

THIS PROPOSED DISCLOSURE STATEMENT HAS NOT BEEN APPROVED UNDER SECTION 1125(b) OF THE BANKRUPTCY CODE BY THE BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION FOR USE IN CONNECTION WITH THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN OF REORGANIZATION DESCRIBED HEREIN. ACCORDINGLY, THE FILING AND DISSEMINATION OF THIS PROPOSED DISCLOSURE STATEMENT ARE NOT INTENDED AND SHOULD NOT IN ANY WAY BE CONSTRUED AS A SOLICITATION OF VOTES ON THE PLAN, NOR SHOULD THE INFORMATION CONTAINED HEREIN BE RELIED UPON FOR ANY PURPOSE BEFORE A DETERMINATION BY THE BANKRUPTCY COURT THAT THE PROPOSED DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION.

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

**IN RE: §
§
RB PROCESSING, L.L.C., § CASE NO. 13-32997-H4-11
§
DEBTOR. §**

**[PROPOSED] FIRST AMENDED DISCLOSURE STATEMENT UNDER
11 U.S.C. § 1125 AND BANKRUPTCY RULE 3016 IN
SUPPORT OF PLAN OF REORGANIZATION OF DEBTOR**

THIS DISCLOSURE STATEMENT IS SUBMITTED TO ALL CREDITORS OF THE DEBTOR ENTITLED TO VOTE ON THE PLAN OF REORGANIZATION HEREIN DESCRIBED AND CONTAINS INFORMATION THAT MAY AFFECT YOUR DECISION TO ACCEPT OR REJECT THE DEBTOR'S PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE. THIS DISCLOSURE STATEMENT IS INTENDED TO PROVIDE ADEQUATE INFORMATION AS REQUIRED BY THE BANKRUPTCY CODE AS TO THE DEBTOR'S PLAN OF REORGANIZATION. ALL CREDITORS ARE URGED TO READ THE DISCLOSURE STATEMENT AND ATTACHMENTS WITH CARE AND IN THEIR ENTIRETY.

ON _____, THE BANKRUPTCY COURT APPROVED THIS DISCLOSURE STATEMENT AS CONTAINING ADEQUATE INFORMATION UNDER SECTION 1125(b) OF THE BANKRUPTCY CODE. SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN OF REORGANIZATION HEREIN DESCRIBED AND ATTACHED AS EXHIBIT A, IS BEING SOUGHT FROM CREDITORS WHOSE CLAIMS AGAINST THE DEBTOR ARE IMPAIRED UNDER THE PLAN OF REORGANIZATION. CREDITORS ENTITLED TO VOTE ON THE PLAN OF REORGANIZATION ARE URGED TO VOTE IN FAVOR OF THE PLAN AND TO RETURN THE BALLOT INCLUDED WITH THIS DISCLOSURE STATEMENT UPON COMPLETION IN THE ENVELOPE ADDRESSED TO HOOVER SLOVACEK LLP., ATTENTION: EDWARD L. ROTHBERG, 5847 SAN FELIPE, SUITE 2200, HOUSTON, TEXAS 77057, NOT LATER THAN _____, AT _____ .M. HOUSTON TIME.

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DISCLOSURE STATEMENT

RB Processing, L.L.C., debtor and debtor-in-possession herein (the "Debtor" or "RB Processing"), submits this First Amended Disclosure Statement under section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016 in Support of Plan of Reorganization to all of its known Creditors.

I. INTRODUCTORY STATEMENT

Debtor submits this Disclosure Statement Under 11 U.S.C. § 1125 in support of its Chapter 11 Plan of reorganization under Chapter 11 of the United States Bankruptcy Code (the "Disclosure Statement") in connection with its solicitation of acceptances of the Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code filed by the Debtor (the "Plan"). A copy of the Plan is attached as Exhibit A for your review. All terms used in this Disclosure Statement but not otherwise defined herein have the meanings ascribed to such terms in the Plan.

The Debtor filed a petition under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of Texas, Houston Division, on May 15, 2013 and has retained Edward L. Rothberg and Hoover Slovacek LLP as its current bankruptcy counsel. The Debtor has prepared this Disclosure Statement to disclose that information which, in its opinion, is material, important, and necessary to an evaluation of the Plan. Pursuant to the terms of the United States Bankruptcy Code, this Disclosure Statement must be presented to and approved by the Bankruptcy Court. Such approval is that required by statute and does not constitute a judgment by the Court as to the desirability of the Plan or as to the value or suitability of any consideration offered thereby.

The material herein contained is intended solely for the use of known creditors and interest holders of the Debtor, and may not be relied upon for any purpose other than a determination by them of how to vote on the Plan. As to Contested Matters, Adversary Proceedings and other actions or threatened actions, this disclosure statement shall not constitute or be construed as an admission of any fact or liability, stipulation or waiver, but rather as a statement made in settlement negotiations under Rule 408 of the Federal Rules of Evidence. This disclosure statement shall not be admissible in any non-bankruptcy proceeding nor shall it be construed as to be advice on the tax, securities or other legal effects of the plan as to the holders of claims against or equity interests in the Debtor.

To ensure compliance with Treasury department circular 230, each holder of a claim or interest is 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 any holder for the purpose of avoiding penalties that may be imposed upon a holder under the Tax Code; (b) such discussion is included hereby by the Debtor in connection with the promotion or marketing (within the meaning of Circular 230) by the Debtor of the transactions or matters addressed herein; and (c) each holder should seek advice based upon its particular circumstances from an independent tax advisor.

Certain of the materials contained in this Disclosure Statement are taken directly from other, readily accessible instruments or are digests of other instruments. While the Debtor has made every effort to retain the meaning of such other instruments or the portions transposed, it urges that any reliance on the contents of such other instruments should depend on a thorough review of the instruments themselves.

No representations concerning the Debtor or the Plan are authorized other than those that are set forth in this Disclosure Statement. Any representations or inducements made by any person to secure your vote which are other than those contained herein should not be relied upon, and such representations or inducements should be reported to counsel for the Debtor who shall deliver such information to the Bankruptcy Court. Finally, all terms not otherwise defined in this Disclosure Statement shall have the meanings assigned to them under the Plan.

Creditors should read this Disclosure Statement in its entirety prior to voting on the Plan. No solicitation of votes on the Plan may be made, except pursuant to this Disclosure Statement and Section 1125 of the Bankruptcy Code. No other party has been authorized to utilize any information concerning the Debtor or its affairs, other than the information contained in this Disclosure Statement, to solicit votes on the Plan. Creditors and holders of equity interest should not rely on any information relating to the Debtor, other than that contained in this Disclosure Statement and the exhibits attached hereto.

EXCEPT AS SET FORTH IN THIS DISCLOSURE STATEMENT AND THE ATTACHMENTS, NO REPRESENTATIONS CONCERNING THE DEBTOR, THE ASSETS, THE PAST OPERATIONS OF THE DEBTOR, OR THE PLAN ARE AUTHORIZED, NOR ARE ANY SUCH REPRESENTATIONS TO BE RELIED UPON IN ARRIVING AT A DECISION WITH RESPECT TO THE PLAN. ANY REPRESENTATIONS MADE TO SECURE ACCEPTANCE OR REJECTION OF THE PLAN OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR.

EXCEPT AS SPECIFICALLY NOTED, THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTOR IS NOT ABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY. THE FACTUAL INFORMATION REGARDING THE DEBTOR, INCLUDING THE ASSETS AND LIABILITIES OF THE DEBTOR, HAS BEEN DERIVED FROM NUMEROUS SOURCES, INCLUDING, BUT NOT LIMITED TO, DEBTOR'S BOOKS AND RECORDS, SCHEDULES AND DOCUMENTS SPECIFICALLY IDENTIFIED HEREIN.

THE DEBTOR ALSO COMPILED THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT FROM RECORDS AVAILABLE TO IT, INCLUDING, BUT NOT LIMITED TO, PLEADINGS AND REPORTS ON FILE WITH THE BANKRUPTCY COURT, LOAN AGREEMENTS AND BUSINESS RECORDS.

THE APPROVAL BY THE BANKRUPTCY COURT OF THE DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE PLAN OR A GUARANTY OF THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

NEITHER THE DEBTOR NOR COUNSEL FOR THE DEBTOR CAN WARRANT NOR REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS WITHOUT INACCURACIES. NEITHER THE DEBTOR NOR ITS COUNSEL HAS VERIFIED THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, ALTHOUGH THEY DO NOT HAVE ACTUAL KNOWLEDGE OF ANY INACCURACIES.

IF THE REQUISITE VOTE IS ACHIEVED FOR EACH CLASS OF IMPAIRED CLAIMS, THE PLAN IS SUBSEQUENTLY CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS AGAINST THE DEBTOR (INCLUDING, WITHOUT LIMITATION, THOSE HOLDERS OF CLAIMS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN), WILL BE BOUND BY THE TERMS OF THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

II. VOTING PROCEDURES

Any creditor of the Debtor whose claim is IMPAIRED under the Plan is entitled to vote, if either (1) the claim has been scheduled by the Debtor and such claim is not scheduled as disputed, contingent or unliquidated, or (2) the creditor has filed a proof of claim on or before the last date set by the Bankruptcy Court for such filings, *provided, however*, any claim as to which an objection has been filed (and such objection is still pending) is not entitled to vote, unless the Bankruptcy Court temporarily allows the creditor to vote upon motion by the creditor. Such motion must be heard and determined by the Bankruptcy Court prior to the date established by the Bankruptcy Court to confirm the Plan. In addition, a creditor's vote may be disregarded if the Bankruptcy Court determines that the creditor's acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

Holders of impaired claims who are entitled to vote and fail to do so will not be counted as either accepting or rejecting the Plan. Nevertheless, if the requisite vote is achieved for your class of impaired claims, you will be bound by the terms of the Plan.

A ballot to be used for voting to accept or reject the Plan is enclosed with this Disclosure Statement and mailed to creditors entitled to vote. A creditor must (1) carefully review the ballot and the instructions thereon, (2) execute the ballot, and (3) return it to the address indicated thereon by the deadline to enable the ballot to be considered for voting proposes.

**THE DEADLINE FOR RETURNING YOUR BALLOT
IS _____ .M. CENTRAL TIME ON _____, 2014
(THE "VOTING DEADLINE").**

After completion of the ballot, creditors should return the executed ballot in the self-addressed envelope to:

**RB PROCESSING, L.L.C.
c/o EDWARD L. ROTHBERG/MELISSA A. HASELDEN
HOOVER SLOVACEK LLP
5847 SAN FELIPE, SUITE 2200
HOUSTON, TX 77057**

VOTING INFORMATION AND INSTRUCTION FOR COMPLETING THE BALLOT:

FOR YOUR VOTE TO BE COUNTED YOU MUST COMPLETE THE BALLOT, INDICATE ACCEPTANCE OR REJECTION OF THE PLAN IN THE BOXES INDICATED ON THE BALLOT AND SIGN AND RETURN THE BALLOT TO THE ADDRESS SET FORTH ON THE PRE-ADDRESSED ENVELOPE. IF A BALLOT IS RECEIVED AFTER THE VOTING DEADLINE, IT WILL NOT BE COUNTED.

IF YOU HOLD CLAIMS IN MORE THAN ONE CLASS UNDER THE PLAN, YOU MAY RECEIVE MORE THAN ONE BALLOT. EACH BALLOT YOU RECEIVE VOTES ONLY YOUR CLAIMS FOR THAT CLASS. PLEASE COMPLETE AND RETURN EACH BALLOT YOU RECEIVE. YOU MUST VOTE ALL OF YOUR CLAIMS WITHIN A SINGLE CLASS UNDER THE PLAN TO EITHER ACCEPT OR REJECT THE PLAN. ACCORDINGLY, A BALLOT (OR MULTIPLE BALLOTS WITH RESPECT TO MULTIPLE CLAIMS WITHIN A SINGLE CLASS) THAT PARTIALLY REJECTS AND PARTIALLY ACCEPTS THE PLAN WILL NOT BE COUNTED.

THE BALLOT IS FOR VOTING PURPOSES ONLY AND DOES NOT CONSTITUTE AND SHALL NOT BE DEEMED A PROOF OF CLAIM OR INTEREST OR AN ASSERTION OF A CLAIM.

III. IMPAIRMENT OF CLAIMS

A class is "impaired" if the legal, equitable or contractual rights attaching to the claims or interest of that class are modified under a plan. Modification for purposes of determining impairment however, does not include curing defaults and reinstating maturity or cash payment in full. Classes of claims or interests that are not "impaired" under a plan are conclusively presumed to have accepted the plan and are thus not entitled to vote. Classes of claims or interests receiving no distribution under a plan are conclusively presumed to have rejected the plan and thus are not entitled to vote. Acceptances of the Plan are being solicited only from those persons who hold claims in an impaired class entitled to receive a distribution under the Plan.

Under Section 1124 of the Bankruptcy Code, a class of claims or interests is impaired under a plan, unless, with respect to each claim or interest of such class, the plan:

1. Leaves unaltered the legal, equitable, and contractual rights of the holder of such claim or interest; or

2. Notwithstanding any contractual provision or applicable law that entitles the holder of a claim or interest to receive accelerated payment of its claim or interest after the occurrence of a default:

- (a) Cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in Section 365(b)(2) of the Bankruptcy Code;
- (b) Reinstates the maturity of such claim or interest as it existed before the default;
- (c) Compensates the holder of such claim or interest for damages incurred as a result of reasonable reliance on such contractual provision or applicable law; and
- (d) Does not otherwise alter the legal, equitable or contractual rights to which such claim or equity interest entitles the holder of such claim or interest; or

3. Provides that, on the Effective Date the holder of such claim or interest receives, on account of such claim or interest, cash, equal to:

- (a) With respect to a claim, the allowed amount of such claim; or
- (b) With respect to an interest, if applicable, the greater of:
 - (i) Any applicable fixed liquidation preference; or
 - (ii) Any fixed preference at which the Debtor, under the terms of the security, may redeem the security.

4. In Article 4 of the Plan, the Debtor has identified the impaired classes of creditors under the Plan. In the event there are questions regarding whether a person is in an impaired class, the person should assume that his or her claim is impaired and vote. If the claim is determined to be impaired, the vote will be considered by the Bankruptcy Court. The Class 2, 3, 4, 5 and 6 holders of claims and the Class 7 interest holders of the Debtor are impaired under the Plan.

