46,563,219	7,133	0.02%	0.01%	6,464
10/30/2013	265,987	120,333	63,941,163	1,309,525	921,347	22,894,134	66,235	0.289%	0.180%	37,036	46,567,750	14,731	0.03%	0.03%	13,347

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 97 of 122

Exhibit 3
AgFeed Industries, Inc.
Details on the Estimation of the Number of Shares Held as of 12/19/11 that Are Still Held by the Same Investors on 2/7/14
Using NERA's Multi-Sector, Multi-Trader Model

						High-Activity Traders[1]					Low-Activity Traders[1]				
									12/19/11 High Act. Holdings					12/19/11 Low Act. Holdings	
Date	Trading Volume[2]	Adjusted Trading Volume[3]	Shares Outstanding[4]	Short Interest[5]	Insider Holdings[6]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) =(8)/(7)	(10)	(11)	(12)	(13)	(14) =(13)/(12)	(15)	(16)
10/31/2013	216,492	97,941	63,941,163	1,309,525	921,347	22,897,258	53,909	0.235%	0.146%	30,052	46,577,108	11,991	0.03%	0.02%	10,858
11/1/2013	242,269	109,602	63,941,163	1,309,525	921,347	22,899,801	60,327	0.263%	0.163%	33,547	46,584,724	13,419	0.03%	0.03%	12,147
11/4/2013	570,264	257,987	63,941,163	1,309,525	921,347	22,902,648	142,000	0.620%	0.383%	78,747	46,593,246	31,587	0.07%	0.06%	28,579
11/5/2013	264,994	119,883	63,941,163	1,309,525	921,347	22,909,348	65,984	0.288%	0.177%	36,354	46,613,305	14,680	0.03%	0.03%	13,267
11/6/2013	109,187	49,396	63,941,163	1,309,525	921,347	22,912,463	27,187	0.119%	0.073%	14,934	46,622,625	6,049	0.01%	0.01%	5,464
11/7/2013	150,134	67,921	63,941,163	1,309,525	921,347	22,913,747	37,383	0.163%	0.100%	20,509	46,626,465	8,318	0.02%	0.02%	7,512
11/8/2013	414,473	187,508	63,941,163	1,309,525	921,347	22,915,513	103,202	0.450%	0.275%	56,521	46,631,744	22,963	0.05%	0.05%	20,732
11/11/2013	145,573	65,857	63,941,163	1,309,525	921,347	22,920,387	36,246	0.158%	0.096%	19,758	46,646,320	8,066	0.02%	0.02%	7,276
11/12/2013	96,955	43,862	63,941,163	1,309,525	921,347	22,922,099	24,141	0.105%	0.064%	13,137	46,651,438	5,372	0.01%	0.01%	4,845
11/13/2013	205,673	93,046	63,941,163	1,304,279	921,347	22,923,240	51,099	0.223%	0.135%	27,777	46,654,847	11,372	0.02%	0.02%	10,254
11/14/2013	124,605	56,371	63,941,163	1,304,279	921,347	22,925,996	30,957	0.135%	0.082%	16,789	46,662,157	6,890	0.01%	0.01%	6,210
11/15/2013	316,295	143,092	63,941,163	1,304,279	921,347	22,927,666	78,582	0.343%	0.207%	42,555	46,666,585	17,489	0.04%	0.04%	15,759
11/18/2013	266,437	120,536	63,941,163	1,304,279	921,347	22,931,905	66,194	0.289%	0.174%	35,717	46,677,825	14,733	0.03%	0.03%	13,267
11/19/2013	239,460	108,332	63,941,163	1,304,279	921,347	22,935,477	59,491	0.259%	0.156%	32,003	46,687,293	13,241	0.03%	0.03%	11,918
11/20/2013	88,470	40,024	63,941,163	1,304,279	921,347	22,938,687	21,979	0.096%	0.057%	11,791	46,695,801	4,892	0.01%	0.01%	4,401
11/21/2013	65,562	29,660	63,941,163	1,304,279	921,347	22,939,873	16,288	0.071%	0.042%	8,729	46,698,945	3,626	0.01%	0.01%	3,261
11/22/2013	246,075	111,324	63,941,163	1,304,279	921,347	22,940,752	61,134	0.266%	0.159%	32,739	46,701,274	13,608	0.03%	0.03%	12,239
11/25/2013	76,000	34,382	63,941,163	1,304,279	921,347	22,944,052	18,881	0.082%	0.049%	10,083	46,710,017	4,203	0.01%	0.01%	3,778
11/26/2013	1,293,275	585,078	63,941,163	1,304,279	921,347	22,945,071	321,293	1.400%	0.833%	171,431	46,712,718	71,522	0.15%	0.14%	64,286
11/27/2013	843,259	381,490	63,941,163	1,304,279	921,347	22,962,412	209,485	0.912%	0.535%	110,125	46,758,669	46,643	0.10%	0.09%	41,819
11/29/2013	45,086	20,397	63,941,163	1,304,279	921,347	22,973,726	11,200	0.049%	0.028%	5,831	46,788,623	2,494	0.01%	0.01%	2,233
12/2/2013	112,910	51,080	63,941,163	1,304,279	921,347	22,974,331	28,049	0.122%	0.071%	14,596	46,790,224	6,246	0.01%	0.01%	5,591
12/3/2013	89,933	40,686	63,941,163	1,304,279	921,347	22,975,847	22,341	0.097%	0.056%	11,611	46,794,234	4,975	0.01%	0.01%	4,452
12/4/2013	72,843	32,954	63,941,163	1,304,279	921,347	22,977,055	18,095	0.079%	0.046%	9,395	46,797,428	4,030	0.01%	0.01%	3,605
12/5/2013	64,159	29,026	63,941,163	1,304,279	921,347	22,978,032	15,938	0.069%	0.040%	8,268	46,800,015	3,549	0.01%	0.01%	3,175
12/6/2013	186,503	84,374	63,941,163	1,304,279	921,347	22,978,894	46,330	0.202%	0.117%	24,016	46,802,293	10,318	0.02%	0.02%	9,229
12/9/2013	286,997	129,837	63,941,163	1,304,279	921,347	22,981,398	71,294	0.310%	0.179%	36,877	46,808,917	15,878	0.03%	0.03%	14,197
12/10/2013	335,205	151,647	63,941,163	1,304,279	921,347	22,985,251	83,268	0.362%	0.209%	42,931	46,819,109	18,546	0.04%	0.04%	16,573
12/11/2013	77,323	34,981	63,941,163	1,304,279	921,347	22,989,753	19,208	0.084%	0.048%	9,865	46,831,012	4,278	0.01%	0.01%	3,821
12/12/2013	273,462	123,714	63,941,163	1,304,279	921,347	22,990,791	67,930	0.295%	0.169%	34,858	46,833,758	15,131	0.03%	0.03%	13,510
12/13/2013	149,778	67,760	63,941,163	1,304,279	921,347	22,994,464	37,206	0.162%	0.092%	19,033	46,843,468	8,287	0.02%	0.02%	7,396
12/16/2013	149,492	67,630	63,941,163	1,304,279	921,347	22,996,476	37,134	0.161%	0.092%	18,964	46,848,786	8,272	0.02%	0.02%	7,380
12/17/2013	391,742	177,224	63,941,163	1,304,279	921,347	22,998,484	97,310	0.423%	0.241%	49,609	46,854,094	21,677	0.05%	0.04%	19,334
12/18/2013	253,472	114,671	63,941,163	1,304,279	921,347	23,003,747	62,962	0.274%	0.155%	31,956	46,868,002	14,026	0.03%	0.03%	12,501
12/19/2013	349,464	158,098	63,941,163	1,304,279	921,347	23,007,153	86,806	0.377%	0.213%	43,930	46,877,001	19,339	0.04%	0.04%	17,227
12/20/2013	338,646	153,203	63,941,163	1,304,279	921,347	23,011,849	84,118	0.366%	0.206%	42,400	46,889,408	18,741	0.04%	0.04%	16,683
12/23/2013	164,440	74,393	63,941,163	1,304,279	921,347	23,016,401	40,846	0.177%	0.100%	20,509	46,901,429	9,101	0.02%	0.02%	8,096
12/24/2013	60,558	27,396	63,941,163	1,304,279	921,347	23,018,611	15,042	0.065%	0.037%	7,539	46,907,266	3,352	0.01%	0.01%	2,981
12/26/2013	267,782	121,145	63,941,163	1,304,279	921,347	23,019,425	66,514	0.289%	0.162%	33,313	46,909,416	14,821	0.03%	0.03%	13,179
12/27/2013	192,049	86,883	63,941,163	1,304,279	921,347	23,023,025	47,703	0.207%	0.116%	23,818	46,918,921	10,630	0.02%	0.02%	9,447
12/30/2013	277,164	125,389	63,941,163	1,304,279	921,347	23,025,608	68,844	0.299%	0.167%	34,299	46,925,737	15,341	0.03%	0.03%	13,629
12/31/2013	347,797	157,343	63,941,163	1,304,279	921,347	23,029,334	86,387	0.375%	0.208%	42,904	46,935,575	19,251	0.04%	0.04%	17,094
1/2/2014	47,104	21,310	69,598,998	1,304,279	921,347	23,034,012	11,700	0.051%	0.028%	5,788	46,947,918	2,607	0.01%	0.01%	2,314
1/3/2014	239,673	108,428	69,598,998	1,304,279	921,347	23,033,886	59,530	0.258%	0.143%	29,434	46,948,044	13,267	0.03%	0.03%	11,772
1/6/2014	112,132	50,729	69,598,998	1,304,279	921,347	23,033,250	27,851	0.121%	0.067%	13,735	46,948,680	6,207	0.01%	0.01%	5,506
1/7/2014	26,500	11,989	69,598,998	1,304,279	921,347	23,032,952	6,582	0.029%	0.016%	3,242	46,948,978	1,467	0.00%	0.00%	1,301
1/8/2014	45,358	20,520	69,598,998	1,304,279	921,347	23,032,882	11,266	0.049%	0.027%	5,548	46,949,048	2,511	0.01%	0.01%	2,227
1/9/2014	130,362	58,976	69,598,998	1,304,279	921,347	23,032,761	32,379	0.141%	0.077%	15,937	46,949,169	7,217	0.02%	0.01%	6,400