IMPAIRED CREDITORS ANTICIPATED TO RECEIVE A DISTRIBUTION UNDER THE PLAN ARE BEING SOLICITED TO VOTE. IF YOU HOLD AN ADMINISTRATIVE CLAIM OR UNIMPAIRED CLAIM, THE DEBTOR IS NOT SEEKING YOUR VOTE.

IV. NATURE AND HISTORY OF BUSINESS

A. Source of Information and Accounting Method

The Debtor's books are maintained under the supervision of Raymond Rice, the manager and sole member of the Debtor. Accounting is on the accrual basis. The historical financial information contained in this disclosure statement as well as the bankruptcy schedules and statement of affairs was derived from the Debtor's books and records. **THE DEBTOR'S BOOKS HAVE NOT BEEN AUDITED BY AN INDEPENDENT PUBLIC ACCOUNTANT OTHER THAN AS DESCRIBED HEREIN. NO ABSOLUTE REPRESENTATION IS MADE AS TO THE ACCURACY OF THE DEBTOR'S RECORDS. HOWEVER, THE DEBTOR HAS ATTEMPTED TO ACCURATELY REFLECT ITS BUSINESS OPERATIONS.**

B. General Information

1. History of The Debtor

RB Processing is a Houston based Texas limited liability company formed in 2008 for the purpose of developing modular, skid-mounted processing plants to process chemicals in order to create higher value products. RB Products Holding, LLC is the sole member of the Debtor and Raymond Rice is the manager. RB Processing is part of the RB group, a diversified petrochemical distributor and processor founded in 1996 by Ray Rice and which includes the Debtor, parent company RB Products Holding, LLC, along with affiliates RB Products, Inc., RB Fabrication, L.L.C. and RB Environmental, L.L.C. (collectively "RB Group"). In 2013, RB Fabrication and RB Environmental both ceased operating and are in the process of winding down. Mr. Rice has been in the chemical business for over 25 years and is the sole manager of RB Group. Other than the Debtor, none of the remaining RB Group entities have sought relief under the bankruptcy code.

RB Processing has developed the RB Hydrogenation System ("RB Hydro Unit 1" or "Equipment") which is a multi-million dollar modular purification chemical plant with reactions that will turn fuel-type products into food-grade green oil products by converting unsaturated hydrocarbons to saturated hydrocarbons. The RB Hydro Unit 1 is a compact facility—a complete chemical plant on one large, transportable skid, including reactor, pumps, heat exchangers, computerized controls, requisite tankage, and connection points for ready integration into site infrastructure. Conceived for operation at typical liquid-phase hydrogenation pressures, all design and construction is in accordance with the most stringent industry standards typically utilized in modern chemical plant and refinery designs. The RB Hydro Unit 1 is fully instrumented, with an on-board computer monitoring system that continuously evaluates and adjusts flows, temperatures, pressures, and other parameters to maintain steady operation and product quality. The company's initial target market is the replacement of fracking fluids and drilling fluids with high-quality green oils.

Due to developmental delays, the RB Hydro Unit 1 did not become operational until November 2012, more than a year and half later than originally scheduled. Prior to that time, RB Processing had no operations other than the development of the unit and generated no income. Tangential production issues continued to plague operations which further prevented the Debtor from generating revenue. These issues have now been corrected and the Debtor commenced

operations shortly before the bankruptcy filing. Revenue was not generated from this unit until May 2013. The Debtor anticipates significant increases in revenue beginning in 2014 as the RB Hydro Unit 1 produces a proven track record.

2. Source of Financial Difficulties

a. Compass Bank

BBVA Compass Bank ("Compass Bank") is the Debtor's primary secured lender with a first lien on substantially all of the Debtor's assets, including the Debtor's equipment, accounts receivable, when generated, and cash (collectively "Collateral"). As of the Petition Date, Compass Bank is owed a total of approximately \$6.5 million in connection with the Compass Bank Notes which include the following three loans: an equipment note with an approximate balance of \$233,000, a construction loan used to build the RB Hydro Unit 1, with an outstanding balance of approximately 1.1 million and a line of credit, also partly used to construct the RB Hydro Unit 1, with an approximate balance of \$5.078 million. Additionally, Capital Certified Development Corporation and the SBA retains a second lien on the Equipment in connection with an SBA Loan and is owed approximately \$949,000. The Debtor's affiliated entities are all also liable for the Compass Bank Notes. RB Products Holding LLC is a co-borrower on the SBA Loan.

Certain of the proceeds from the Compass Bank Notes were utilized in the development of the RB Hydro Unit 1. The lack of revenue due to year and a half operational delay in fully implementing the RB Hydro Unit 1 caused the Debtor and other RB Group borrowers to default in its obligations to Compass Bank. A prepetition forbearance agreement was entered between the RB Group (including RB Processing) and Compass Bank which expired on May 5, 2013. Compass Bank extended the forbearance agreement with all RB Group borrowers other than RB Processing, thereby prompting the filing of this case.

As more fully set forth below, RB Processing's reorganization plan provides for payment in full with interest of all Allowed secured and unsecured claims.

3. Financial Situation as of Petition Date

As stated above, excluding its unsecured trade obligations, RB Processing's secured indebtedness consists of claims owed to Compass Bank totaling approximately \$6.5 million, secured by a first lien on substantially all of Debtor's assets. Further, approximately \$949,000 is owed with respect to the SBA Loan, secured by a second lien on substantially all of Debtor's assets. RB Processing has no other secured debt. RB Processing also has other, undisputed non-insider obligations of approximately \$29,500, owed to seven creditors, primarily related to prepetition trade debt for goods and services and prepetition rent. Additionally, a disputed claim of approximately \$204,000 has been filed by Luman Enterprises related to a breach of contract claim asserted in an arbitration proceeding prior to the bankruptcy. The Debtor has asserted a counterclaim in connection with this dispute. As further discussed herein, the Debtor has reached a settlement of this dispute and Luman will be allowed a general unsecured claim in the amount of \$164,000. Further, unsecured claims totaling approximately \$5.2 million are owed to related RB Group entities.

4. Ownership and Management

Raymond Rice is the sole member of RB Products Holding, LLC, the sole member of RB Processing, and manager of the Debtor and the sole manager of the related RB Group entities. Mr. Rice has more than twenty-five years experience in the chemical industry and is responsible for the daily operations of the Debtor.

5. Significant Events During Bankruptcy

a. *Voluntary Petition filing*

On May 15, 2013, RB Processing filed this voluntary reorganization case ("Petition Date") under Chapter 11 of the Bankruptcy Code and was assigned Case No. 13-32997-H4-11 in the United States Bankruptcy Court for the Southern District of Texas.

b. *Administration*

Shortly after the filing of the petition, the Debtor filed:

Application to Employ Hoover Slovacek LLP as counsel for the Debtor: This pleading was filed on May 22, 2013 and an order authorizing this employment was entered on May 30, 2013.

Emergency Motion for Entry of an Order Approving Debtor's Payment of Pre-Petition Compensation: By this motion, the Debtor requested that it be permitted to pay prepetition compensation and benefits to its employees. An order approving this motion was entered on May 23, 2013.

Emergency Motion (I) for Order Granting Authority to Use Cash Collateral and (II) to Incur Post Petition Indebtedness Under 11 U.S.C. §363, §364, §503(b) and §105: By this motion, Debtor requested authority to use cash collateral subject to Compass Bank's lien and to enter into post petition financing with affiliated entity RB Products. An agreement was reached with Compass Bank and an order approving this motion was entered May 23, 2013.

Application to Employ Middle, Raines + Zapata, CPA for Limited Purpose: By this pleading, the Debtor sought to employ Middleton, Raines + Zapata for the limited purpose of preparing tax returns for the Debtor. Payment for these services are to be paid by Debtor's affiliated entities. An order authorizing this employment was entered by the Court on August 5, 2013.

Motion for Order Establishing Procedure for Interim Compensation of Professionals: By this motion, Debtor sought to establish a procedure for interim compensation of professionals. An order approving this motion was entered on August 7, 2013.

Motion to Extend Debtor's Exclusive Period to File and Confirm a Plan: On June 20, 2013, the Court entered an order establishing September 15, 2013 as the deadline for the Debtor to file its proposed plan. On August 17, 2013, the Debtor filed a motion seeking to extend this deadline. On August 21, 2013, the Court entered an order extending the Debtor's exclusive period to file a plan until November 11, 2013, and granting an additional sixty (60) days to allow the Debtor to solicit and obtain acceptance of its plan.

c. Case Management Going Forward**1. PLAN NEGOTIATIONS**

The Debtor has an exclusive period within which it may propose a plan of reorganization and is proposing the Plan within that period.

2. ASSUMPTION AND REJECTION

The bankruptcy law allows the Debtor to assume or reject any pending lease agreements or executory contracts that exist on the date of the order for relief. Additionally, the law provides that the Debtor can assign its interest in lease agreements and executory contracts provided they cure all defaults and provide adequate assurance that the assignee will comply with the terms of the lease or contract. Executory contract and lease assumption and rejection are treated in the Plan. Any contract or lease not specifically assumed in the Plan, or by prior court order, is deemed rejected.

3. CREDITORS COMMITTEE

The United States Trustee is responsible for soliciting a committee of creditors holding unsecured claims pursuant to 11 U.S.C. §1102(a)(1) and sought to solicit a committee in this case. No committee has been appointed or formed in this case.

C. Operations During Bankruptcy

RB Processing has operated its business affairs as Debtor-in-Possession since the entry of an order for relief under Chapter 11, but has not made any extraordinary disposition or acquisition of assets since that date.

D. The Debtor's Assets and Their Value

As of the filing date Debtor's principal assets consisted of RB Hydro Unit I and related machinery & equipment, cash, security deposits, inventory, prepaid expenses, and office equipment & furnishings, vehicles, machinery & equipment.

Following is a table summarizing the value of these assets reflected on the schedules as of the Petition Date and values obtained since that date:

Machinery & Equipment (including RB Hydro Unit I) Office Equipment, Furnishings and Supplies, Software License, Computers and Software (Net Book Value)	\$4,353,724.92
Cash	\$5,786.63
Security Deposits	\$30,000.00
Inventory (Cost Basis)	\$36,127.62
Prepaid Expenses	\$ 38,846.74
Receivable from Affiliates	\$198,373.50
TOTAL	\$4,955,588.41

1. **Machinery & Equipment & Furnishings and Supplies**

RB Processing has machinery and equipment, various computer, servers, printers, scanners, and assorted office furnishing utilized by the Debtor. These assets are collectively valued at \$4,955,588.41, with the single most significant asset being the RB Hydro Unit 1. A detailed listing of these assets is attached to Debtor's Amended Schedule "B". The scheduled valuation of each of the assets listed in Schedule B is the net book value (i.e. cost less depreciation) derived from Debtor's books and records. However, prior to the bankruptcy filing, Compass Bank obtained an appraisal of the RB Hydro Unit 1 which valued the equipment at a liquidation value of approximately \$700,000. The machinery, equipment and office furnishings and equipment are in good condition and maintained well from the perspective of preventive maintenance.

2. **Cash, Accounts Receivable, Security Deposits and Affiliate Receivable**

On the date of filing the Debtor had \$5,786.63 available in its bank account and no accounts receivable since the Debtor had virtually no operations prior to the bankruptcy. Since the bankruptcy filing, the Debtor has generated sales and as reflected in the Debtor's operating report ending September 30, 2013, has accounts receivable of \$398,529.38 and cash of \$181,965.42. Substantially all of the accounts receivable is expected to be collectible. Also, prior to the bankruptcy filing, the Debtor paid a \$30,000 security deposit to IP Investments in connection with its lease of nonresidential real property used for its operations. Debtor's Schedule B also reflects receivables due from Debtor's affiliates totaling \$198,373.50, of which \$197,288.50 is due from affiliated entity RB Products. However, this amount is subject to offset from the \$5.030 million that is owed to RB Products by the Debtor as reflected in Debtor's Schedule "F". The remaining \$1085.00 that is owed by RB Fabrication is not collectible as this entity is no longer operating.

3. **Inventory**

On the Petition Date, the Debtor had \$36,127.62 in inventory for use in its operations. As of September 30, 2013, as reflected in the Debtor's operating report, inventory levels have increased to \$41,892.23. These items are listed in Debtor's Schedule "B".

4. **Prepaid Expenses**

The Debtor's books and records reflect prepaid expenses totaling \$38,846.74. These are primarily related to insurance. These items are listed in Debtor's Schedule "B".

E. Liabilities. An analysis of claims is attached hereto as Exhibit B. Following is a brief summary:

1. Pre-Petition Claims

a. Secured Ad Valorem Tax Claims (Class 1): Harris County has filed a secured claim in the amount of \$2,176.04 for estimated ad valorem tax liability for 2013. The Debtor recently filed its business rendition with Harris County Appraisal District and expects a significant increase in ad valorem taxes once this document is processed. The attached forecast includes a monthly accrual of \$4,000 for ad valorem property taxes.

b. Secured Claims (Class 2 and Class 3): As previously discussed, Compass Bank holds secured claims totaling approximately \$6.5 million, plus interest, expense and fees secured by liens on substantially all of the Debtor's assets. Additionally, Capital Certified Development Corporation retains a second lien on the Debtor's RB Hydro Unit I in connection with the SBA loan referenced above and is owed approximately \$949,000. The Debtor is unaware of the existence of any other secured claims.

c. General Unsecured Claims (Class 4 and Class 5): Scheduled or filed unsecured claims were \$233,549.86, excluding claims of affiliated entities and including the disputed, claim of Luman.

(1)Luman Claim: Luman Enterprises, Inc. ("Luman") provided services to the Debtor prior to the bankruptcy filing in connection with the construction of the RB Hydro Unit 1. A dispute arose as to unsubstantiated charges billed by Luman. Luman subsequently initiated a demand for arbitration under the terms of the contract. RB Processing asserted counter claims against Luman alleging damages of \$292,729. This matter was pending on the date the bankruptcy was filed. Luman has asserted an unsecured claim in this case in the amount of \$204,080 which was disputed by the Debtor. Since the bankruptcy filing, Luman has provided supporting documentation in support of its claim and the parties have reached an agreement resolving the remaining dispute. Luman shall be allowed a general unsecured Class 5 claim in the amount of \$164,000 and Luman shall turnover stamped engineering schematics or drawings to the Debtor relative to the RB Hydro Unit 1. On the Effective Date, any other claims alleged by Luman not specifically provided for in Article 4.5.2 of the Plan, are forever disallowed, released and discharged.

d. Claims of Affiliates (Class 6): The Debtor scheduled claims owed to several of its affiliated entities totaling \$5,176,046.52.

e. Allowed Equity Interests (Class 7): unknown.