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 98 of 122

Exhibit 3
AgFeed Industries, Inc.
Details on the Estimation of the Number of Shares Held as of 12/19/11 that Are Still Held by the Same Investors on 2/7/14
Using NERA's Multi-Sector, Multi-Trader Model

						High-Activity Traders[1]					Low-Activity Traders[1]				
									12/19/11 High Act. Holdings					12/19/11 Low Act. Holdings	
Date	Trading Volume[2]	Adjusted Trading Volume[3]	Shares Outstanding[4]	Short Interest[5]	Insider Holdings[6]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) =(8)/(7)	(10)	(11)	(12)	(13)	(14) =(13)/(12)	(15)	(16)
1/10/2014	727,976	329,336	69,598,998	1,304,279	921,347	23,032,415	180,812	0.785%	0.432%	88,873	46,949,515	40,300	0.09%	0.08%	35,734
1/13/2014	83,606	37,823	69,598,998	1,304,279	921,347	23,030,484	20,765	0.090%	0.049%	10,127	46,951,446	4,629	0.01%	0.01%	4,101
1/14/2014	88,060	39,838	69,598,998	1,304,279	921,347	23,030,263	21,872	0.095%	0.052%	10,657	46,951,667	4,876	0.01%	0.01%	4,319
1/15/2014	492,061	222,608	69,598,998	1,304,279	921,347	23,030,030	122,213	0.531%	0.289%	59,495	46,951,900	27,244	0.06%	0.05%	24,130
1/16/2014	42,911	19,413	69,598,998	1,304,279	921,347	23,028,728	10,658	0.046%	0.025%	5,161	46,953,202	2,376	0.01%	0.00%	2,103
1/17/2014	397,118	179,656	69,598,998	1,304,279	921,347	23,028,615	98,630	0.428%	0.232%	47,740	46,953,315	21,989	0.05%	0.04%	19,463
1/21/2014	61,987	28,043	69,598,998	1,304,279	921,347	23,027,566	15,395	0.067%	0.036%	7,420	46,954,364	3,432	0.01%	0.01%	3,037
1/22/2014	147,613	66,780	69,598,998	1,304,279	921,347	23,027,402	36,661	0.159%	0.086%	17,658	46,954,528	8,174	0.02%	0.02%	7,231
1/23/2014	322,945	146,100	69,598,998	1,304,279	921,347	23,027,013	80,207	0.348%	0.187%	38,572	46,954,917	17,883	0.04%	0.04%	15,817
1/24/2014	215,494	97,489	69,598,998	1,304,279	921,347	23,026,162	53,520	0.232%	0.125%	25,649	46,955,768	11,934	0.03%	0.02%	10,551
1/27/2014	134,884	61,022	69,598,998	1,304,279	921,347	23,025,594	33,499	0.145%	0.078%	16,018	46,956,336	7,470	0.02%	0.01%	6,602
1/28/2014	98,495	44,559	69,598,998	1,304,279	921,347	23,025,239	24,462	0.106%	0.057%	11,679	46,956,691	5,455	0.01%	0.01%	4,820
1/29/2014	67,394	30,489	69,598,998	1,304,279	921,347	23,024,980	16,738	0.073%	0.039%	7,983	46,956,950	3,732	0.01%	0.01%	3,298
1/30/2014	89,265	40,383	69,598,998	1,304,279	921,347	23,024,802	22,169	0.096%	0.051%	10,566	46,957,128	4,944	0.01%	0.01%	4,368
1/31/2014	130,236	58,919	69,598,998	1,304,279	921,347	23,024,568	32,345	0.140%	0.075%	15,401	46,957,362	7,213	0.02%	0.01%	6,372
2/3/2014	54,090	24,470	69,598,998	1,304,279	921,347	23,024,225	13,433	0.058%	0.031%	6,388	46,957,705	2,996	0.01%	0.01%	2,646
2/4/2014	50,524	22,857	69,598,998	1,304,279	921,347	23,024,083	12,548	0.054%	0.029%	5,963	46,957,847	2,798	0.01%	0.01%	2,472
2/5/2014	17,044	7,711	69,598,998	1,304,279	921,347	23,023,950	4,233	0.018%	0.010%	2,010	46,957,980	944	0.00%	0.00%	834
2/6/2014	20,101	9,094	69,598,998	1,304,279	921,347	23,023,905	4,992	0.022%	0.012%	2,371	46,958,025	1,113	0.00%	0.00%	983
2/7/2014	53,800	24,339	69,598,998	1,304,279	921,347	23,023,853	13,361	0.058%	0.031%	6,344	46,958,077	2,980	0.01%	0.01%	2,632
Totals:								**A. Sales of 12/19/11 Holdings in High Activity Sector:**		**9,655,727**			**B. Sales of 12/19/11 Holdings in Low Activity Sector:**		**2,967,805**

Estimation:

C. 12/19/11 Holdings in Unobserved Sector[9]		**65,016,814**
D. Total Sales of 12/19/11 Holdings in Unobserved Sector	**=[A] + [B]**	**12,623,531**
E. Estimated Number of Shares Held as of 12/19/11 and Retained Through 2/7/14 in Unobserved Secto	**=[C] - [D]**	**52,393,283**
F. Number of Shares Held as of 12/19/11 and Retained Through 2/7/14 by Institutions[10]		**0**
G. Total Estimated Number of Shares Held as of 12/19/11 and Retained Through 2/7/1	**=[E] + [F]**	**52,393,283**

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 99 of 122

Exhibit 3
AgFeed Industries, Inc.
Details on the Estimation of the Number of Shares Held as of 12/19/11 that Are Still Held by the Same Investors on 2/7/14
Using NERA's Multi-Sector, Multi-Trader Model

						High-Activity Traders[1]					Low-Activity Traders[1]				
									12/19/11 High Act. Holdings					12/19/11 Low Act. Holdings	
Date	Trading Volume[2]	Adjusted Trading Volume[3]	Shares Outstanding[4]	Short Interest[5]	Insider Holdings[6]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]	Float	Sales	Sale Rate	Sale Rate[7]	Sales[8]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) =(8)/(7)	(10)	(11)	(12)	(13)	(14) =(13)/(12)	(15)	(16)

Notes and Sources:

[1] The Multi-Sector, Multi-Trader model separates trading activity and share ownership into two sectors: observed and unobserved. In this case, where the records of the transfer agent and brokerage firms have not yet been examined, the observed sector consists of institutions for whom Thomson Financial data are available. The unobserved sector contains the remainder of shares for which we currently have no data regarding actual trading. Shares available to trade for the unobserved sector are calculated as shares outstanding less insider holdings, less institutional holdings, plus short interest. Purchase and sale volume data for the unobserved sector are reduced by dealer trading (54.76%), insider trading, short covers and sales, institutional trading and intra-day trading (32.86% of the adjusted volume).
The Multi-Sector, Multi-Trader model divides the unobserved sector into two classes of shareholders who differ in their relative trading rates. High-activity traders account for 80.90% of all purchases, low-activity traders for 19.10%. High-activity traders account for 31.65% of ownership as of the first trading day following December 19, 2011, low-activity traders for 68.35%. High-activity traders sell their holdings 9.15 times faster than the low-activity traders. Within these two classes of shareholders, a proportional decay model is used to estimate the number of shares purchased on any given day that are still held as of each subsequent day.
Institutional holdings are shown in Exhibit 4. In the calculations, institutional holdings are lagged forward one trading day from their reported date. The data were prorated between the periodically available data based on adjusted trading volume.

[2] Trading volume is from Bloomberg Finance L.P.

[3] The broker-dealer intermediation rate for the Nasdaq (54.76%), which is also a market where intermediation occurs through broker-dealers, is used here. See Marcia Kramer Mayer and Fernando Avalos (2002) "Dealer Participation on The New York Stock Exchange & Nasdaq," NERA Economic Consulting.