F. Priority Claims

No priority claims are scheduled. However, the Internal Revenue Service has filed a claim in the amount of \$10,657.53 related to unfiled corporate tax returns for tax periods 2008, 2010, 2011 and 2012 and for 941 taxes in 2011 when the Debtor was not operating and for 941 taxes. The Debtor files a consolidated 1120S return with its parent corporation RB Products Holding, LLC, and no taxes are owed by the Debtor. Further, the IRS has included estimated 941 taxes for the tax period ending June 2013. The Debtor is investigating these taxes and to the extent they are owed, the taxes will be paid as priority claims as provided in the Plan. Additionally, the Texas Workforce Commission has filed a claim in the amount of \$1,688.15. This claim will be paid as a priority claim in connection with the Plan. The Debtor is unaware of the existence of any other priority claims.

G. Administrative Claims

The Debtor's November 2013 Monthly Operating Report reflects \$393,559.04 in post petition liabilities, \$192,349 owed to affiliate RB Products which will be paid in the ordinary course of business, unless otherwise agreed. This amount also includes an accrual for ad valorem property taxes of \$25,000. No further administrative expenses are known other than accrued, unpaid professional fees. Counsel for the Debtor estimates that additional fees and expenses related to its services, along with those of other professionals employed in this case should not collectively exceed more than an additional \$60,000-\$80,000. In summary, the Debtor has sufficient funds to satisfy ordinary course post-petition payables and attorneys fees. Based on the foregoing, the Debtor believes that it will have sufficient funds to pay all administrative expense claims which will come due on the Effective Date.

V. DESCRIPTION OF PLAN

SUMMARY OF THE PLAN OF REORGANIZATION

THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE AND IMPLEMENTATION OF THE PLAN AND THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT, AND TO THE EXHIBITS ATTACHED THERETO. 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 AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO THEREIN, AND REFERENCE IS MADE TO THE PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS. THE PLAN ITSELF AND THE DOCUMENTS REFERRED TO THEREIN WILL CONTROL THE TREATMENT OF CLAIMS AGAINST, AND INTERESTS IN, THE DEBTOR UNDER THE PLAN AND WILL, UPON THE EFFECTIVE DATE, BE BINDING UPON HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTOR, THE REORGANIZED DEBTOR, AND OTHER PARTIES IN INTEREST. IN THE EVENT OF ANY CONFLICT BETWEEN THIS DISCLOSURE STATEMENT AND THE PLAN OR ANY OTHER OPERATIVE DOCUMENT, THE TERMS OF THE PLAN AND/OR SUCH OTHER OPERATIVE DOCUMENT WILL CONTROL.

A. Overall Structure of the Plan

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under Chapter 11, a debtor is authorized to reorganize its business for the benefit of its creditors and shareholders. Upon the filing of a petition for relief under Chapter 11, Section 362 of the Bankruptcy Code provides for an automatic stay of substantially all acts and proceedings against the debtor and its property, including all attempts to collect claims or enforce liens that arose prior to the commencement of the Chapter 11 Case.

The consummation of a plan of reorganization is the principal objective of a Chapter 11 case. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by the Bankruptcy Court makes the plan binding upon the debtor, any issuer of securities under the plan, any person acquiring property under the plan, and any creditor of, or equity security holder in the debtor, whether or not such creditor or equity security holder (i) is impaired under or has accepted the plan or (ii) receives or retains any property under the plan. Subject to certain limited exceptions, and other than as provided in the plan itself or the confirmation order, the confirmation order discharges the debtor from any debt that arose prior to the date of confirmation of the plan and substitutes for such debt the obligations specified under the confirmed plan, and terminates all rights and interests of equity security holders.

The Plan should be read carefully and independently of this Disclosure Statement. The following analysis of the Plan is intended to provide a context for understanding the remainder of this Disclosure Statement and to assist in an understanding of the Plan and the proposed treatment of the Creditors.

The Debtor expects to implement its plan and continue in its business restructuring which should provide growth and full compliance with the plan. The Debtor has a strong core business and intends to reorganize around that business, which, together with certain other operational improvements, is expected to be the basis for a viable reorganization plan.

The terms of the Debtor's Plan are based upon, among other things, the Debtor's assessment of its ability to achieve the goals of its business plan, make the distributions contemplated under the Plan, and pay its continuing obligations in the ordinary course of business. Under the Plan, Claims against and Interests in the Debtor are divided into Classes according to their relative seniority and other criteria.

A copy of the Plan is attached as Exhibit A. Generally, If the Plan is confirmed by the Bankruptcy Court and consummated, (1) Allowed Administrative Claims and Non-Tax Priority Claims will be paid in cash in full within 30 days of the Effective Date; (2) Allowed Priority Tax Claims will be paid in cash when due; (3) Allowed Class 1 Ad Valorem Claims of Taxing Authorities will be paid when due; (4) Allowed Class 2 Secured Claims of Compass Bank will be paid in regular monthly payments with respect to Notes #2 and #3 and quarterly payments of excess Net Operating Income, until paid in full; (5) Allowed Class 3 Secured Claim of United States Small Business Administration shall be in accordance with its pre-filing Loan Documents except that accrued payments shall be added to the end of the note and term extend accordingly; (6) Holders of Allowed Class 4 General Unsecured Claims of \$1,000 or Less shall be paid in

full, without interest, on the later of 30 days of the Effective Date or the allowance of the Class 3 Claim; (7) Holders of Allowed Class 5 General Unsecured Claims Greater than \$1,000 shall be paid in full with simple interest accruing from the Petition Date at the rate of 5% per annum. Within 30 days of the Effective Date, Class 5 creditors shall receive a Pro Rata share of \$25,000. Further, beginning April 15, 2014, Allowed Class 5 claimants shall receive a Pro Rata share of at least \$5,000 per month for a period of twenty-seven (27) consecutive months, with the remaining outstanding unpaid balance owed on such Allowed Claims to be paid in full in month twenty-eight (28); (8) Allowed Class 6 Claims of Insiders and Affiliates Allowed Claims of Insiders and Affiliates shall be permitted to offset any amount due the Debtor. Otherwise, the remaining balance, if any, shall be subordinated to the payment of Class 1, 2, 3, 4 and 5 as provided in the Plan; (9) Holders of Class 7 Equity Interest shall retain their Interests held on the date of the filing of the bankruptcy case with the prohibition of payment of dividends until Class 1, 2, 3, 4 and 5 are paid as provided in the Plan. The Effective Date of the Plan is the date on which the Confirmation Order becomes a Final Order.

B. Administrative Expenses and Priority Tax Claims and Timing of Payment

The Holders of Administrative Expense Claims against the estate and Tax Claims are treated as generally described below.

Payment of Administrative Claims. Each Holder of an unpaid Allowed Administrative Claim shall be paid in Cash in full on the later of thirty (30) days after the Effective Date or the date such Claim becomes an Allowed Administrative Claim, unless the Holder of such Claim agrees to a different treatment.

Payment of Non-Tax Priority Claims. Each Holder of an unpaid Allowed Non-Tax Priority Claim shall be paid in Cash in full on the later of thirty (30) days after the Effective Date or the date such Claim becomes an Allowed Non-Tax Priority Claim, unless the Holder of such Claim agrees to a different treatment.

Payment of Unsecured Priority Tax Claims. Allowed Priority Tax Claims shall be paid in Cash in full on the later of when due, thirty (30) days after the Effective Date or the date such Claim becomes an Allowed Unsecured Priority Claim, unless the Holder of such Claim agrees to a different treatment.

Payment to Professionals. All payments to professionals for actual, necessary services and costs advanced in behalf of the bankruptcy up until the Confirmation Date shall be pursuant to Bankruptcy Court order and subject to the restrictions of 11 U.S.C. §330. Professional fees incurred for services rendered and costs advanced subsequent to the Effective Date shall be the liability of the Reorganized RB Processing, LLC.

C. Classes of Secured and Unsecured Claims and Treatment of Interests

The Classes of Claims against and Interests in the Debtor created under the Plan, the treatment of those Classes under the Plan, and the other property to be distributed under the Plan, are generally described below:

Class 1. Allowed Secured Claims of Taxing Authorities.

Class 1 consists of the Allowed Secured Claims of Ad Valorem taxing authorities for the year 2013 secured by a lien on all of the assets of the Debtor. Class 1 Claims are unimpaired.

Treatment: Allowed Secured Class 1 Claims shall be paid by the Reorganized Debtor when due. The Allowed Secured Class 1 Claims Holders shall retain their liens until such time as they are paid in full.

Class 2. Allowed Secured Claims of Compass Bank

Class 2a consists of the Allowed Compass Bank Secured Claim for Note #1 – XXXX3702-26 in the approximate amount of \$5,099,841.70 (as of the Petition Date) secured by liens on Debtor’s assets. The Class 2a Claim is impaired.

Treatment. On the Effective Date, the Debtor shall execute and deliver to Compass Bank the Compass Bank Renewal Note. The Compass Bank Renewal Note shall become Note #1. Debtor shall timely perform all of its obligations under Note #1. The treatment in the Plan for Note #1 is not intended to and does not affect required payments to Compass Bank on Note #1 by other affiliated entities of the Debtor under the current Forbearance Agreement between Compass Bank and these entities, or otherwise.

The Renewal Note provides that upon the occurrence of certain conditions defined in the note, one or more Additional Principal Payment shall be made to Compass Bank by the Debtor, together with RB Products Holding L.L.C., RB Products, Inc., RB Fabrication, L.L.C. and RB Environmental, L.L.C. (collectively, the “Borrowers”).

Borrowers’ payments to Compass Bank of such Additional Principal Payment shall be made on or before the fifth (5th) day following the completion of the compilation of the accounting reports for the third month in the second consecutive quarter as referenced in the above provision, but in no event no later than the tenth (10th) day following such completion.

Note #1 shall be (a) secured by automatically perfected liens on all assets on the Debtor and its estate, and (b) due and payable in full on April 1, 2016.

Class 2b consists of the Allowed Compass Bank Secured Claim for Note #2 – XXXX3694-18 in the approximate amount of \$211,644.74 (as of the Petition Date) secured by liens on Debtor’s assets. The Class 2b Claim is impaired.

Treatment. Beginning March 1, 2014 the Allowed Class 2b Claim shall be paid in consecutive monthly payments of \$8,185.00, with interest at a rate of 5%, until April 1, 2016, when the Allowed Class 2b claim shall be paid in full. Compass Bank shall (a) retain its lien, security interests and rights as provided under its pre-Filing Date loan documents and/or applicable law and (b) receive

under the Plan automatically perfected liens on any other assets of the Debtors and its estate. The Debtor shall timely perform all of its obligations under Note #2.

Class 2c consists of the Allowed Compass Bank Secured Claim for Note #3 –XXXX1400 in the amount of \$1,108,197.96 (as of the Petition Date), secured by liens on Debtor's assets. The Class 2c Claim is impaired.

Treatment. Beginning March 1, 2014, the Allowed Class 2c Claim shall be paid in consecutive monthly payments of \$14,982.38, with interest at a rate of 5.05%, until April 1, 2016 when the Allowed Class 2c claim shall be paid in full. Compass Bank shall (a) retain its lien, security interests and rights as provided under its pre-Filing Date loan documents and/or applicable law and (b) receive under the Plan automatically perfected liens on any other assets of the Debtor and its estate. The Debtor shall timely perform all of its obligations under Note #3.

Miscellaneous Provisions regarding Compass Bank

Default. Notwithstanding anything to the contrary in the Plan or Confirmation Order, if (a) the Reorganized Debtor fails to make any payment to Compass Bank as required under the Plan (or within ten days after a default notice is sent by Compass Bank), or (b) guarantor Raymond B. Rice makes any transfer or payment—of nonexempt property (under Texas or Federal law), cumulative greater than \$10,000 for nonordinary course purposes, without the prior written consent of Compass Bank, then at any time thereafter Compass Bank may exercise any or all of its state and federal law rights and remedies against its collateral and against the Reorganized Debtor.

Release. The Debtor and its estate release Compass Bank and its officers, directors, employees, attorneys, representatives and agents from any and all claims, demands, causes of action, and obligations of whatever kind or character, known or unknown, fixed, contingent, matured, unmatured, liquidated, unliquidated, arising in contract, tort or otherwise which originated in whole or part, on or before the Effective Date.

Prohibited Actions. Neither the Reorganized Debtor, nor any affiliate of the Reorganized Debtor (including without limitation Raymond Rice), shall take any action to delay or interfere with the exercise of any rights and/or remedies granted to Compass Bank pursuant to the Plan. The prohibited actions shall include, but not be limited to, seeking injunctive relief or bankruptcy protection that bars or delays foreclosure or the exercise of any other rights

Class 3. Allowed Secured Claim of United States Small Business Administration

Class 3 consists of the Allowed Secured Claim of the United States Small Business Administration for SBA Loan # XXXX6150-05 secured by a second lien on Debtor's assets. The Class 3 Claim is impaired.

Treatment. Beginning March 1, 2014, the Allowed Class 3 Claim shall be paid in monthly payments of \$10,142, at the contractual, nondefault rate of interest of 3.76%. The terms and provisions of the SBA Note shall be reinstated except that the maturity date shall be extended to allow unpaid, accrued amounts owed with respect to the SBA Note prior to March 1, 2014, shall be added to the end of the note and the term of the note extended accordingly. The United States Small Business Administration shall retain its lien, security interests and rights as provided under its pre-Filing Date loan documents and/or applicable law until the SBA Note is paid in accordance with the terms of the Plan. The Debtor estimates that this claim will be paid in one hundred eleven (111) months.

Class 4. Allowed Small General Unsecured Claims of \$1,000 or Less

Class 4 consists of the Allowed Unsecured Claims of \$1000 or less. The Class 4 Claims are impaired.

Treatment: The Holders of Allowed Unsecured Class 4 Claims shall be paid 100% of their Allowed Claim, without interest, on the later of thirty (30) days after the Effective Date or the date such Claims become Allowed Claims. If a creditor with an allowed claim in excess of \$1,000 wishes to have their claim treated as a Class 4 claim and paid accordingly, then the creditor will make that election on the ballot when voting, and the Allowed Claim will be limited to \$1,000. Class 4 Claims are impaired.