[4] Shares outstanding are from SEC filings. Change in shares outstanding from the latest information available from the company's SEC filings to today's number as provided by Counsel (69,598,998) is set on 12/31/13. Shares outstanding are lagged forward one trading day from their reported date. The data were prorated between the periodically available data based on adjusted trading volume.

[5] Short interest is from Bloomberg Finance L.P. Short interest is lagged backward two trading days from the reported date. The data were prorated between the periodically available data based on adjusted trading volume.

[6] Insider holdings are from SEC filings. Insider holdings are lagged forward one trading day from their reported date.

[7] The sale rate of the 12/19/11 holdings in the unobserved sector is the percentage of those holdings that are sold on that given day. It is calculated as the sale rate on that day, times 1 minus the sum of all previous sale rates of the 12/19/11 holdings in the unobserved sector.

[8] Calculated as the sale rate of the 12/19/11 holdings in the unobserved sector on that day, times the 12/19/11 holdings in the unobserved sector (20,580,559 for the high activity sector, 44,436,256 for the low activity sector) that are sold throughout the given period.

[9] Sum of the 12/19/11 holdings in the high-activity sector (20,580,558) and low-activity sector (44,436,255).

[10] Institutions did not hold any AgFeed shares as of the most recent quarter for which data are available (12/31/13), so no shares held by institutions on 12/19/11 were retained through 2/7/14. See Exhibit 4.

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 100 of 122

Exhibit 4
AgFeed Industries, Inc.
Institutional Holdings

Institution	Holdings of 13-F Filing Institutions									
	9/30/11	12/31/11	3/31/12	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	12/31/13
1. Allianz Global Investors Kapitalanlagegesellschaft mbH	19,806	19,806	19,806	19,806	-	-	-	-	-	-
2. Bank of America Merrill Lynch (US)	26,400	15,400	-	-	-	-	-	-	-	-
3. Barclays Capital Inc.	115,025	106,771	-	-	-	-	-	-	-	-
4. BlackRock Advisors (UK) Limited	-	14	-	-	-	-	-	-	-	-
5. Bridgeway Capital Management, Inc.	179,050	-	-	-	-	-	-	-	-	-
6. California Public Employees' Retirement System	62,400	62,400	62,400	-	-	-	-	-	-	-
7. Citadel Investment Group, L.L.C.	34,957	8,242	-	-	-	-	-	-	-	-
8. Columbia Management Investment Advisers, LLC	800	-	-	-	-	-	-	-	-	-
9. Concert Wealth Management Inc.	22,000	-	-	-	-	-	-	-	-	-
10. Deutsche Asset Management Americas	521	2,847	-	-	-	-	-	-	-	-
11. FineMark National Bank & Trust	-	575	96,611	96,611	96,611	96,611	-	-	-	-
12. FSC Securities Corporation	700	700	-	-	-	-	-	-	-	-
13. Goldman Sachs & Company, Inc.	21,742	21,949	-	-	-	-	-	-	-	-
14. Group One Trading, L.P.	17,719	22,619	-	-	-	-	-	-	-	-
15. Guggenheim Funds Investment Advisors, LLC	359,483	359,483	359,483	-	-	-	-	-	-	-
16. Guggenheim Investments	835,292	1,346,670	-	-	-	-	-	-	-	-
17. Invesco PowerShares Capital Management LLC	107,296	87,415	-	-	-	-	-	-	-	-
18. Knight Capital Americas LLC	116,700	24,594	-	-	-	-	-	-	-	-
19. LPL Financial Services	28,700	10,700	10,700	-	-	-	-	-	-	-
20. Morgan Stanley & Co. LLC	47,900	33,100	-	-	-	-	-	-	-	-
21. Morgan Stanley Wealth Management	18,600	10,110	-	-	-	-	-	-	-	-
22. Northern Trust Global Investments	7,149	7,149	-	-	-	-	-	-	-	-
23. Northern Trust Investments, N.A.	9,693	9,693	-	-	-	-	-	-	-	-
24. PineBridge Investments LLC	700	700	-	-	-	-	-	-	-	-
25. PNC Wealth Management	500	-	-	-	-	-	-	-	-	-
26. RBC Capital Markets Wealth Management	423,918	419,867	-	-	-	-	-	-	-	-
27. RBC Dominion Securities, Inc.	-	1,254	-	-	-	-	-	-	-	-
28. RBC Phillips, Hager & North Investment Counsel Inc.	200	200	-	-	-	-	-	-	-	-
29. Renaissance Technologies Corp.	-	37,040	-	-	-	-	-	-	-	-
30. Signaturefd, LLC	1,000	1,000	-	-	-	1,000	-	-	-	-
31. Stafford Asset Management LLC	51,526	51,526	51,526	51,526	51,526	-	-	-	-	-
32. Stoker Ostler Wealth Advisors, Inc.	-	200	-	-	-	-	-	-	-	-
33. Susquehanna Financial Group, LLLP	146,753	149,365	-	-	-	-	-	-	-	-
34. TD Securities, Inc.	50,000	-	-	-	-	-	-	-	-	-
35. Tealwood Asset Management Inc.	-	-	10,000	10,000	-	-	-	-	-	-
36. Tesseract Capital LLC	2,100	-	-	-	-	-	-	-	-	-
37. Tower Research Capital LLC	-	20	-	-	-	-	-	-	-	-
38. UBS Securities LLC	372,449	50,682	-	-	-	-	-	-	-	-
39. Wells Fargo Bank, N.A.	1,600	1,600	-	-	-	-	-	-	-	-
Total	**3,082,679**	**2,863,691**	**610,526**	**177,943**	**148,137**	**97,611**	-	-	-	-

Notes and Source:

Data are from Thomson Reuters.

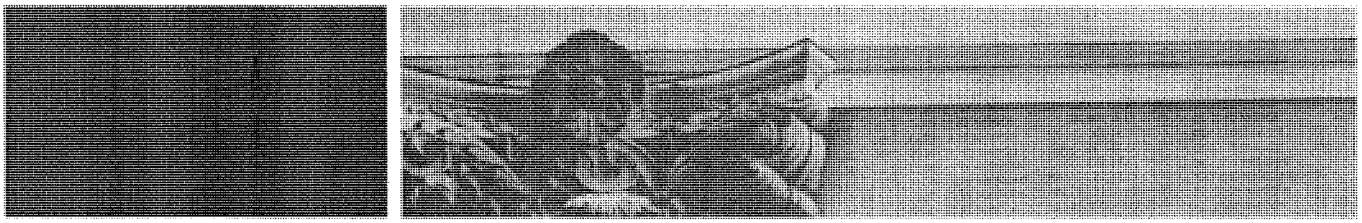
Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 101 of 122

NERA
Economic Consulting

October 2000*

Best-Fit Estimation Of Damaged Volume in Shareholder Class Actions: The Multi-Sector, Multi-Trader Model of Investor Behavior

By Dr. Marcia Kramer Mayer



Summary

How many shares are damaged by the fraud in a shareholder class action?[1] In theory, this question can wait until resolution of the case, for it answers itself when claims are made. In practice, estimates of damaged shares are needed beforehand. Negotiating strategy, resource allocation, and the size and structure of settlements are all influenced by defendants' perceptions of their exposure and plaintiffs' perceptions of their potential gain, both of which turn on aggregate damages. Damage per share and number of damaged shares—also known as damaged volume—together determine this aggregate, so developing an accurate estimate of damaged shares is important early on.

This paper challenges the popular single-trader (a.k.a., "proportional trading" or "proportional decay") model for estimating damaged volume, demonstrating that its assumptions about shareholder behavior are inconsistent with the evidence and strongly biased.[2]

The multi-sector, multi-trader model of investor behavior that NERA employs to estimate damaged volume relies much more on data and less on assumption than the single-trader approach. The result is an estimate of damaged volume that is empirically grounded, free of bias, and a lot closer to reality.

---

* First edition July 1994. Second edition July 1996. Third edition October 2000.

1 Without a finding of liability, number of damaged shares, damage per share, aggregate damages, and stock price inflation are all properly qualified as "alleged." For ease of exposition, that qualifier is omitted in the discussion below, but it should be understood.

2 In excluding the testimony on aggregate damages of plaintiffs' expert Dr. Gregg A. Jarrell, who relied on this model, the Court ruled, "The proportional trading model does not meet any of the Daubert standards," noting particularly that it "has never been tested against reality." Kaufman v. Motorola, Inc., et al., No. 95 C 1069 (N.D. Ill. 19 September 2000).

What is Damaged Volume?

The typical shareholder class action alleges that stock price was artificially inflated during the class period. In this scenario, shares purchased during the class period and retained to its end ("buy-and-hold shares"), when price returns to true value, are damaged. If inflation is constant or rising, only buy-and-hold shares are damaged. For shares bought and sold during the class period ("in-out shares") also to be damaged, inflation must fall from the time of purchase to the time of sale, e.g., in connection with a partial disclosure.

Other suits, those complaining of such things as undisclosed merger plans, allege that stock price was artificially deflated during the class period. In this less common scenario, damaged shares are those that public investors acquired before the alleged fraud began and sold during the class period, for too low a price. In-out shares are damaged here if deflation was less at the time of purchase than at the time of sale.

Whichever allegation applies, only shares involved in a transaction during the class period are damageable. If inflation (or deflation) is constant and the number of publicly held shares remains unchanged, damaged volume is simply equal to the number of different shares that trade. The goal of any damaged volume model is to estimate that number.[3]

The Single-Trader Model

How It Works

The proportional trader model, commonly attributed to plaintiffs' expert John Torkelsen, has been widely used by plaintiffs' and defendants' experts alike in securities class actions. This model estimates damaged volume by assuming, arbitrarily, that all publicly owned shares not known to have been "held through" (i.e., untraded during) the class period by institutions are equally likely to have traded on any given day during that period. It also makes an arbitrary assumption about the proportion of purchases by public investors that resell the same day; the usual such assumption is that none do (i.e., there is no intraday trading).[4] The central assumption—that all publicly held shares that might trade are equally likely to do so—implies that all shareholders are identical in their trading propensities. Accordingly, I refer to this as the single-trader model.

---

[3] The discussion below assumes both constant inflation and a constant share count. Accordingly, the focus is on retained purchases, the measure of traded—and damaged—shares in that situation. The same techniques for estimating damaged volume are applicable in other inflation (and deflation) and share count scenarios.

[4] Until a few years ago, expert reports employing the proportional trading model often included an explicit assumption of no intraday trading. More recently, the practice in such reports has been to reduce market volume by a fixed percentage said to represent both dealer and [public investor] intraday trading; the usual adjustment is 50 percent for Nasdaq stocks and 20 percent for exchange-listed securities. Inasmuch as dealer participation accounts for about 50 percent of Nasdaq volume and 10 percent of New York and American Stock Exchange volume, these adjustments are tantamount to assuming that intraday trading by public investors is non-existent on Nasdaq and accounts for about 11 percent of public volume on exchanges.

The single-trader model's two assumptions about investor behavior govern the manner in which it employs data on trading volume and shares outstanding, its principal inputs, to estimate buy-and-hold shares. The daily sale rate—i.e., ratio of shares sold to shares held—is the critical linkage. All shares, whether purchased years before the class period or on any day during that period, are assumed to sell off at a common rate on any given day during the period. None are assumedly sold on the day of purchase. By applying successive daily sale rates to the number of shares remaining from each prior day's purchases, retention of class period purchases to the end of the period can be readily calculated.

The model is most easily understood via a simple example. The "data" for my hypothetical, set forth in the first column of Table 1, consist of daily volume and number of shares outstanding during a three-day class period.[5] Using these inputs, Table 2 illustrates the mechanics of the single-trader model. Of the 1,000 shares held in this stripped-to-basics example, 200 trade each day. The model's assumption is that each share, regardless of when or by whom it was purchased, has a 20 percent chance of trading each day. Equivalently, each share has an 80 percent chance of not trading each day.

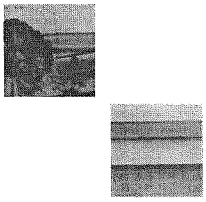


Table 1. **Comparison of Two Trading Models**

		Multi-Trader	
	Single-trader	Low Activity Traders	High Activity Traders
A. Holdings	1,000	800	200
B. Daily Volume	200	40	160
C. Daily Turnover Rate (B/A)	20%	5%	80%
D. Daily Retention Rate (100-C)	80%	95%	20%

Of the 1,000 shares owned initially (just before the period begins), 800 are expected not to have traded by the end of Day 1. An expected 640 (i.e., 80 percent of the 800) will not have traded by the end of Day 2, and 512 (80 percent of the 640) should still be untraded at the end of Day 3. These 512 "Hold-Through" shares are undamaged.

The 488 "Buy-and-Hold" shares that did trade are allegedly damaged, the damaged party in each case being the last buyer. The expectation is that all 200 shares purchased on Day 3, 160 of those purchased on Day 2 (80 percent of 200), and 128 of those bought on Day 1 (80 percent of 80 percent of 200) will be retained by those buyers to the end of the period.

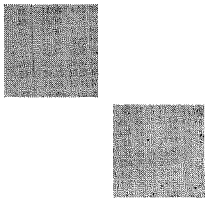
The excess of total volume (600) over the number of different shares that trade (488) is a measure of in-out volume, i.e., shares that traded more than once during the class period.

5 The example in the text abstracts from the handful of real-world considerations that the model does take account of besides daily volume and shares outstanding, but the essence of the model is as represented. The omitted considerations are: insider trading and holdings, dealer trading (see fn. 4), short interest, and institutional shares untraded during ("held through") the class period. The model also allows for changes in shares outstanding (e.g., from public offerings, mergers, and buy-backs) and daily volume.

Where It Fails

While appealing for its simplicity, the single-trader model rests on highly unrealistic assumptions. This might not be fatal if it nonetheless produced unbiased results that were as accurate as could be expected under any other reasonably tractable methodology. In fact, the estimates that it generates are subject to a strong bias and needlessly prone to error.

The single-trader model derives its bias from the fact that it rules out by assumption the possibility of some investors having a higher propensity to trade than others. If real-world investors—a group that encompasses everyone from professional arbitrageurs to participants in employee stock purchase plans—are characterized by diversity in trading propensities, as seems obvious, then a disproportionately large number of purchases and sales will be accounted for by activity-oriented investors. Shares initially held or subsequently acquired by these high activity investors can be expected to change hands more frequently during any given period of time than shares initially held or subsequently acquired by low activity investors. For a given aggregate volume, more re-trading of some shares implies fewer different shares participating in the trading process. Since damages can only be incurred in connection with transactions, the single-trader model's assumption of uniform trading propensities—unless absolutely correct—inflates damaged volume estimates vis-à-vis a model that allows for differences in trading propensities.



The last two columns of Table 2 apportion the hypothetical "data" considered in our single-trader example between two disparate groups. The High Activity Investors have 16 times the daily trading rate of the Low Activity Investors, 80 percent (i.e., 160 shares traded/200 shares held) versus 5 percent (i.e., 40 shares traded/800 shares held). Equivalently, the frenetic traders of the former group account for 80 percent of volume but only 20 percent of holdings, whereas the relatively sluggish traders of the latter group account for only 20 percent of the volume but own 80 percent of the shares.

Table 2. **In the Single-Trader Model, Initial Holdings and Daily Purchases Are Equally Likely to Trade**

		Predicted Holdings at End of Day 3 for a Population that Owns 1,000 Shares and Trades 200 per Day		
		Buy & Hold	Hold-Through	Total
Initial Holdings		-	1000*.8*.8*.8=512	512
Purchases:	Day 1	200*.8*.8=128	-	128
	Day 2	200*.8-160	-	160
	Day 3	200=200	-	200
Total		488	512	1,000

The implications of these differences in investor trading rates for alleged damaged volume are dramatic, as shown by Table 3.

- Of 800 shares held at the outset by Low Activity Investors, 686 (i.e., 800 * .95 * .95 * .95) are expected not to trade. Of the initial 200 shares held by High Activity Investors, only 2 (i.e., 200 * .20 * .20 * .20, rounded to the nearest integer) are expected not to trade. The bottom line: "Hold-Through"—and therefore undamaged—shares are predicted to total 688, not 512 as in the single-trader example.
- Of the 120 (i.e., 40 * 3) shares purchased by Low Activity Traders, 114 (i.e., 40 + 40 * .95 + 40 * .95 * .95), or 95 percent, are expected to be retained to the end of the three-day class period. In contrast, of the 480 (i.e., 160 * 3) shares purchased by High Activity Traders, only 198 (i.e., 160 + 160 * .2 + 160 * .2 * .2), or 41 percent, are expected to be held to then. Thus, "Buy-and-Hold"—and therefore damaged—shares are predicted to total 312 (i.e., 114 + 198 or 1,000 – 688), not the 488 estimated by the single-trader model.

Table 3. **In the Multi-Trader Model, Initial Holdings are Less Likely to Trade Than Daily Purchases**

	Predicted Holdings at the End of Day 3					
	Low Activity Traders Own 800 Shares, Trade 40 per Day		High Activity Traders Own 200 Shares, Trade 160 per Day		Total	
	Buy & Hold (1)	Hold-Through (2)	Buy & Hold (3)	Hold-Through (4)	Buy & Hold (1)=(3) (5)	Hold-Through (2)=(4) (6)
Initial Holdings -	-	686	-	2	-	688
Purchases: Day 1	36	-	6	-	42	
Day 2	38	-	32	-	70	
Day 3	40	-	160	-	200	
Total	114	686	198	2	312	688

Quite aside from its tendency to systematically overestimate alleged damaged volume, the single-trader model is apt to be wide of the mark. The reason for its error-proneness is that the model underutilizes the most readily available data set with implications for damaged volume and altogether ignores other available data sets.