Class 5. Allowed General Unsecured Claims Greater than \$1,000

Class 5 consists of the Allowed Unsecured Claims greater than \$1,000, including the Allowed Luman Claim. Class 5 Claims are impaired.

Treatment: Allowed Class 5 Claims shall be paid in full with simple interest accruing from the Petition Date at the rate of 5% per annum as follows: Within thirty (30) days of the Effective Date, Class 5 Allowed Claims shall receive a Pro Rata share of \$25,000 toward payment of the Allowed Claims. Thereafter, beginning the later of April 15, 2014 or the date such Claims become Allowed Claims, the Class 5 claimants shall receive a Pro Rata share of \$5,000 per month for a period of twenty-seven (27) consecutive months, with the remaining outstanding unpaid balance owed on such Allowed Claims to be paid in full in month twenty-eight (28). The Debtor shall be allowed to offset any balance owed the Debtor by a Class 5 creditor and reduce the allowed claim accordingly prior to any payment contemplated herein.

Luman Enterprises, Inc. filed a general unsecured Proof of Claim in the amount \$204,000. As further described herein, the Debtor disputed this claim. The Debtor has reached an agreement to provide Luman Enterprise, Inc. with an Allowed Class 5 General Unsecured Claim in the amount of \$164,000 and Luman shall turnover stamped engineering schematics or drawings to the Debtor relative to the RB Hydro Unit 1. On the Effective Date, any other claims alleged by Luman Enterprises, Inc. not specifically provided for in Article 4.5.2 of the Plan, are forever disallowed, released and discharged

Class 6. Allowed Claims of Insiders and Affiliates.

Class 6 consists of the Allowed Claims of Insiders and Affiliates. Class 6 Claims are impaired.

Treatment. The Holders of Class 6 Claims shall be permitted to offset any amount due the Debtor. Otherwise, the remaining balance, if any, shall be subordinated to the payment Claims in Classes 1, 2, 3, 4 and 5 as provided for in the Plan.

Class 7. Allowed Interests of Equity Holders.

Class 7 consists of the Allowed Equity Interests in RB Processing. The Class 7 Interests are impaired.

Treatment. The Holders of Class 7 Equity Interests shall retain the Equity Interests held on the date of the filing of the bankruptcy case, with the prohibition of payment of dividends or any other amounts until Class 1, 2, 3, 4 and 5 are paid as provided for in the Plan.

D. Means of Execution of Plan

1. Vesting of Property of the Estate in Reorganized Debtor. On the Effective Date of the Plan, all property of the Debtor and of its Estate shall vest in the Reorganized Debtor free and clear of liens, claims and encumbrances, except as otherwise provided by the terms of the Plan.

2. Continuation of Business Operations. From and after the Effective Date of the Plan, the Reorganized Debtor shall be authorized to continue its normal business operations. Reorganized Debtor shall enter into such transactions as it deems advisable, free of any restriction or limitation imposed under any provision of the Bankruptcy Code, except to the extent otherwise provided in the Plan. Cash flow from the operations shall be used to fund payments required by the Plan.

3. Source of funds for Payments due on the Effective Date. Current cash flow derived from operations will be used to pay Allowed Claims as required by the Plan except that, to the extent necessary, Debtor's affiliated entity RB Products, LLC shall provide up to 50,000 to the Reorganized Debtor to pay expenses due on or near the Effective Date, including the initial payment of \$25,000 to Class 5 General Unsecured Creditors. To the extent that RB Products

advances funds to the Reorganized Debtor for this payment, repayment of these funds by the Reorganized Debtor shall be subordinated to the payment in full of Allowed Claims in Classes 1, 2, 3, 4, and 5.

4. Directors and Officers of Reorganized Debtor. The Directors and Officers of the Debtor are authorized to continue as Directors and Officers of the Reorganized Debtor from and after the Effective Date of the Plan.

5. Disbursing Agent. Reorganized Debtor shall act as the Disbursing Agent. If Reorganized RB Processing chooses not to act as the Disbursing Agent, then it shall designate a substitute who is acceptable to Compass Bank.

E. Administrative Claims Bar Date. Any Holder of an Administrative Claim (including any cure Claims for executory contracts or leases that are assumed pursuant to this Plan, including Lease Claims) against the Debtor, except for administrative expenses incurred in the ordinary course of operating the Debtor's business, must file an application for payment of such Administrative Claim on or within sixty (60) days after entry of the Confirmation Order with actual service upon counsel for the Debtor, otherwise such Holder's Administrative Claim will be forever barred and extinguished and such Holder shall, with respect to any such Administrative Claim, be entitled to no distribution and no further notices. The Debtor shall pay pre-confirmation quarterly U.S. Trustee fees in full in Cash within thirty (30) days after the Effective Date. U.S. Trustee fees which accrue after confirmation shall be paid by the Reorganized Debtor until the case is closed or converted. The Debtor shall file with the Court and serve on the United States Trustee a monthly financial report for each quarter (or portion thereof) that the case remains open in a format prescribed by the United States Trustee. It is not necessary for the U.S. Trustee to file a proof of claim.

F. Unsecured Claims Bar Date. The bar date for all parties to file a proof of claim, except for claims related to rejection of an executory contract or lease, has elapsed. The deadline for filing a proof of claim for unsecured claims (other than a claim for damages stemming from the rejection of an executory contract or lease) was September 25, 2013.

G. Rejection Damage Claim Bar Date. An Unsecured Claim arising from the rejection of an executory contract or unexpired lease must be filed no later than 20 days after the Effective Date of the Plan.

H. Summary of Financial Projections. Attached hereto as Exhibit C are financial projections prepared by management. These projections include the monthly forecast results for 2014 and annual forecasts for 2015-2016, along with certain assumptions made by the Debtor in these calculations. The statements include projected cash flow forecasts and assumptions based upon Debtor's continued operations which reflect increased revenue as Debtor's operations ramp up as the RB Hydro Unit 1 continues to provide stable production. Sales forecasts are significantly higher than historical sales primarily due to the fact that the Debtor only became fully operational in May 2013 and there is a 4-6 month lead time to close long term, recurring sales in this Debtor's industry. Accordingly, insufficient historical data exists for the Debtor to utilize past sales as the primary basis in its forecasts. Forecasts are based primarily on recurring sales and contracts which have been negotiated and are expected to be finalized prior to

confirmation of the Debtor's Plan. The Debtor believes that the projections are conservative and establish that the Reorganized Debtor will be able to make the payments provided for in the Plan from existing cash and revenue from operations.

VI. OTHER PROVISIONS OF PLAN

A. Assumption and Rejection of Executory Contracts.

The Debtor will reject all Executory Contracts except for those previously assumed by Court Order or those listed on Exhibit A to the Plan. Any Claims arising from rejection of an executory contract or lease must be filed on or before 20 days from the Effective Date. Otherwise, such Claims are forever barred and will not be entitled to share in any distribution under the Plan. Any Allowed Claims arising from rejection of Executory Contracts, if timely filed and allowed, will be paid as Class 5 General Unsecured Claims.

B. Disbursing Agent.

The Reorganized Debtor shall act as the Disbursing Agent or shall designate a party to act as Disbursing Agent who is acceptable to Compass Bank.

C. Conditions to Confirmation.

Confirmation of the Plan shall not occur and the Bankruptcy Court shall not enter the Confirmation Order unless (a) all of the requirements of the Bankruptcy Code for confirmation of the Plan with respect to the Debtor shall have been satisfied. In addition, confirmation shall not occur, the Plan shall be null and void and of no force and effect, and the Plan shall be deemed withdrawn unless the Court shall have entered all orders (which may be orders included within the Confirmation Order) required to implement the Plan.

D. Waiver and Nonfulfillment of Conditions to Confirmation.

Nonfulfillment of any condition to confirmation of the Plan may be waived only by the Debtor. In the event that the Debtor determines that the conditions to the Plan's confirmation which it may waive cannot be satisfied and should not, in its discretion, be waived, the Debtor may propose a new plan, may modify this Plan as permitted by law, or may request other appropriate relief.

E. Confirmation Order Provisions for Pre-Effective Date Actions.

The Confirmation Order shall empower and authorize the Debtor to take or cause to be taken, prior to the Effective Date, all actions which are necessary to enable it to implement the provisions of the Plan and satisfy all other conditions precedent to the effectiveness of the Plan.

F. Conditions to the Effective Date.

The following are conditions precedent to the effectiveness of the Plan (i) the Plan is confirmed and the Bankruptcy Court shall have entered the Confirmation Order, which shall

have become a Final Order (ii) Debtor does not withdraw the Plan at any time prior to the Effective Date; and (iii) the Debtor shall have sufficient cash on hand to make the payments and distributions required under the Plan.

G. Binding Effect.

As provided for in Section 1141(d) of the Bankruptcy Code, the provisions of the Plan shall bind the Debtor, any entity acquiring property under the Plan and any Creditor, Interest Holder, or shareholder of the Debtor, whether or not the Claim or Interest of such Creditor or Interest Holder is impaired under the Plan and whether or not such Creditor or Interest Holder has accepted the Plan. After confirmation, the property dealt with by the Plan shall be free and clear of all Claims and Interests of Creditors and Interest Holders, except to the extent as provided for in the Plan as the case may be. The Confirmation Order shall contain an appropriate provision to effectuate the terms of paragraph 13.1 of the Plan.

H. Satisfaction of Claims and Interests.

Holders of Claims and Interests shall receive the distributions provided for in the Plan, if any, in full settlement and satisfaction of all such Claims, and any interest accrued thereon, and all such Interests.

I. Discharge.

Pursuant to Section 1141(d) of the Bankruptcy Code, upon the Effective Date, the Debtor shall be discharged from any debt that arose before the date of such confirmation, and any debt of a kind specified in Section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not a proof of the Claim based on such debt is filed or deemed filed under Section 501 of this title; such Claim is allowed under Section 502 of this title; or the Holder of such Claim has accepted the Plan.

J. Injunction.

The Confirmation Order shall include a permanent injunction prohibiting the collection of Claims in any manner other than as provided for in the Plan. All Holders of Claims shall be prohibited from asserting against the Debtor or any of its assets or properties, any other or further Claim based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Confirmation Date, whether or not such Holder filed a proof of Claim. Such prohibition shall apply whether or not (a) a proof of Claim based upon such debt is filed or deemed filed under Section 501 of the Bankruptcy Code; (b) a Claim based upon such debt is allowed under Section 502 of the Bankruptcy Code; or (c) the Holder of a Claim based upon such debt has accepted the Plan.

K. Preservation of Setoff Rights.

In the event that the Debtor has a Claim of any nature whatsoever against the Holders of Claims, the Debtor may, but is not required to setoff against the Claim (and any payments or other distributions to be made in respect of such Claim hereunder), subject to the provisions of Section 553 of the Bankruptcy Code. Neither the failure to setoff nor the allowance of any

Claim under the Plan shall constitute a waiver or release by the Debtor of any Claim that the Debtor has against the Holder of Claims. Neither this provision nor the injunctive provision of the Confirmation Order shall impair the existence of any right of setoff or recoupment that may be held by a Creditor herein; provided that the exercise of such right shall not be permitted unless the Creditor provides the Debtor with written notice of the intent to effect such setoff or recoupment. If the Debtor or the Disbursing Agent, as applicable, objects in writing within twenty (20) business days following the receipt of such notice, such exercise shall only be allowed upon order of the Bankruptcy Court. In the absence of timely objection, the Creditor may implement the proposed setoff or recoupment against the Claim held by the Bankruptcy Estate.

L. Releases.

On the Effective Date, the Plan proposes to release multiple parties, including certain insiders such as the Debtor's current directors and officers, attorneys, and others including Raymond B. Rice, RB Products, LLC, RB Products Holdings, LLC, RB Fabrication, LLC, RB Environmental, LLC, their employees, agents, attorneys and representative (collectively "Insider Released Parties") and BBVA Compass Bank, including its representatives ("Bank Released Parties"), from potential liability pursuant to Section 1123(b)(3)(A) of the Bankruptcy Code. Most of these releases are normal in the context of Chapter 11 plans and relate to actions taken in this bankruptcy case including acts taken or omitted to be taken in connection with or related to the formulation, preparation, dissemination, implementation, confirmation or consummation of the Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created or entered into or any other act taken or entitled to be taken in connection with the Plan or this case against the following, whether known or unknown.

The Debtor believes that releasing the Insider Released Parties and Bank Released Parties (collectively "Released Parties") is both appropriate and necessary for several reasons. First, it is in the Debtor's and the Estate's interest to put any such claims, causes of action, and litigation to rest, such that, with the confirmation of the Plan, the Debtor will avoid the potential for extended, contentious litigation and the costs, both in time and expense, associated with such litigation. The release will allow the Reorganized Debtor to focus on its business operations after confirmation. The Plan also releases any claims of these Released Parties against the Debtor, including for indemnification that a director or officer could claim as a result of having been sued by Creditors of the Debtor. Thus, there is a mutuality of consideration.

The Plan would release the Debtor's and the Estate's potential claims against the Released Parties. It would not release any claim that a Creditor may have against any such released individual that is "personal" or "direct" to that creditor.

The release of these Released Parties shall be conditioned upon the occurrence of the Effective Date.

The Debtor's Professionals will be released from any and all claims and liabilities other than gross negligence and willful misconduct or except as otherwise provided under the Professional Code of Responsibility

Additionally, the Plan provides that the releases contemplated therein shall not be deemed to release the liability of any non-debtor guarantor to a Creditor; provided, however, that so long as the Debtor is current with respect to all of its obligations under this Plan and the Confirmation Order Creditors may not pursue collection of their Claims from any guarantor. If the Debtor commits an uncured default in its obligations hereunder, then and only then may Creditors seek relief against guarantors.

M. Lawsuits.

On the Effective Date, all lawsuits, litigations, administrative actions or other proceedings, judicial or administrative, in connection with the assertion of Claims against the Debtor(except for any Proof of Claims and/or objections thereto pending in the Bankruptcy Court) shall be dismissed as to the Debtor. Such dismissal shall be with prejudice to the assertion of such Claims in any manner other than as prescribed by the Plan. All parties to any such action shall be enjoined by the Bankruptcy Court by the Confirmation Order from taking any action to impede the immediate and unconditional dismissal of such actions. All lawsuits, litigations, administrative actions or other proceedings, judicial or administrative, in connection with the assertion of a claim(s) by the Debtor or any entity proceeding in the name of or for the benefit of the Debtor against a person shall remain in place only with respect to the claim(s) asserted by the Debtor or such other entity, and shall become property of the Debtor to prosecute, settle or dismiss as it sees fit.