The underutilized data set consists of 13-F filings, the forms on which institutions with at least $100 million under management report their quarter-end positions to the SEC. The single-trader model properly excludes institutional positions known to have been held through (i.e., untraded during) the class period from the share base over which it is estimated. However, it takes no special account either from a volume perspective or an ownership perspective of institutional shares known to have traded during the period. Inclusion in the statistical model of shares about which the essentials are known a priori injects needless error into the damage volume estimate.[6]

[6] Two purposefully extreme hypotheticals illustrate how inclusion in the estimation process of institutional shares known to have traded during the class period can distort the single-trader model's damaged volume estimate. In the first, institutional holdings data make it clear that all shares traded during the class period but the single-trader model predicts that only some did, and thus it understates damaged volume. In the second, institutional holdings and volume data together indicate that few shares traded during the class period but the single-trader model predicts that most did, and thus it overstates damaged volume.

- Example 1: All end-of-class-period holdings are owned by institutions that hold no shares at the start of the period. This indicates a priori that every share traded. However, the single-trader model invariably estimates a traded (Buy-and-Hold) proportion of less than 1.0. In this case, it underestimates damaged volume.
- Example 2: All volume is accountable for by known changes in institutional quarter-end positions. In particular: (a) daily volume is a constant 0.2 percent of shares outstanding and there are 63 trading days per quarter, so quarterly volume is exactly 12.6 percent of outstanding shares, and (b) exactly 12.6 percent of outstanding shares is held by a different institution at each quarter-end. No other institutional holdings are reported, so none are deemed to have been "held through" the class period. Given a class period of 378 trading days (six quarters), the single-trader model predicts that 53.1 percent of the outstanding shares will trade and hence be damaged (i.e., 1 - .998 raised to the 378th power). The true proportion, however, is only 12.6 percent: the shares known to pass from one institution to another each quarter. In this case, the single-trader model overestimates damaged volume.

[7] Affidavit, Marcia Kramer Mayer, *In Re ASK Computer Systems Securities Litigation*, 22 July 1992, on damage volume.

Towards a Better Method of Damage Volume Estimation: The Multi-Sector, Multi-Trader Model

Expanding upon theoretical work that I began before joining the firm in 1992,[7] NERA has developed an efficient and practical method of estimating damaged volume that avoids the problems of the single-trader approach. To explain how our multi-sector, multi-trader model works, it is useful to contrast it with the single-trader model. While the former builds on the latter, there are two critical differences. One relates to the newer model's multi-sector aspect, the other to its multi-trader aspect. These differences, described below, each reflect a substitution of data for assumption.

The Multi-Sector Principle: Don't Estimate What You Can Count

The first insight of the new method is that for certain shareholder groups, or sectors, analysis of holder-specific position and activity data can yield very nearly the whole truth about damaged volume for these sectors. The single-trader approach *estimates* a statistical model over *all* non-insider shares not known to have been held through the class period by particular institutions, using *all* non-insider, non-dealer volume in the process (Figure 1). The multi-sector, multi-trader alternative, in contrast, essentially *counts* damaged volume for a substantial subset of the outstanding shares: sectors for which holder-specific data are available. It estimates a statistical model only for those shares for which holder-specific data are unavailable (Figure 2).

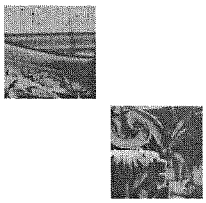


Figure 1. **The Single-trader Model Makes Little Use of Holder-specific Data**

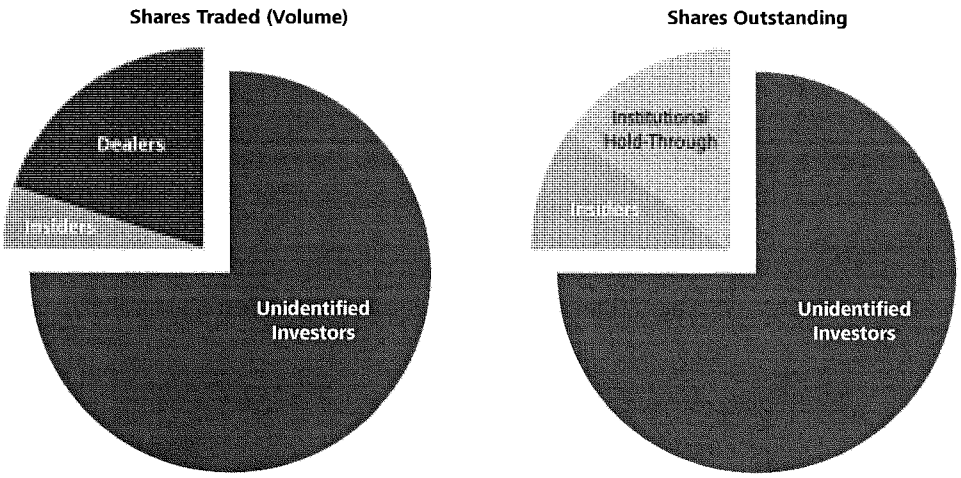
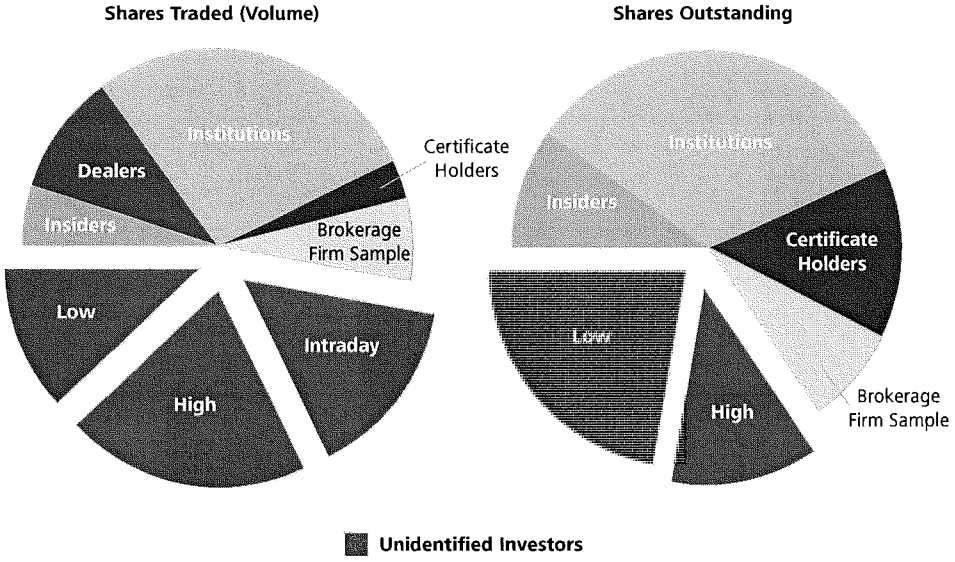


Figure 2. **The Multi-sector, Multi-trader Model Makes Full Use of Holder-specific Data**



The multi-sector protocol calls for holder-specific data from three sources. More information about institutional trading patterns is extracted from 13-F filings than mere "hold-through" tallies, which is all the single-trader model takes from them. In addition, account-specific certificate issuance and cancellation data are obtained from transfer agents, and account-specific trading and position data are subpoenaed from a sample of brokerage firms or obtained from cooperating underwriter defendants.

Armed with this information, an expert can determine damaged volume precisely for street-name accounts in the brokerage firm sample. By introducing the innocuous timing assumption that each institution alters its quarter-end position at a rate proportional to daily volume, one can estimate damaged volume for each institution as well. Similarly innocuous assumptions about the lag between certificate issuance and cancellation, on the one hand, and purchases and sales, on the other, support inferences about the number of damaged shares among certificate (record) holders.[8]

Once damaged volume is tallied for these three sectors, the method excludes all of their shareholdings from the count of shares publicly held, and *all* of their known or reasonably inferable purchases and sales from non-dealer, non-dealer volume. This much-reduced share and volume base constitutes the *Unidentified Investor* sector: shares for which no holder-specific data on positions or trading are available.

[8] Information (precise or estimated, as described above) on daily buys and sells of each identified investor are useful for more than just tallying damaged volume. Another benefit of such data is that they allow net damages to be calculated for these entities by aggregating inflated purchase costs and reducing these by inflated sale proceeds.

The Multi-Trader Principle: Don't Assume Away Reality Unnecessarily

The second insight of the new model is that all investors are *not* equally likely to trade. The fact of the matter is that investors differ in their trading propensities. The statistical model that NERA uses to estimate damaged volume for Unidentified Investors rests on empirically-grounded assumptions about the variability of shareholder behavior, not fanciful ones.

The multi-trader model posits three classes of market participants among Unidentified Investors: Low Activity Investors, High Activity Investors and Intraday Traders. When the market is closed, the first two groups jointly own all of the sector's shares. Both groups retain all of their purchases at least to the end of the purchase day. Thereafter, High Activity Investors are more inclined to trade, relative to their holdings, than Low Activity Investors. In contrast, Intraday Traders never carry a position overnight; all of their purchases are resold the same day.

So long as Unidentified Investors' aggregate purchases and aggregate sales are equal, the proportion of shares held by the High and Low Activity groups remains constant.[9] Intraday volume is a fixed percentage of the sector's total volume in this steady state scenario, and High and Low Activity Traders each account for a fixed proportion of non-intraday buys and sells.

This multi-trader concept has intuitive appeal but theory alone provides no indication of the likely values of the model's parameters. The basis for NERA's assumptions in this regard is actual trading data. In particular, we determine by means of a statistical optimization process the set of multi-trader parameters that best explain observed share retention patterns in the brokerage firm sample, given that sample's known intraday trading each day of the observation period. Since Unidentified Investors and the brokerage firm sample both consist of non-institutional street-name accounts, it is reasonable to expect that the behavioral parameters that best characterize the latter population apply to the former as well.

---

[9] The dynamic features of the multi-trader model come into play when Unidentified Investors' aggregate purchases and sales are not equal, as happens whenever the observed sectors collectively have a net imbalance between purchases and sales. This will be the case, for example, if insiders on net sell more than institutions, certificate holders, and street-name accounts on net buy. In this more general situation, the model has Intraday Traders account for a fixed percentage (g) of whichever is less, Unidentified Investors' purchases or Unidentified Investors' sales. It assumes that High Activity Investors account for a fixed percentage (b) of other purchases (i.e., those not resold the same day) and a variable percentage of other sales (i.e., those of prior day holdings). What makes the model solvable despite variability in the allocation of sales is that the daily sale rate (i.e., sales/holdings) of High relative to Low Activity Investors (k) is assumed constant. The value of the initial proportion of shares owned by High Activity Investors (SHO) is implied by b and k in conjunction with the stability properties of the steady state. Given b, k, g, and the implied value of S_{HO}, the predicted values of each group's daily purchases, sales, holdings, and retained purchases are readily determined.

The nature of the optimization process can be appreciated from Figures 3 and 4, which are based on an actual NERA case. The blue line in each graph traces the actual retention rate (or equivalently, the actual sell-off rate, if measured from the top down) over time of particular bundles of shares. Figure 3 focuses on initial holdings. Figure 4 deals with purchases during the observation period, which in this instance corresponds to the class period. Notably, class period purchases sell off much more rapidly than initial holdings. This, of course, is what one would expect if the former are disproportionately purchased by High Activity Investors and the latter disproportionately owned by Low Activity Investors.

These actual retention rates are contrasted with the green-line retention rates that would be predicted for this sample if one applied the single-trader model to the sample's daily purchases, sales, and shareholdings. The single-trader model predicts much less retention of initial holdings than actually occurred (Figure 3), and hence greater damaged volume. It overpredicts retention of recent purchases, and underpredicts retention of older purchases (Figure 4).

Figure 3. **The Multi-Trader Model Best Explains The Retention of Initial Holdings**

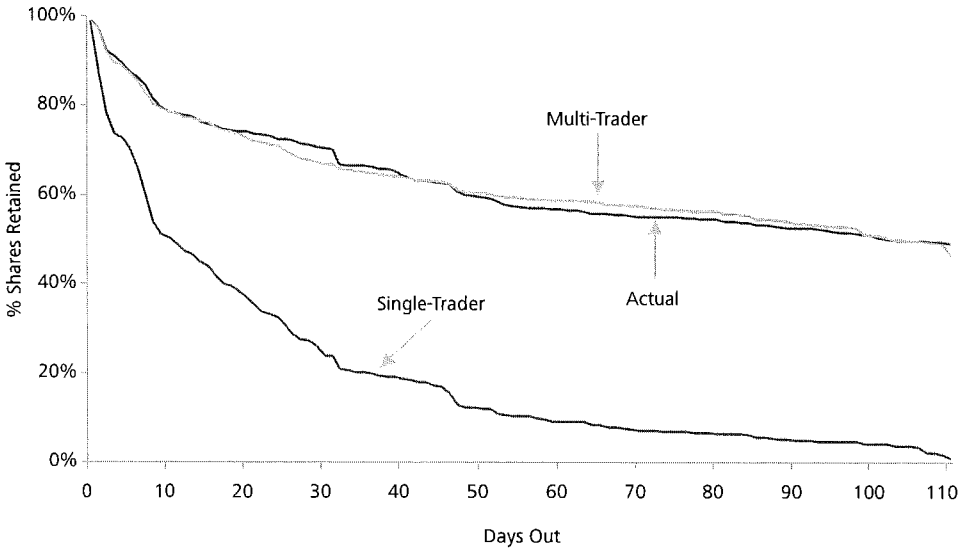
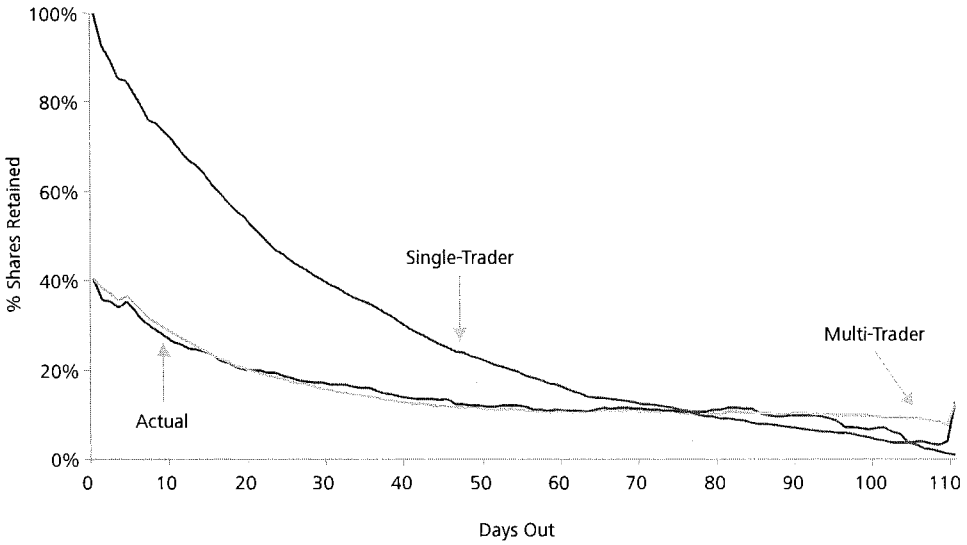


Figure 4. **The Multi-Trader Model Best Explains The Retention of Daily Purchases**



Actual retention rates of initial holdings and class period purchases are both described much better by the predictions of the multi-trader model than by the predictions of the singletrader model. The multi-trader predictions take account not only of the sample's daily purchases, sales and holdings, but also of its observed intraday trading rate and the set of multi-trader parameters that *best account for reality*.[10] These "best-fit" estimates are traced by the red lines.

NERA has applied this methodology to estimate multi-trader parameters from brokerage firm data in 12 shareholder class actions. Table 4 describes the data samples we worked with. For each security, the data encompassed at least 950,000 traded shares over an observation period of at least 42 days in at least 335 street-name accounts. Our pooled sample consists of 90,841 trade sides (purchase trades plus sale trades) representing 137,984,645 traded shares in 37,029 street-name accounts over 3,506 security-days (one security observed for one trading day is a security-day) during the years 1988 through 1998.

[10] We define the best-fit parameters to be those that jointly minimize the weighted sum of squared residual retention rates. The retention rate R_{ij} is the proportion of day *i* purchases (or day 0 initial holdings) in a security that is retained in the buyers' accounts as of day *j*, where $j \geq i$. Actual and predicted retention rates are calculated for all *i*, *j* combinations in an observation period. The difference between these two rates, i.e., the residual retention rate, is squared. The squared residual retention rates are each weighted by shares purchased on day *i* (or held on day 0) to obtain the weighted squared residual retention rate. The lower this number, the better the model fits the data.

Table 4. **Characteristics of the Sample Used to Measure the Intraday Trading Rate and Estimate the Multi-Trader Parameters**

			Issue Characteristics		Sample Characteristics[F]				Sample Size Relative to Size of Issue	
Security[A]	Market-place[B] (1)	Trading Days[C] (2)	Average Daily Volume[D] (3)	Market Value[E] (mils) (4) ($)	Brokerage Firms[G] (5)	Accounts[H] (6)	Trade Sides[I] (7)	One-Sided Volume[J] (8)	Holdings[K] (9)	Volume[L] (10)
1	N	270	85,204	586.8	1	3,497	7,653	954,463	1.5%	2.1%
2	N	652	39,427	268.1	2	929	2,888	4,061,388	2.1%	7.9%
3	N	719	77,580	429.1	2	5,350	16,453	19,208,828	2.4%	17.2%
4	N	242	91,198	59.6	4	1,512	3,199	7,422,809	17.0%	16.8%
5	O	42	359,874	53.2	1	1,249	1,926	6,534,995	32.9%	21.6%
6	O	42	327,781	8.3	1	652	1,046	9,199,380	68.5%	33.4%
7	N	247	132,032	283.1	2	5,323	7,060	1,626,592	5.7%	2.5%
8	N	111	280,014	1,338.0	5	1,846	4,439	6,746,931	2.3%	10.9%
9	O	338	217,445	14.8	1	335	924	2,660,666	3.6%	1.8%
10	N	135	866,873	628.5	1	2,325	3,527	1,624,230	1.9%	0.7%
11	O	408	466,979	40.8	6	7,607	21,849	29,769,482	15.7%	7.8%
12[M]	N	300	1,207,805	2,828.1	1	6,404	19,877	48,174,880	2.4%	6.6%
Pooled Sample[N]		3,506	274,538[O]	6,538.5	27	37,029	90,841	137,984,645	3.2%[P]	7.2%[Q]

Notes:

[A] Each case refers to a different security. Except for case #6, a stock warrant, all of the securities are common stocks.