N. Insurance.

Confirmation and consummation of the Plan shall have no effect on insurance policies of the Debtor in which the Debtor or any of the Debtor's representatives or agents is or was the insured party; the Debtor shall continue as the insured party under any such policies without the need of further documentation other than the Plan and entry of the Confirmation Order. Each insurance company is prohibited from denying, refusing, altering or delaying coverage on any basis regarding or related to the Debtor's bankruptcy, the Plan or any provision within the Plan.

O. Objections to Claims.

The Debtor or the Disbursing Agent shall, on and after the Effective Date, have the right to make and file objections to Claims, including Administrative Expense. Unless otherwise ordered by the Bankruptcy Court, all objections to Claims that are the subject of proofs of claim or requests for payment filed with the Bankruptcy Court shall be filed and served upon the holder of the Claim as to which the objection is made no event later than one hundred twenty (120) days after the Effective Date.

P. Prosecution of Objections.

On and after the Effective Date, except as the Bankruptcy Court may otherwise order, the filing, litigation, settlement or withdrawal of all objections to Claim and Reserved Avoidance Actions may be made by the Reorganized Debtor and/or Disbursing Agent.

Q. Disallowance of Claims.

All Claims held by Persons against whom the Debtor or its Estate have asserted a Claim or Cause of Action under Sections 522(f), 522(h), 542, 543, 544, 547, 548, 549, 550, 551, 553, or 724(a) of the Bankruptcy Code, including, without limitation, the Chapter 5 Actions and the Derivative Claims, shall be deemed disallowed pursuant to Section 502(d) of the Bankruptcy Code, and holders of such Claims may not vote to accept or reject the Plan until such time as such Claims or Causes of Action against the Person have been settled or a Final Order entered and all sums due the Debtor by that Person are turned over to the Debtor.

R. Disputed Claims.

Except as otherwise provided in the Plan, no payments shall be made with respect to all or any portion of a Disputed claim unless and until any and all objections to such Disputed Claim have been determined by a Final Order. Payments and distributions to each holder of a Disputed Claim, to the extent that the Disputed Claim ultimately becomes an Allowed Claim, shall be made in accordance with the provisions of the Plan. Any payments that would have been made prior to the date on which a Disputed Claim becomes an Allowed Claim shall be made as soon as practicable after the date that the order or judgment of the Court determining such Claim to be an Allowed Claim becomes a Final Order.

For purposes of the Plan, any and all Claims that are subject to disallowance pursuant to Code §§ 502(e) and 509 shall be deemed to be disallowed as of the Confirmation Date, notwithstanding the absence of any objection thereto.

VII. LIQUIDATION ANALYSIS

Attached as Exhibit "D" is a liquidation analysis (the "Liquidation Analysis") The Liquidation Analysis reflects the liquidation value of the Debtor's actual assets and the corresponding return to unsecured creditors in the event of liquidation. In the Liquidation Analysis, the return to unsecured creditors is \$0 because the assets have a market value that is significantly less than the amount presently owed to Compass Bank pursuant to its presently secured liens on substantially all of Debtor's assets and to the SBA with respect to its second liens. Thus, if this case were converted to a Chapter 7 proceeding, there would be no assets available for distribution to any creditor except Compass Bank. General unsecured creditors would receive nothing.

The Plan provides for creditors holding allowed unsecured claims of \$1,000 or less, and those electing to reduce their claims to \$1,000, to receive 100% of the allowed claim amount, payable within 30 days after the Effective Date or the date such claims become allowed claims. Creditors holding allowed claims in excess of \$1,000 shall each receive a Pro Rata share of \$25,000, then a Pro Rata share of monthly payments of \$5,000 for a period of twenty-seven (27) consecutive months, with a final payment of the outstanding remaining balance, including interest, paid in month twenty-eight (28) as provided in Article IV of the Plan. Based upon these factors, the Debtor contends that general unsecured creditors shall receive at least as much under the proposed plan as would be received in Chapter 7 liquidation.

VIII. RISKS POSED TO CREDITORS

The principal risk to the creditors is that the Plan will not be confirmed. Absent confirmation of the Plan, the case would be converted to a Chapter 7 to liquidate the Debtor's assets. Although it appears that the creditors would be paid in full, the final distribution from a Chapter 7 trustee could take several years. The Plan is preferable because the creditors can be paid much faster.

IX. ALTERNATIVES

Although the Disclosure Statement is intended to provide information to assist creditors in making a judgment on whether to vote for or against the Plan, and although creditors are not being offered through that vote an opportunity to express an opinion concerning alternatives to the Plan, a brief discussion of alternatives to the Plan may be useful. These alternatives include conversion to a Chapter 7 or dismissal of the proceedings. The Debtor of course, believes the proposed Plan to be in the best interests of creditors. The Debtor assesses the alternatives as follows:

A. Conversion to Chapter 7

The first alternative would be to convert the Chapter 11 case to a Chapter 7 liquidating bankruptcy to liquidate the business. If this occurred, the Bankruptcy Court will appoint a trustee to liquidate the Debtor's assets for the benefit of its creditors. The costs associated with a trustee would then be added to the additional tier of administrative expenses entitled to priority over general unsecured claims upon conversion. Such administrative expenses include the Trustee's commissions, as well as fees for professionals retained by the Trustee to assist in the liquidation. The Trustee's commissions are based on disbursements to creditors. The Trustee receives 25% of the first \$5,000, 10% of the next \$45,000, 5% of the next \$950,000 and 3% on all amount disbursed in excess of \$1 million.

B. Dismissal

Dismissal of the proceeding would likely result in the Debtor and the plan proponents defending debt-collection litigation and numerous new lawsuits to collect debts. The Secured Lenders would foreclose on most of the Debtor's assets likely halting operations. Under this scenario, the unsecured creditors would likely receive no payment whatsoever on their claims.

C. No Assurance of Either

There are other possibilities which are less likely, such as a competing plan proposed by a different party. The Debtor has attempted to set forth the reasonable alternatives to the proposed Plan. However, the Debtor must caution creditors that a vote must be for or against the Plan. The vote on the Plan does not include a vote on alternatives to the Plan. There is no assurance what course the proceedings will take if the Plan fails acceptance.

X. CERTAIN FEDERAL INCOME TAX CONSEQUENCES

A. Tax Consequences to Creditors

1. GENERALLY

The tax consequence to any particular creditor may vary depending on their own circumstances and they should consult with their own tax professional for advice regarding the impact on them of their acceptance or rejection of the plan.

2. UNSECURED CLAIMS

Holders of Class 4 Unsecured Claims will receive distributions from the Debtor. A Class 3 Claimholder should either be treated as (i) recognizing ordinary income in an amount equal to cash received and recognizing a loss in an amount equal to the tax basis in the Claim or (ii) recognizing a loss equal to the difference between the amount of cash received and their tax basis in their Claim.

A Claimholder's tax basis in a Claim should generally equal the amount included in income as a result of the provision of goods or services to the Debtor, except to the extent that a bad debt loss had previously been claimed. The gain or loss with respect to the Claim should be ordinary to the extent that it arose in the ordinary course of trade or business for services rendered or from the sale of inventory to the Debtor.

DUE TO THE COMPLEX NATURE OF APPLICABLE TAX LAWS, CLAIMANTS SHOULD CONSULT WITH THEIR TAX PROFESSIONAL CONCERNING COMPLIANCE WITH AND THE AFFECT OF BOTH STATE AND FEDERAL TAX LAWS ON THEIR INTEREST BEFORE THEY CAST A BALLOT TO ACCEPT OR REJECT THE PLAN.

THE ACCOUNTANTS, ATTORNEYS, AND THE MANAGEMENT OF THE DEBTOR MAKE NO REPRESENTATIONS HEREIN CONCERNING THE IMPACT OF THE TAX LAW ON ANY INDIVIDUAL TREATED UNDER THE PLAN.

XI. PREFERENCES AND FRAUDULENT TRANSFERS

Under the Bankruptcy Code and Texas State Law, the bankruptcy estate may sue to recover assets (or their value) that were transferred by "voidable transfers", which includes assets transferred:

- (A) in fraud of Creditors,
- (B) in constructive fraud of Creditors – because the asset was transferred without sufficient consideration while the Debtor was insolvent,
- (C) as a preferential transfer - a payment before bankruptcy outside the ordinary course that allows a creditor to receive more than it would receive in liquidation, or
- (D) as an unauthorized post-bankruptcy transfer by the Debtor outside of the ordinary course.

A list of all transfers made during the applicable avoidance periods is attached to Debtor's Statement of Financial Affairs filed with the Bankruptcy Court on May 29, 2013 (Docket #23). The Debtor does not believe that any of these transfers are voidable under Sections 550, 547, 548, 544, or similar provision of the Bankruptcy Code. The Plan contemplates a release of all Avoidance Actions.

If the Plan is not confirmed and a liquidating trustee or Chapter 7 trustee is appointed, it is possible that the trustee's analysis will differ from that of the Debtor and that avoidance actions will be commenced against Creditors of the estate, insiders, or others.

XII. LITIGATION

The only litigation existing against the Debtor as of the Filing Date is the arbitration proceeding with Luman. As described herein the Debtor has resolved its dispute with Luman. Luman shall be allowed a Class 5 general unsecured claim as provided in the Plan. No other litigation is pending or expected against the Debtor. No claim of environmental liability has been made, and no such claims are known or expected.

XIII. MANAGEMENT OF THE REORGANIZED DEBTOR

A. Directors and Officers of the Debtor

Raymond B. Rice is the sole member of RB Products Holding, LLC, the sole member of RB Processing, and manager of the Debtor. Mr. Rice shall continue as the sole member and manager of Reorganized Debtor from and after the Effective Date of the Plan.

B. Management Compensation

As of the Effective Date, the management of the Reorganized Debtor shall continue to receive no salary from the Reorganized Debtor. Management expense is borne largely by Debtor's affiliated entity RB Products, LLC. However, the Reorganized Debtor shall be required to pay a monthly management fee to RB Products, LLC for the services provided. The initial fee shall be \$2,500 per month. The Reorganized Debtor reserves the right to increase this fee subject to the dictates of increased business and additional services required.

XIV. ACCEPTANCE AND CONFIRMATION OF THE PLAN

A. Acceptance of the Plan

Confirmation of a Plan under Chapter 11 requires, among other things, that at least one class of creditors or claimants, such as the secured or unsecured creditors in this case, vote in favor of the Plan. This vote is calculated by only counting those creditors who actually send in a ballot on time. If two thirds in total dollar amount and a majority in number of claims actually voting in a class approve the Plan, that class of creditors is considered an accepting class. If the vote is insufficient, the Court can still confirm the Plan, but only upon being provided additional proof regarding the ultimate fairness of the Plan to the creditors. The Debtor believes that the unsecured creditors will support the Plan when they consider the fact that the secured and priority creditors will receive the majority of all of the assets of the Debtor in the event the reorganization is unsuccessful.

The proponent of a Plan also must meet all other applicable requirements of Section 1129(a) of the Bankruptcy code (except Section 1129(a)(8), if the proponent proposes to seek confirmation of a Plan under Section 1129(b) of the Bankruptcy Code). These other requirements include, among other things, that the Plan comply with the applicable provisions of

Title 11 and other applicable law, that the Plan be proposed in good faith, and that at least one impaired class of creditors vote to accept the Plan. The Debtor believes that the Plan satisfies all other applicable requirements of Section 1129(a) of the Bankruptcy Code.

B. Confirmation without Acceptance of All Impaired Classes

The Bankruptcy Court may confirm a plan even if not all impaired classes accept the Plan. For the Plan to be confirmed over the rejection of an impaired class, the proponent must show, among other things, that the plan does not discriminate unfairly and that the plan is fair and equitable with respect to each impaired class that has not accepted the plan.

Under Section 1129(b) of the Bankruptcy Code, a plan is "fair and equitable" as to a class if, among other things, the plan provides: (a) with respect to secured claims, that each holder of a claim included in the rejecting class will receive or retain, on account of its claim, property that has a value as of the Effective Date of the plan, equal to the allowed amount of such claim; and (b) with respect to unsecured claims and interests, that the holder of any claim or interest that is junior to the claims or interest of such class will not receive or retain, on account of such junior claim or interest, any property unless the senior class is paid in full. The Bankruptcy Court must further find that the economic terms of a plan do not unfairly discriminate as provided in Section 1129(b) of the Bankruptcy Code with respect to the particular objecting class. Under the terms of this plan, the principals of the Debtor shall retain their interest in the Reorganized Debtor. The Debtor believes that this interest is valued at \$0. The retention of this interest may prevent the Debtor from seeking relief under 1129(b)(2)(B). However, if the plan is not confirmed, unsecured creditors will likely not receive any distribution in a liquidation.

C. Other Requirements for Confirmation

In order to obtain confirmation of the Plan, the requirements of Section 1129 of the Code must be satisfied. These requirements include but are not limited to findings that the Plan complies with the applicable provisions of Chapter 11 of the Code, that the Debtor has complied with the applicable provisions of Chapter 11 of the Code, that the Plan has been proposed in good faith and not by any means forbidden by law, and at least one class of impaired claims has voted to accept the Plan. The Debtor believes that the Plan satisfies all the statutory requirement of Chapter 11 of the Bankruptcy Code.

1. BEST INTEREST OF CREDITORS

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 or interest of such class either (a) has accepted the Plan or (b) will receive or retain under the Plan on account of such claim or interest property of a value, as of the effective date, that is not less than the amount that such person would receive or retain if the Debtor was, on the effective date, liquidated under Chapter 7 of the Bankruptcy Code. As set forth above, the Debtor believes that this test will be satisfied.

2. FINANCIAL FEASIBILITY

The Bankruptcy Code requires that, in order for the Plan to be confirmed by the bankruptcy court, the bankruptcy court must determine that consummation of the Plan is not

likely to be followed by the liquidation or the need for further financial reorganization of the Debtor. The Debtor believes that it will be able to fulfill its obligations under the Plan.

Attached hereto as Exhibit C is the Debtor's projection demonstrating the feasibility of the Plan. Exhibit C was prepared by Debtor's management from historical data and a projection model that assumes that revenue will be produced as projected by use of the current facilities and equipment. The Debtor believes that it is sufficient to support additional business and will continue to increase its revenues. This pro forma indicates that the Debtor will be able to survive on a post-confirmation basis.