[B] Marketplace where security is listed is coded as follows: N=NYSE, O=NASDAQ.

[C] Trading Days represents the duration of the observation period. Each observation period falls within the range 1988 to 1998, inclusive. None of the observation periods includes the first 90 days after the security's initial public offering.

[D] Volume data are from FactSet Data Systems. The data are not split-adjusted unless a split occurred during the observation period, in which case they are adjusted for that split only.

[E] Market value, the product of closing price and shares outstanding, is measured as of the beginning of the observation period. Price data are from FactSet Data Systems. With one exception, data on shares outstanding data are from Standard & Poor's Stock Guide. In case #9, share data were compiled from the company's SEC filings and the transfer agent's records.

[F] Data are from account-specific trading and position records of selected brokerage firms. They were obtained by subpoena or provided by cooperating underwriter defendants.

[G] The brokerge firms whose data comprise the sample were selected because they had large street-name positions in the security and/or underwrote a public offering in it during or shortly before the observation period.

[H] The sample is limited to accounts whose net position change during the observation period equals their purchases less their sales. The restriction is intended to exclude accounts with share transfers in or out.

[I] Trade Sides represents purchase trades plus sale trades by accounts in the sample.

[J] One-sided volume is the sum of shares purchased and shares sold by accounts in the sample during the observation period.

[K] The sample's relative holdings equals the average number of shares held long by its accounts at the beginning and end of the observation period, as a percentage of the average number of shares outstanding on those two dates.

[L] The sample's relative volume equals the number of shares purchased plus the number of shares sold by the sample as a percentage of twice times total volume in the issue during the observation period.

[M] Results for this case are preliminary. Additional brokerage firm data is expected.

[N] Data are columns totals, except as indicated.

[O] This is an average weighted by the number of trading days in Column (2).

[P] This is an average weighted by the midpoint of a security's outstanding shares at the beginning and end of the security's observation period.

[Q] This is an average weighted by the total trading volume of a security during its observation period.

Table 5 presents our findings, and Figures 5 through 7 illustrate them. While the particulars differ, each of the twelve data sets is better explained by the assumption of diversity among shareholders than by the assumption of uniformity. The pooled best-fit multi-trader parameters indicate that 62.9 percent of shares were held by parties who did only 16.6 percent of the non-intraday trading, while the other 37.1 percent of shares were held by those who accounted for 83.4 percent of non-intraday trading. The latter group was 8.6 times more likely to sell its holdings on any given day than the former. The data also attest to the frequency with which non-dealer purchases by street-name accounts re-sold the same day. On aggregate, the intraday trading rate in the pooled dataset is 33.7 percent.

Table 5. **Observed Intraday Trading Rates, Estimated Multi-Trader Parameters and Goodness of Fit of the Multi-Trader Relative to the Single-Trader Model**

Case	Observed Intraday Trading Rate[A] (1)	Estimated Multi-Trader Parameters			Weighted Average Squared Residual Retention Rate, Multi-Trader Relative to Single-Trader Model[E] (5)
		High/Low Relative Sale Rate[B] (2)	High Activity Purchases[C] (3)	High Activity Initial Ownership[D] (4)	
1	1.4%	NM[F]	100.0%	75.1%	0.655
2	23.6%	9.25	74.8%	24.3%	0.559
3	44.0%	5.31	67.3%	27.9%	0.344
4	48.3%	NM[F]	100.0%	42.7%	0.112
5	0.8%	NM[F]	100.0%	87.8%	0.785
6	0.5%	NM[F]	100.0%	90.5%	0.956
7	18.3%	14.12	29.8%	2.9%	0.243
8	58.3%	13.12	79.4%	22.7%	0.063
9	0.2%	5.54	76.6%	37.2%	0.954
10	1.5%	7.36	68.1%	22.5%	0.615
11	12.4%	10.92	91.1%	48.4%	0.570
12	52.6%	14.00	71.3%	15.1%	0.173
Pooled Sample	33.7%	8.56	83.4%	37.1%	0.356

Notes:

[A] Intraday volume consists of shares both purchased and sold by the same account on the same day. The intraday trading rate equals twice times the sample's intraday volume as a percentage of its total purchase plus sale volume. Purchases in connection with public offerings are not included in the calculation.

[B] The High/Low Relative Sale Rate is the sale rate (i.e., sales/holdings) on any given day of High Activity Traders divided by the same-day sale rate of Low Activity Traders.

[C] The High Activity Purchases parameter equals daily purchases by High Activity Traders as a percent of daily purchases by High Activity Traders and Low Activity Traders. Purchases by Intraday Traders are not included in the denominator.

[D] The High Activity Initial Ownership parameter is the proportion of initial holdings held by High (as opposed to Low) Activity Traders.

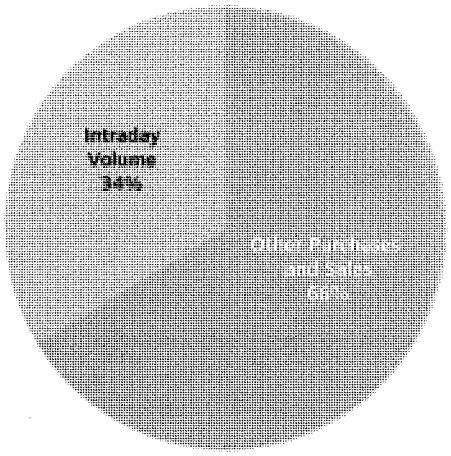
[E] The retention rate is the proportion of day i purchases (or day 0 initial holdings) in a security that are retained in the buyer's account as of day j , where $j >= i$. Actual and predicted retention rates are calculated for all i , j combinations in an observation period. The difference between these two rates, or residual retention rate, is squared. The squared residual retention rates are each weighted by shares purchased on day i (or held on day 0) to obtain the weighted average squared residual retention rate. The lower this number, the better the model's predictions.

[F] The estimated High/Low Relative Sale Rate is not meaningful (NM) when the optimization process allocates all sales to High Activity Traders. Note that in these cases, all purchases are also allocated to this group.

We compared the multi-trader model to the single-trader model in terms of their ability to predict actual retention rates in the brokerage account samples. In every case, the weighted average squared residual (i.e., unexplained) retention rate is lower with the multi-trader model than with the single-trader model, meaning that reality is better explained with the multi-trader model. In the pooled data set, the ratio of weighted average squared residual retention rates is 35.6 percent, meaning that the multi-trader model explains 64.4 percent of the variance in retention rates unexplained by the single-trader model. (Table 5, last column.) While an out-of-sample test would be preferable, this in-sample test is a powerful indication that share retention is amenable to empirical modeling, and that the multi-trader model conforms much more closely to reality than the single-trader model.

The single-trader model is a special case of the more general multi-trader formulation, one in which there is little or no intraday trading and "High" and "Low" Activity Investors are equally likely to trade (equivalently, there is only one investor group). We have proven mathematically that, for any given base of shares held and daily volume (an important proviso) and a class period of any given duration, *the single-trader case maximizes estimated damaged volume* over all possible values of the multi-trader parameters.

Figure 5. **Intraday Trading is Commonplace**



Based on 137,984,645 shares traded by 37,029 street-name accounts in 12 equity securities over 5,506 security-days from 1988 through 1998.

Figure 6. **High Activity Investors Own 37% of the Shares but Account for 83% of the Purchases**

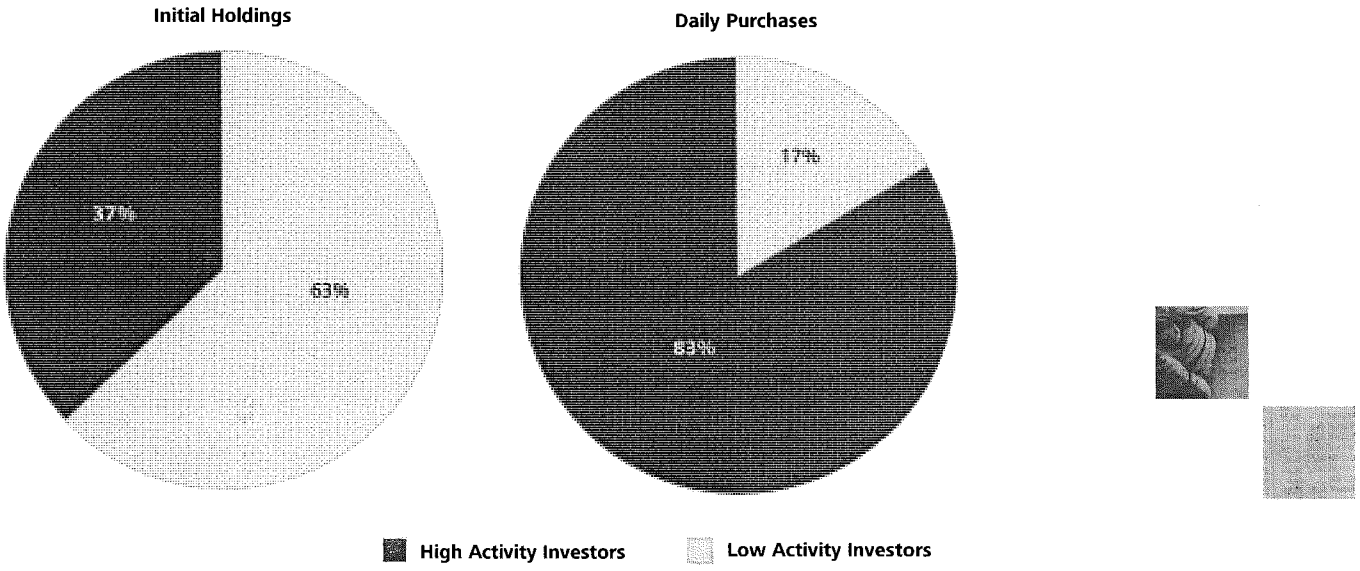
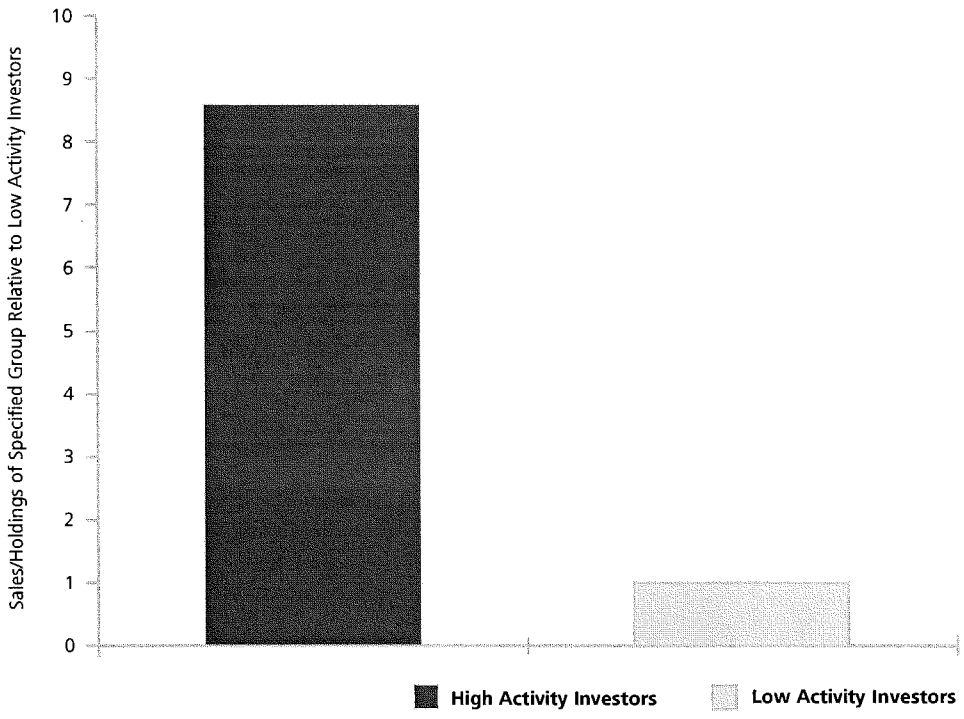


Figure 7. **High Activity Investors Are 8.6 Times More Likely to Sell Holdings on Any Given Day Than Low Activity Investors**



Practical Considerations

While the multi-sector, multi-trader model is neither as easy nor as quick to implement as the single-trader alternative, NERA's experience has shown that it is eminently manageable. Supplementation of the basic single-trader data set (13-F filings, daily volume, insider trading and holdings, shares outstanding, and short interest) with account-specific records from a sample of brokerage firms and perhaps the transfer agent is all that is required to generate an empirically grounded estimate of damaged volume. While more data are always better than less from the standpoint of accuracy if not cost, the benefits associated with this new approach can be achieved reasonably economically.

In choosing the sample of brokerage firms whose trading and position records we request counsel to subpoena, representativeness and efficiency are prominent considerations. Other things being equal, we would recommend that the sample include several firms, among them the lead underwriter (if the last offering was not too long ago), a key market maker (if the stock trades on Nasdaq), and a firm providing research coverage. Ideally, we would want to balance the mix of firms, possibly with a national full-line firm, an institutional house, and a retail-oriented internet discounter. The size of a firm's street-name holdings are another important consideration. The more shares a firm holds during the class period, the more its trading and position records will reveal about the retention rates of those identifiable investors, and the more confident we can be that its multi-trader parameters apply to the Unidentified Investors whose share retention we must estimate. A review of monthly Security Position Listings from the Depository Trust Company is the best way to assess the number of street-name shares held by each firm over the relevant time period.

The multi-sector, multi-trader approach can also be implemented in rough-and-ready fashion with as little data as figure into the single-trader model by utilizing the multi-trader parameter estimates and observed aggregate intraday trading rate from other NERA cases. The pooled data set is well suited to this purpose.

NERA
Economic Consulting

About NERA

NERA Economic Consulting (**www.nera.com**) is a global firm of experts dedicated to applying economic, finance, and quantitative principles to complex business and legal challenges. For nearly half a century, NERA's economists have been creating strategies, studies, reports, expert testimony, and policy recommendations for government authorities and the world's leading law firms and corporations. We bring academic rigor, objectivity, and real world industry experience to bear on issues arising from competition, regulation, public policy, strategy, finance, and litigation.

NERA's clients value our ability to apply and communicate state-of-the-art approaches clearly and convincingly, our commitment to deliver unbiased findings, and our reputation for quality and independence. Our clients rely on the integrity and skills of our unparalleled team of economists and other experts backed by the resources and reliability of one of the world's largest economic consultancies. With its main office in New York City, NERA serves clients from over 20 offices across North America, Europe, and Asia Pacific.

Contacts

For further information, please contact:

Dr. Marcia Kramer Mayer
Senior Vice President
+1 212 345 2196
marcia.mayer@nera.com

The opinions expressed herein do not necessarily represent the views of NERA Economic Consulting or any other NERA consultant. Please do not cite without explicit permission from the authors.

© Copyright 2009
National Economic Research Associates, Inc.

EXHIBIT G

Liquidation Analysis

AgFeed Industries, Inc.

Liquidation Analysis ($000's)

Sources:	Proposed Plan of	Hypothetical Liquidation Under Chapter 7
AgFeed Industries Cash Balance, as of June 30, 2014	$36,976	$36,976
Initial Distributable AgFeed USA Estate Assets [(1)]	3,441	3,441
AgFeed USA management services fee (paid prior to Effective Date)	1,406	1,406
Estimated Administrative Expenses through Effective Date	(4,300)	(4,300)
Estimated Liquidating Trust Expenses - General	(1,500)	(1,500)
Estimated Liquidating Trust Expenses - Litigation	TBD	TBD
Estimated Chapter 7 Trustee Expenses	-	(1,081)
Estimated Distributable AgFeed Industries Estate Assets	**36,023**	**34,943**
Claims Summary:		
Unclassified - Admin	-	-
Unclassified - Priority Tax Claim	(11)	(11)
Net Cash Available for Distribution to Classified Creditors and Equity	**36,012**	**34,931**
Class 1B - Priority Non-tax	-	-
Class 2B - Secured	-	-
Class 4 - Convenience	-	-
Range of Class 3B - General Unsecured Claims [(2)]	*(15,013)*	(15,013)
Range of Estimated AgFeed Industries Estate Assets Distributable to Class 5B (Interest) and Class 6B (Subordinated Claims) [(3)]	**$20,999**	**$19,919**

(1) Net of all claims filed at AgFeed USA.

(2) Amount is comprised of the debtors estimate of the current claim based upon the debtors records, the filed claim amount, and statutory provisions of the bankruptcy code. No estimate has been made for potential claims arising from indemnifications of prior directors and/or officers.

(3) The estimate of recovery does not include potential recoveries resulting from causes of action and recoveries from insurance.

Case 13-11761-BLS Doc 1193-1 Filed 07/22/14 Page 120 of 122

EXHIBIT H

Class Fund Distribution Procedures
(To be Provided)

EXHIBIT I

SEC Fairness Fund Distribution Procedures
(To be Provided)