D. Cram-Down - Confirmation Without Acceptance by All Impaired Classes

The Bankruptcy Code contains provisions for confirmation of a Plan even if the Plan is not accepted by all impaired classes, provided that at least one impaired class of claims has accepted it (determined without including any acceptance by any insider holding a claim of such class). These "cram-down" provisions, for confirmation of a Plan despite the non-acceptance of one or more impaired classes of claims or interests, are set forth in Section 1129(b) of the Bankruptcy Code.

In the event that any impaired class of claims does not accept the Plan by the requisite majority set out in the introduction, the Debtor must demonstrate to the Bankruptcy Court, with respect to each impaired class which does not accept the Plan that the Plan does not discriminate unfairly, and is "fair and equitable" with respect to that class. Under the Bankruptcy Code, a Plan is considered "fair and equitable" with respect to secured claims, unsecured claims or interest, as the case may be, if the following conditions are met:

- (a) Secured Claims. The holders of such claims retain their liens, to the extent of the allowed amount of their secured claims, and that each holder of such a claim receive on account of such secured claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the Plan, of at least the value of such holder's interest in the estate's interest in the collateral.
- (b) Unsecured Claims. Either (i) each impaired unsecured creditor receives or retains under the Plan property of a value as of the effective date of the Plan equal to the amount of its allowed claim, or (ii) the holder of any claim or interest that is junior to the claims of the dissenting class will not receive or retain any property under the Plan.

Absolute Priority Rule. Section 1129(b)(2)(B)(ii) controls the payment of senior and junior classes of claims or interests in the event that all of the applicable requirements of Section 1129(a), other than paragraph (8), are met with respect to a plan. In the event that any impaired class (other than an "insider", as defined in 11 U.S.C. § 101(31)) rejects the Plan, the equity interest holders (or other interests junior to unsecured creditors) may only retain their interest in the Reorganized Debtor in return for new value infused into the Reorganized Debtor in accordance with *Bank of Am. Nat. Trust & Sav. Ass'n v. 203 N. LaSalle St. P'ship*, 526 U.S. 434, 445 (1999). The assessment of the required "new value" for the equity interest holders (or other

interests junior to unsecured creditors) is to be made in the event that any impaired class (that is not an "insider") rejects the Plan.

The Debtor believes that the Plan meets the "fair and equitable" test and does not discriminate unfairly with respect to secured class of creditors or interest holders. Under the terms of this plan, the principals of the Debtor shall retain their interest in the Reorganized Debtor. The Debtor believes that this interest is valued at \$0. The retention of this interest may prevent the Debtor from seeking relief under 1129(b)(2)(B). Unless all impaired classes vote for the Debtor's plan, the retention of this interest will prevent the Debtor's plan from being confirmed and this case will be converted to chapter 7.

XV. CONCLUSION

The information provided in this Disclosure Statement is intended to assist you in voting on the Plan in an informed fashion. If the Plan is confirmed, you will be bound by its terms. Accordingly, you are urged to make such further inquiries as you may deem appropriate and then cast an informed vote on the Plan.

Respectfully submitted this 6 day of January 2014.

RB PROCESSING, LLC.

By: 
Raymond B. Rice, Manager

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ATTORNEYS FOR DEBTOR

EXHIBIT “A”

PLAN

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:

RB PROCESSING, L.L.C.,

DEBTOR.

§
§
§
§
§

CASE NO. 13-32997-H4-11

FIRST AMENDED
PLAN OF REORGANIZATION FILED BY DEBTOR
RB PROCESSING, L.L.C.

OF COUNSEL

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**FIRST AMENDED CHAPTER 11 PLAN OF DEBTOR
RB PROCESSING, LLC.**

In accordance with 11 U.S.C. §1121 and §1106, Debtor **RB Processing, LLC**. (hereinafter "RB Processing" or Debtor") files this Debtor's First Amended Plan of Reorganization ("Plan") as follows:

ARTICLE I.

GENERAL PURPOSES OF THE PLAN

RB Processing is a limited liability company formed in 2008 for the purpose of developing modular, skid-mounted processing plants to process chemicals in order to create higher value products. RB Processing is part of the RB Group which is owned and managed by Raymond Rice.

This bankruptcy case was filed as a result a default in Debtor's obligations to its senior secured lender stemming from developmental delay in the RB Hydro Unit 1, which is the Debtor's most significant asset. The RB Hydro Unit 1 did not become fully operational until May 2013, which was approximately 18 months longer than projected. In the short time since the bankruptcy filing, the Debtor has achieved sales and positive flow. The Debtor believes that its business is postured to attain significant sales increases in the near term as the RB Hydro Unit 1 continues to consistently produce product. The following Plan provides for payment in full of all allowed claims.

The Debtor has a strong core business and intends to reorganize around that business which is expected to be the basis for a viable reorganization plan. Consequently, the Plan provides for payment to Creditors as follows: (1) Allowed Administrative Claims and Non-Tax Priority Claims will be paid in cash in full within 30 days of the Effective Date; (2) Allowed Priority Tax Claims, if any, will be paid in cash when due; (3) Allowed Class 1 Ad Valorem Claims of Taxing Authorities will be paid when due; (4) Allowed Class 2 Secured Claims of Compass Bank will be paid in regular monthly payments with respect to Notes #2 and #3 and quarterly payments of excess Net Operating Income, until paid in full; (5) Allowed Class 3 Secured Claim of United States Small Business Administration shall be in accordance with its pre-filing Loan Documents except that accrued payments shall be added to the end of the note and term extend accordingly; (6) Holders of Allowed Class 4 General Unsecured Claims of \$1,000 or Less shall be paid in full, without interest, on the later of 30 days of the Effective Date or the allowance of the Class 3 Claim; (7) Holders of Allowed Class 5 General Unsecured Claims Greater than \$1,000 shall paid in full with simple interest accruing from the Petition Date at the rate of 5% per annum. Within 30 days of the Effective, Class 5 creditors shall receive a Pro Rata share of \$25,000. Further, beginning April 15, 2014, Allowed Class 5 claimants shall receive a Pro Rata share of \$5,000 per month for a period of twenty-seven (27) consecutive months, with the remaining outstanding unpaid balance owed on such Allowed Claims to be paid in full in month twenty-eight (28); (8) Allowed Class 6 Claims of Insiders and Affiliates Allowed Claims of Insiders and Affiliates shall be permitted to offset any amount due the Debtor. Otherwise, the remaining balance, if any, shall be subordinated to the payment of Class 1, 2, 3, 4 and 5 as provided in the Plan; (9) Holders of Class 7 Equity Interest shall retain their Interests held on the date of the filing of the bankruptcy case with the prohibition of payment of dividends until Class 1, 2, 3, 4 and

5 are paid as provided in the Plan. The Effective Date of the Plan is the date on which the Confirmation Order becomes a Final Order.

ARTICLE II. DEFINITIONS

2.1 Definitions. For purposes of this Plan of Reorganization, the following terms and definitions shall have the following meanings unless the context clearly indicates otherwise:

2.1.1. "Administrative Claim" shall mean any Claim that is defined in Section 503(b) of the Bankruptcy Code as being an "administrative expense" within the meaning of such section.

2.1.2. "Administrative Expenses" shall mean those expenses described in §503 of the Bankruptcy Code.

2.1.3. "Allowed Claim" or "Allowed Interest" shall mean a Claim or Interest (a) in respect of which a proof of claim or application has been filed with the Court within the applicable period of limitations fixed by Bankruptcy Rule 3001 or, by order of this Court, (b) scheduled in the list of Creditors prepared and filed with the Bankruptcy Court pursuant to Bankruptcy Rule 1007(b) and not listed as disputed, contingent or liquidated as to amount, in either case as to which no objection to the allowance thereof has been interposed within any applicable period of limitations fixed by Bankruptcy Rule 3001 or an order of the Bankruptcy Court, or as to which any such objection has been determined by an order or judgment which is no longer subject to appeal or certiorari proceeding and as to which no appeal or certiorari proceeding is pending.

2.1.4. "Allowed Compass Bank Secured Claim" means the Allowed Secured Claim of Compass Bank in the following amounts:

- Note #1: \$4,654,787.49 (principal), \$8,868.46 (interest through 12/20/13) plus non-default rate interest per diem of \$441.92682, plus costs and reasonable attorneys fees.

- Note #2: \$211,457.47 (principal), \$710.63 (interest through 12/10/13) plus non-default rate interest per diem of 21.5442, \$2,387.45 (late fees), plus costs and reasonable attorneys fees.

- Note #3: \$1,106,025.85 (principal), \$33,978.03 (interest through 12/10/13 plus non-default rate interest per diem of \$155.15), \$30.00 (miscellaneous fee), plus costs and reasonable attorneys fees.

2.1.5. "Allowed Luman Claim" shall mean the Allowed Unsecured Claim of Luman Enterprises, Inc., allowed in the total amount of \$164,000 as provided in Article 4.5 herein. Upon the Effective Date, any other claims alleged by Luman Enterprises, Inc. against the Debtor are released and disallowed in their entirety.

2.1.6. "Allowed Secured Claim" means: (i) the Allowed Secured Claims provided for in Sections 4.2 of this Plan; and (ii) with respect to a Secured Claim held by any other Person, a Secured Claim Allowed by Final Order of the Bankruptcy Court under section 506(a) of the Bankruptcy Code, but only to the extent, validity, and priority so Allowed.

2.1.7. "Allowed Unsecured Claim" means an allowed claim that is not an Administrative Claim, an Secured Claim, or a Priority Claim.

2.1.8. "Avoidance Actions" shall mean those causes of action provided for under Sections 547 to 551 of the Bankruptcy Code, causes of action under applicable non-bankruptcy law for voidable transfers or similar legal theories, such as the Uniform Fraudulent Transfer Act or Uniform Fraudulent Conveyance Act, as enacted.

2.1.9. "Bankruptcy Code" shall mean the Bankruptcy Code, 11 U.S.C. §101 et seq., and any amendments thereof.

2.1.10. "Bankruptcy Court" shall mean the United States Bankruptcy Court for the Southern District of Texas, Houston Division, in which the Debtor's Chapter 11 case, pursuant to which the Plan is proposed, is pending, and any Court having competent jurisdiction to hear appeals or certiorari proceedings therefrom.

2.1.11. "Bankruptcy Estate" shall mean all of the assets owned by the Debtor.

2.1.12. "Bankruptcy Rules" shall mean the rules of procedure in bankruptcy cases applicable to cases pending before the Bankruptcy Court and local bankruptcy rules as adopted by the Bankruptcy Court.

2.1.13. "Bar Date" shall mean September 25, 2013, the deadline established by the Bankruptcy Court in its Order Fixing a Bar Date for Filing Certain Proofs of Claim and Approving Proof of Claim Form and Notice Procedures and in the Notice of Commencement of an Expedited Case under Chapter 11 of the Bankruptcy Code, Fixing Meeting of Creditors and Other Dates no later than which proofs of claim must be filed except for those claims specified in this plan, which claims shall have the bar dates established herein.

2.1.14. "Cash" shall mean Cash and Cash equivalents including, without limitation, checks and wire transfers.

2.1.15. "Claim" shall mean any right to payment, or right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, against Debtor in existence on or before the Filing Date, whether or not such right to payment or right to equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, secured or unsecured.

2.1.16. "Class" shall mean any class into which Allowed Claims or Allowed Interests are classified pursuant to Article 4.

2.1.17. "Class 1 Claim, Class 2 Claims, Class 3 Claims, Class 4 Claims, Claims 5 Claims, Class 6 Claims and Class 7 Interests" shall mean the Allowed Claims and Interests so classified in Sections 4.1 through 4.7 respectively.

2.1.18. "Compass Bank" shall mean Compass Bank, an Alabama banking corporation the senior secured lender in Debtor's Bankruptcy Case.

2.1.19. "Compass Bank Notes" shall mean the Debtor's loans with Compass Bank as follows: Revolving Line of Credit dated October 7, 2011 in the original principal sum of \$7 million with a balance as of the Petition Date of approximately \$5,099,841.70 (Note #1- Loan # XXXX3702-26), Equipment Loan dated October 7, 2011, in the original principal sum of \$350,000 with a balance as of the Petition Date of approximately \$211,644.74 (Note #2-Loan # XXXX3694-18) and Construction Loan dated December 28, 2011 in the original principal sum of \$1,219,500 with a balance as of the Petition Date of approximately \$1,108,197.96 (Note #3 - Loan # XXXX1400).

2.1.20. "Compass Bank Renewal Note" shall mean the promissory note attached hereto as Exhibit "B", which is a renewal and modification of Note #1 referred to as part of the definition of Compass Bank Notes.

2.1.21. "Confirmation Date" shall mean the date upon which the Order Confirming Plan is entered by the Clerk of the Bankruptcy Court.

2.1.22. "Confirmation Hearing" shall mean the hearing held by the Bankruptcy Court to consider confirmation of the Plan.

2.1.23. "Creditors" shall mean all creditors of the Debtor holding claims for debts, liabilities, or demands of any character whatsoever, as defined in §101(10) of the Bankruptcy Code.

2.1.24. "Debtor" shall mean RB Processing, L.L.C.

2.1.25. "Disbursing Agent" shall mean the Reorganized RB Processing, L.L.C. or any party designated by RB Processing, L.L.C. to act as disbursing agent.

2.1.26. "Disclosure Statement" shall mean the written document filed by the Debtor in accordance with Section 1125(b) of the Bankruptcy Code containing information sufficient to enable a hypothetical reasonable investor typical of holders of Claims or Interests of the relevant Class to make an informed judgment about this Plan.

2.1.27. "Disputed Claim" shall mean that portion (including, where appropriate, the whole) of any Claim that (a) is listed in the Debtor's schedules of liabilities as disputed, contingent, or unliquidated; (b) is listed in the Debtor's schedules of liabilities and as to which a proof of claim has been filed with the Bankruptcy Court, to the extent the proof of claim exceeds the scheduled amount; (c) is not listed in a Debtor's schedules of liabilities, but as to which a proof of claim has

been filed with the Bankruptcy Court; or (d) as to which an objection to a proof of claim has been filed and has not become an Allowed Claim.

2.1.28. "Effective Date" shall mean the date upon which the Confirmation Order becomes a Final Order.

2.1.29. "Equity Interest" means any ownership interest or shares in RB Processing whether or not transferable, preferred, common, voting, or denominated "stock" or a similar security.

2.1.30. "Executory Contract(s)" shall mean any Pre-petition Unexpired lease(s) or executory contract(s) of the Debtor within the meaning of Section 365 of the Bankruptcy Code.

2.1.31. "Filing Date" shall mean May 15, 2013, the date the Debtor filed its petition under Chapter 11 of the Bankruptcy Code.

2.1.32. "Final Order" shall mean an Order of the Bankruptcy Court which, not having been stayed, and the time to appeal from which, or to seek review or certiorari or rehearing, has expired and such Order has become conclusive upon all matters adjudicated thereby, and in full force and effect.

2.1.33. "Forbearance Agreement" shall mean that agreement between the RB Group, Raymond Rice and Compass Bank dated February 4, 2013, as amended, modified and extended for time to time and related to the Compass Bank Notes.

2.1.34. "General Unsecured Claim" shall mean either (i) a Claim that is not secured by a lien, security interest or other charge against or interest in property in which Debtor has an interest or which is not subject to setoff under Section 553 of the Bankruptcy Code or (ii) a Claim that is secured in one of the foregoing manners to the extent the amount of the Claim exceeds the value of the property securing the Claim.

2.1.35. "Holder" shall mean the owner or holder of any Claim or Interest.

2.1.36. "Interest" shall mean an interest or equity interest (a) in respect to which a proof of interest has been filed with the Bankruptcy Court within the applicable period of limitation fixed by Bankruptcy Rule 3001 or (b) scheduled in the list of equity security holders prepared and filed with the Bankruptcy Court pursuant to Bankruptcy Rule 1007(b).

2.1.37. "Insider" shall have that meaning defined by 11 U.S.C. § 101(31).

2.1.38. "Net Operating Income" means, with respect to any period of time, the amount obtained by subtracting Operating Expenses from Operating Revenue.

2.1.39. "Operating Expenses" means, with respect to any period of time, the total of all operating expenses, computed in accordance with generally accepted accounting principles, principles and as recorded on the Company's monthly

income statement prepared in accordance with generally accepted accounting principles. Such expenses include accruals, depreciation and amortization but exclude "extraordinary" income or expenses or prior calendar year adjustments. Operating Expenses shall be subject to adjustments made by Lender in its reasonable discretion with regard to annualizing actual costs for insurance premiums and taxes paid. Any expense which in accordance with accrual basis income tax accounting is depreciated or amortized over a period which exceeds one (1) year shall be treated as an expense, for the purposes of the foregoing calculations, ratably over the period of depreciation or amortization.

2.1.40. "Operating Revenue" means, with respect to any period of time, all income computed in accordance with generally accepted accounting principles and as recorded on the Company's monthly income statement prepared in accordance with generally accepted accounting principles.

2.1.41. "Officers" shall mean Raymond Rice, manager and director of the Reorganized Debtor.

2.1.42. "Order Confirming Plan" shall mean the Final Order of the Bankruptcy Court determining that the Plan meets the requirements of Chapter 11 of the Bankruptcy Code and is entitled to an entry of an Order of Confirmation.

2.1.43. "Petition Date" shall mean May 15, 2013 or the date of filing of the Debtor's Chapter 11 Bankruptcy Case No. 13-32997.

2.1.44. "Plan" shall mean this Debtor's Plan of Reorganization in its present form, or as it may be amended or supplemented from time to time.

2.1.45. "Priority Claim" shall mean any Claim that is defined in Section 507(a)(2)-(8) of the Bankruptcy Code.

2.1.46. "Pro Rata" shall mean the proportion that the amount of such Claim bears to the aggregate amount of Claims in each respective Class.

2.1.47. "RB Group" shall mean the following entities owned and managed by Raymond Rice: RB Products, L.L.C., RB Products, Holding, L.L.C., RB Environmental, L.L.C., R.B. Fabrication, L.L.C. and RB Processing, L.L.C.

2.1.48. "RB Processing" shall mean the Debtor.

2.1.49. "Reorganized Debtor" shall mean the Debtor after the entry of Order Confirming Plan.

2.1.50. "SBA" shall mean the United States Small Business Administration

2.1.51. "SBA Loan" shall mean the Debtor's loan with the Capital Development Corporation and assigned to the SBA, dated August 1, 2012, in the principal sum of \$984,000 with a balance as of the Petition Date of approximately \$921,186.65.

2.1.52. "Secured Claim" shall mean a Claim secured by a lien, security interest or other charge against or interest in property in which Debtor has an interest, or which is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of the value (determined in accordance with §506(a) of the Bankruptcy Code) of the interest of the holder of such Claim in the Debtor's interest in such property or to the extent of the amount subject to such setoff, as the case may be.

2.1.53. "Small Claim" shall mean an Allowed Claim, (a) the amount of which (prior to any subdivision or assignment thereof after the Petition Date) is not more than \$1,000.00, or (b) the Holder of which irrevocably elected prior to the Confirmation Date to reduce the amount thereof to \$1,000.00 and to have such Allowed Claim included in Class 4 by indicating such election on the form utilized for purposes of acceptance or rejection of the Plan.

2.1.54. "Substantial Consummation" shall occur on the Effective Date.

2.2 Interpretation. Unless otherwise specified, all section, article and exhibit references in the Plan are to the respective sections, articles of or exhibits to the Plan, as the same may be amended, waived or modified from time to time. The headings and table of contents in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of the Plan. Words denoting the singular number shall include the plural number and vice versa and words denoting one gender shall include the other gender. All exhibits and schedules attached to the Plan are incorporated herein by such attachment.

2.3 Application of Definitions and Rules of Construction Contained in the Bankruptcy Code. Words and terms defined in the Bankruptcy Code shall have the same meaning when used in the Plan, unless a different definition is given in the Plan. The rules of construction contained in Section 102 of the Bankruptcy Code shall apply to the construction of the Plan.

2.4 Other Terms. The words "herein," "hereof," "hereto," "hereunder" and others of similar import refer to the Plan as a whole and not to any particular section, subsection or clause contained in the Plan. A term used herein that is not defined herein shall have the meaning ascribed to that term, if any, in the Bankruptcy Code.

ARTICLE III.

ADMINISTRATIVE AND PRIORITY CLAIMS

3.1. Administrative Claims Bar Date. Any holder of an Administrative Claim against the Debtor, except for expenses incurred in the ordinary course of operating the Debtor's business, shall file proof of such Claim or application for payment of such Administrative Claim on or within sixty (60) days after the Confirmation Date, with actual service upon counsel for the Debtor or such Holder's Administrative Claim will be forever barred and extinguished and such Holder shall, with respect to any such Administrative Claim be entitled to no distribution and no further notices.

3.2. Payment of Administrative Expense Claims. Each Holder of an unpaid Allowed Administrative Claim shall be paid in Cash in full on the later of thirty (30) days after the Effective Date or the date such Claim becomes an Allowed Administrative Claim, unless the Holder of such Claim agrees to a different treatment.

3.3. Payment of Non-Tax Priority Claims. Each Holder of an unpaid Allowed Non-Tax Priority Claim shall be paid in Cash in full on the later of thirty (30) days after the Effective Date or the date such Claim becomes an Allowed Non-Tax Priority Claim, unless the Holder of such Claim agrees to a different treatment.

3.4. Payment of Unsecured Priority Tax Claims. Allowed Priority Tax Claims shall be paid in Cash in full in Cash on the later of when due, thirty (30) days after the Effective Date or the date such Claim becomes an Allowed Unsecured Priority Claim, unless the Holder of such Claim agrees to a different treatment.

3.5. Payment of United States Trustee Fees Incurred Prior to Confirmation. All fees incurred pursuant to 28 U.S.C. §1930(a)(6) for time periods prior to entry of Order Confirming Plan shall be paid by the Debtor on or before the Effective Date.

3.6. Payment of United States Trustee Fees Subsequent to Confirmation. The Reorganized Debtor shall be responsible for timely payment of fees incurred pursuant to 28 U.S.C. §1930(a)(6) entry of Order Confirming Plan. After confirmation, the Reorganized Debtor shall file with the Bankruptcy Court and serve on the United States Trustee a monthly financial report for each month (or portion thereof) the case remains open in a format prescribed by the United States Trustee and provided to RB Processing by the United States Trustee.

3.7. Payment to Professionals. All payments to professionals for actual, necessary services and costs advanced in behalf of the bankruptcy up until the Confirmation Date shall be pursuant to Bankruptcy Court order and subject to the restrictions of 11 U.S.C. §330. Professional fees incurred for services rendered and costs advanced subsequent to the Effective Date shall be the liability of the Reorganized RB Processing, L.L.C.

ARTICLE IV.

CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

Subject to all other applicable provisions of the Plan (including its distribution provisions), classified Claims and Interests shall receive the treatment set forth below. The Plan will not provide any distributions on account of a Claim or Interest to the extent that such Claim or Interest has been disallowed, released, withdrawn, waived, settled, or otherwise satisfied or paid as of the Effective Date, including, without limitation, payments by third party guarantors, sureties, or insurers, whether governmental or nongovernmental. The Plan will not provide any distributions on account of a Claim or Interest, the payment of which has been assumed by a third party.

4.1 **Class 1. Allowed Secured Claim of Taxing Authorities.**

4.1.1 **Classification.** Class 1 consists of the Allowed Secured Claims of Ad Valorem taxing authorities for the year 2013 secured by a lien on the assets of the Debtor.

4.1.2 **Treatment.** Allowed Secured Class 1 Claims shall be paid by the Reorganized Debtor when due. The Allowed Secured Class 1 Claims Holders shall retain their liens until such time as they are paid in full.

4.1.3 Class 1 Claims are not impaired.

4.2 **Class 2. Allowed Secured Claims of Compass Bank.**

4.2.1 **Classification.** Class 2a consists of the Allowed Compass Bank Secured Claim for Note #1 –XXXX3702-26 secured by liens on Debtor’s assets.

4.2.2 **Treatment.** On the Effective Date, the Debtor shall execute and deliver to Compass Bank the Compass Bank Renewal Note. The Compass Bank Renewal Note shall become Note #1. Debtor shall timely perform all of its obligations under Note #1. The treatment in the Plan for Note #1 is not intended to and does not affect required payments to Compass Bank on Note #1 by other affiliated entities of the Debtor under the current Forbearance Agreement between Compass Bank and these entities, or otherwise.

The Renewal Note provides that upon the occurrence of certain conditions defined in the note, one or more Additional Principal Payment shall be made to Compass Bank by the Debtor, together with RB Products Holding L.L.C., RB Products, Inc., RB Fabrication, L.L.C. and RB Environmental, L.L.C. (collectively, the “Borrowers”).

Borrowers’ payments to Compass Bank of such Additional Principal Payment shall be made on or before the fifth (5th) day following the completion of the compilation of the accounting reports for the third month in the second consecutive quarter as referenced in the above provision, but in no event no later than the tenth (10th) day following such completion.

Note #1 shall be (a) secured by automatically perfected liens on all assets on the Debtor and its estate, and (b) due and payable in full on April 1, 2016.

4.2.3 The Class 2a Claim is impaired.

4.2.4 **Classification.** Class 2b consists of the Allowed Compass Bank Secured Claim for Note #2 –XXXX3694-18 secured by liens on Debtor’s assets.

4.2.5 **Treatment.** Beginning March 1, 2014, the Allowed Class 2b Claim shall be paid in consecutive monthly payments of \$8,185.00, with interest at a rate of 5%, until April 1, 2016, when the Allowed Class 2b claim shall be paid in full. Compass Bank shall (a) retain its lien, security interests and rights as provided

under its pre-Filing Date loan documents and/or applicable law, and (b) receive under the Plan automatically perfected liens on any other assets of the Debtors and its estate. The Debtor shall timely perform all of its obligations under Note #2.

4.2.6 The Class 2b Claim is impaired.

4.2.7 Classification. Class 2c consists of the Allowed Secured Claim Compass Bank for Note #3 –XXXX1400 in the amount of \$1,108,197.96 (as of the Petition Date), secured by liens on Debtor's assets.

4.2.8 Treatment. Beginning March 1, 2014, the Allowed Class 2c Claim shall be paid in consecutive monthly payments of \$14,982.38, with interest at a rate of 5.05%, until April 1, 2016, when the Allowed Class 2c claim shall be paid in full. Compass Bank shall (a) retain its lien, security interests and rights as provided under its pre-Filing Date loan documents and/or applicable law, and (b) receive under the Plan automatically perfected liens on any other assets of the Debtor and its estate. The Debtor shall timely perform all of its obligations under Note #2.

4.2.9 The Class 2c Claim is impaired

4.2.10 Default. Notwithstanding anything to the contrary in the Plan or Confirmation Order, if (a) the Reorganized Debtor fails to make any payment to Compass Bank as required under the Plan (or within ten days after a default notice is sent by Compass Bank), or (b) guarantor Raymond B. Rice makes any transfer or payment, of nonexempt property (under Texas or Federal law), cumulative greater than \$10,000 for nonordinary course purposes, without the prior written consent of Compass Bank, then at any time thereafter Compass Bank may exercise any or all of its state and federal law rights and remedies against its collateral and against the Reorganized Debtor.

4.2.11 Release. The Debtor and its estate release Compass Bank and its officers, directors, employees, attorneys, representatives and agents from any and all claims, demands, causes of action, and obligations of whatever kind or character, known or unknown, fixed, contingent, matured, unmatured, liquidated, unliquidated, arising in contract, tort or otherwise which originated in whole or part on or before the Effective Date.

4.2.12 Prohibited Actions. Neither the Reorganized Debtor, nor any affiliate of the Reorganized Debtor (including without limitation Raymond Rice), shall take any action to delay or interfere with the exercise of any rights and/or remedies granted to Compass Bank pursuant to the Plan. The prohibited actions shall include, but not be limited to, seeking injunctive relief or bankruptcy protection that bars or delays foreclosure or the exercise of any other rights.

4.3 **Class 3. Allowed Secured Claim of United States Small Business Administration.**

4.3.1 Classification. Class 3 consists of the Allowed Secured Claim of the United States Small Business Administration for SBA Loan # XXXX6150-05 secured by a second lien on Debtor's assets.

4.3.2 Treatment. Beginning March 1, 2014, the Allowed Class 3 Claim shall be paid in monthly payments of \$10,142, at the contractual, nondefault rate of interest of 3.76%. The terms and provisions of the SBA Note shall be reinstated except that the maturity date shall be extended to allow unpaid, accrued amounts owed with respect to the SBA Note prior to March 1, 2014, shall be added to the end of the note and the term of the note extended accordingly. The United States Small Business Administration shall retain its lien, security interests and rights as provided under its pre-Filing Date loan documents and/or applicable law until the SBA Note is paid in accordance with the terms of the Plan.

4.3.3 The Class 3 Claim is impaired

4.4 **Class 4. Allowed General Unsecured Claims of \$1,000 or Less.**

4.4.1 Classification: Class 4 consists of the Allowed Unsecured Claims of \$1,000 or Less.

4.4.2 Treatment: The Holders of Allowed Unsecured Class 4 Claims shall be paid 100% of their Allowed Claim, without interest, on the later of thirty (30) days after the Effective Date or the date such Claims become Allowed Claims. If a creditor with an allowed claim in excess of \$1,000 wishes to have their claim treated as a Class 4 claim and paid accordingly, then the creditor will make that election on the ballot when voting, and the Allowed Claim will be limited to \$1,000.

4.4.3 Class 4 Claims are impaired

4.5 **Class 5. Allowed General Unsecured Claims Greater than \$1,000.**

4.5.1 Classification. Class 5 consists of Allowed General Unsecured Claims Greater than \$1,000, including the Allowed Luman Claim.

4.5.2 Treatment. Allowed Class 5 Claims shall be paid in full with simple interest accruing from the Petition Date at the rate of 5% per annum as follows: Within thirty (30) days of the Effective Date, Class 5 Allowed Claims shall receive a Pro Rata share of \$25,000 toward payment of the Allowed Claims. Thereafter, beginning the later of April 15, 2014 or the date such Claims become Allowed Claims, the Class 5 claimants shall receive a Pro Rata share of \$5,000 per month for a period of twenty-seven (27) consecutive months, with the remaining outstanding unpaid balance owed on such Allowed Claims to be paid in full in month twenty-eight (28). The Debtor shall be allowed to offset any balance owed the Debtor by a Class 5 creditor and reduce the allowed claim accordingly prior to any payment contemplated herein.

Luman Enterprises, Inc. filed a general unsecured Proof of Claim in the amount \$204,000. As further described in the Disclosure Statement, the Debtor disputed this claim. The Debtor has reached an agreement to provide Luman Enterprise, Inc. with an Allowed Class 5 General Unsecured Claim in the amount of \$164,000 and Luman shall turnover stamped engineering schematics or drawings to the Debtor relative to the RB Hydro Unit 1. On the Effective Date, any other claims alleged by Luman Enterprises, Inc. not specifically provided for herein in Article 4.5.2, are forever disallowed, released and discharged.

4.5.3 The Class 5 Claims are impaired under the Plan.

4.6 **Class 6. Allowed Claims of Insiders and Affiliates.**

4.6.1 Classification. Class 6 consists of Allowed Claims of Insiders and Affiliates.

4.6.2 Treatment. The Holders of Class 6 Claims shall be permitted to offset any amount due the Debtor. Otherwise, the remaining balance, if any, shall be subordinated to the payment in full of Allowed Claims in Classes 1, 2, 3, 4, and 5 as provided for herein.

4.6.3 The Class 6 Claims are impaired.

4.7 **Class 7. Allowed Interests of Equity Holders.**

4.7.1 Classification. Class 7 consists of the Allowed Equity Interests in RB Processing.

4.7.2 Treatment. The Holders of Class 7 Equity Interests shall retain the Equity Interests held on the date of the filing of the bankruptcy case, with the prohibition of payment of dividends or any other amounts until Classes 1, 2, 3, 4 and 5 are paid as provided for herein.

4.7.3 The Class 7 Interests are impaired.

ARTICLE V.

VOTING OF CLAIMS AND INTERESTS

Classes 2, 3, 4, 5, and 6 of Claims and the Class 7 Equity Interests are impaired and therefore are entitled to vote on this Plan. Accordingly, the acceptances of Class 2, 3, 4, 5 and 6 Claims and Class 7 Equity Interests must be solicited. Class 1 is not impaired under the Plan and therefore not entitled to vote on the Plan.

ARTICLE VI.

MEANS FOR EXECUTION OF PLAN

6.1 **Vesting of Property of the Estate in Reorganized Debtor.** On the Effective Date of the Plan, all property of the Debtor and of its Estate shall vest in the Reorganized Debtor free

and clear of liens, claims and encumbrances, except as otherwise provided by the terms of the Plan.

6.2 **Continuation of Business Operations.** From and after the Effective Date of the Plan, the Reorganized Debtor shall be authorized to continue its normal business operations. Reorganized Debtor shall enter into such transactions as it deems advisable, free of any restriction or limitation imposed under any provision of the Bankruptcy Code, except to the extent otherwise provided in the Plan. Cash flow from the operations shall be used to fund payments required by the Plan.

6.3 **Source of funds for Payments due on the Effective Date.** Current cash flow derived from operations will be used to pay Allowed Claims as required by the Plan except that, to the extent necessary, Debtor's affiliated entity RB Products, LLC shall provide up to \$50,000 to the Reorganized Debtor to pay expenses due on or near the Effective Date, including the initial payment of \$25,000 to Class 5 General Unsecured Creditors. To the extent that RB Products advances funds to the Reorganized Debtor for this payment, repayment of these funds by the Reorganized Debtor shall be subordinated to the payment in full of Allowed Claims in Classes 1, 2, 3, 4, and 5.

6.4 **Directors and Officers of Reorganized Debtor.** The Directors and Officers of the Debtor are authorized to continue as Directors and Officers of the Reorganized Debtor from and after the Effective Date of the Plan.

6.5 **Disbursing Agent.** Reorganized Debtor shall act as the Disbursing Agent. If Reorganized RB Processing chooses not to act as the Disbursing Agent, then it shall designate a substitute who is acceptable to Compass Bank.

6.6 **Exclusive Rights and Duties of the Disbursing Agent.** The duties of the Disbursing Agent shall be as follows:

6.6.1 **Distribution to Creditors with Administrative Claims.** In accordance with Article 3 of the Plan the Disbursing Agent shall pay the Administrative and Priority Claims first out of Cash on hand generated from operations.

6.6.2 **Distributions to Creditors with Allowed Claims.** The Disbursing Agent shall have the sole right and duty to make the distributions provided for hereunder as set forth in Article 4 of the Plan.

6.6.3 **Distribution to Creditors with Disputed Claims that Subsequently Become Allowed Claims.** Payment to each holder of a Disputed Claim, to the extent it ultimately becomes an Allowed Claim, shall be made in accordance with the provisions of the Plan governing the class of claims to which the disputed claim belongs. Payments shall be made fifteen days after the Disputed Claims become Allowed Claims.

6.7 **Powers of the Disbursing Agent.** The Disbursing Agent shall have full power and authority to do the following:

6.7.1 Make disbursements to Administrative and Priority Creditors in accordance with Article 3 and other Creditors in accordance with Article 4 of the Plan.

6.7.2 File all reports required under law, including state and federal tax returns, and to pay all taxes incurred by the Bankruptcy Estate.

6.7.3 Take any and all actions, including the filing or defense of any civil actions or Claim objections necessary to accomplish the above.

6.7.4 Employ and pay reasonable fees and expenses of such attorneys, accountants, and other professionals, as may be deemed necessary to accomplish the above and shall be entitled to reserve sufficient Cash to pay the projected fees and costs to such Professionals on a post-confirmation basis, and shall be authorized to purchase insurance with such coverage and limits as are reasonably necessary, including covering liabilities incurred in connection with its service as Disbursing Agent.

6.7.5 Suspend distribution to any Creditor that has not provided the Disbursing Agent with its Federal Tax Identification number or social security number, as the case may be.

6.8 **Presumption of Disbursing Agent's Authority.** In no case shall any party dealing with the Disbursing Agent in any manner whatsoever be obligated to see that the terms of its engagement have been complied with, or be obligated or privileged to inquire into the necessity or expediency of any act of the Disbursing Agent, or to inquire into any other limitation or restriction of the power and authority of the Disbursing Agent, but as to any party dealing with the Disbursing Agent in any manner whatsoever in relation to the assets, the power of the Disbursing Agent to act or otherwise deal with said property shall be absolute except as provided under the terms of the Plan.

6.9 **Limitation on Disbursing Agent's Liability.**

6.9.1 Except gross negligence or willful misconduct, no recourse shall ever be had directly or indirectly against the Disbursing Agent personally or against any employee of the Disbursing Agent by legal or equitable proceedings or by virtue of any statute or otherwise, nor upon any promise, contract, instrument, undertaking, obligation, covenant or agreement whatsoever executed by the Disbursing Agent pursuant to this Plan, or by reason of the creation of any indebtedness by the Disbursing Agent for any purpose authorized by the Plan, it being expressly understood and agreed that all such liabilities, covenants and agreements of the Disbursing Agent or any such employee, whether in writing or otherwise shall be enforceable only against and be satisfied only out of the assets of the Bankruptcy Estate and every undertaking, contract, covenant or agreement entered into in writing by the Disbursing Agent shall provide expressly against the personal liability of the Disbursing Agent.

6.9.2 The Disbursing Agent shall not be liable for any act the Disbursing Agent may do or omit to do as Disbursing Agent hereunder while acting in good

faith and in the exercise of the best judgment of the Disbursing Agent and the fact that such act or omission was advised, directed or approved by an attorney acting as attorney for the Disbursing Agent, shall be evidence of such good faith and best judgment; nor shall the Disbursing Agent be liable in any event except for gross negligence or willful default or misconduct of the Disbursing Agent.

6.10 **Delivery of Distributions.** Subject to Bankruptcy Rule 9010 and the provisions of the Plan, distributions to Holders of Allowed Claims shall be made at the address of each such Holder as set forth on the proofs of Claim filed by such Holders (or at the last known addresses of such a Holder if no proof of Claim or proof of Equity Interest is filed or if the Disbursing Agent has been notified in writing of a change of address), except as provided below. If any Holder's distribution is returned as undeliverable, no further distributions to such Holder shall be made unless and until the Disbursing Agent is notified of such Holder's then current address, at which time all missed distributions shall be made to such Holder without interest. Amounts in respect of undeliverable distributions shall be returned to the Disbursing Agent until such distributions are claimed.

6.11 **Time Bar for Cash Payments.** Checks issued by the Disbursing Agent in respect of Allowed Claims shall be null and void if not negotiated within six months after the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Disbursing Agent by the Holder of the Allowed Claim with respect to which such check originally was issued. Any Claim in respect of such a voided check shall be made on or before the later of (a) the first anniversary of the Effective Date or (b) ninety (90) days after the date of reissuance of such check. After such date, all Claims in respect of void checks shall be discharged and forever barred.

6.12 **Unclaimed Property.** If any Person entitled to receive distributions under the Plan cannot be located within a reasonable period of time after the Effective Date, the distributions such Person would be entitled to receive shall be held by the Disbursing Agent in a segregated interest-bearing account. If the Person entitled to any such distributions is located within six months after the Effective Date, such distributions, together with any dividends and interest earned thereon, shall be paid and distributed to such Person. If such Person cannot be located within such period, such distributions and any dividends and interest thereof shall be returned to the Reorganized RB Processing and such Person shall have waived and forfeited its right to such distributions. Nothing contained in this Plan shall require the Disbursing Agent to attempt to locate such Person. It is the obligation of each Person claiming rights under the Plan to keep the Disbursing Agent advised of current address by sending written notice of any changes to the Disbursing Agent.

6.13 **Minimum Payment.** The minimum amount of any distribution shall be \$25. If a payment anticipated by the Plan is due in an amount less than \$25, then such payments is hereby waived and the funds shall be retained by the Reorganized RB Processing.

6.14 **Fractional Dollars.** Any other provision of the Plan notwithstanding, no payments of fractional dollars will be made to any Holder of an Allowed Claim. Whenever any payment of a fraction of a dollar to any holder of an Allowed Claim would otherwise be called for, the actual payment made will reflect a rounding of such fraction to the nearest whole dollar (up or down).

6.15 **Distribution Dates.** Whenever any distribution to be made under the Plan is due on a day other than a Business Day, such distribution will instead be made, without penalty or interest, on the next Business Day. The Bankruptcy Court shall retain power, after the Confirmation Date, to extend distribution dates for cause, upon motion and after notice and a hearing (as defined in Bankruptcy Code Section 102) to affected parties; provided however that no distribution date pertaining to Class 2 may be extended without the prior written consent of Compass Bank.

6.16 **Orders Respecting Claims Distribution.** After confirmation of the Plan, the Bankruptcy Court shall retain jurisdiction to enter orders in aid of consummation of the Plan respecting distributions under the Plan and to resolve any disputes concerning distributions under the Plan.

6.17 **Agreements, Instruments and Documents.** All agreements, instruments and documents required under the Plan to be executed or implemented, together with such others as may be necessary, useful, or appropriate in order to effectuate the Plan shall be executed on or before the Effective Date or as soon thereafter as is practicable. The Reorganized Debtor shall have a power of attorney, coupled with an interest, to execute and deliver any Plan Document to the extent that counterparty to such document fails to execute and deliver any document required to effectuate the Plan following 20 days written notice and request to such counterparty.

6.18 **Further Authorization.** The Reorganized Debtor shall be entitled to seek such orders, judgments, injunctions, and rulings from the Bankruptcy Court, in addition to those specifically listed in the Plan, as may be necessary to carry out the intentions and purposes, and to give full effect to the provisions, of the Plan. The Bankruptcy Court shall retain jurisdiction to enter such orders, judgments, injunctions and rulings.

ARTICLE VII.

CRAMDOW AND CLAIMS ALLOWANCE

7.1 **Cramdown.** In the event any Class rejects the Plan, the Debtor will seek to invoke the provisions of Section 1129(b) of the Bankruptcy Code and confirm the Plan notwithstanding the rejection of the Plan by any Class of Claims or Interests.

IN THE EVENT ANY CLASS REJECTS THE PLAN THE DEBTOR WILL SEEK TO INVOKE THE PROVISIONS OF 11 U.S.C. §1129(b) AND CONFIRM THE PLAN OVER THE REJECTION OF THE CLASS OR CLASSES. THE TREATMENT AFFORDED EACH CREDITOR IN EACH CLASS IN THE EVENT OF A CRAMDOW WILL BE THE SAME AS THAT PROVIDED FOR IN THE PLAN AS THE CASE MAY BE.

7.2 **Allowance of Claims under the Plan.** Allowance is a procedure whereby the Bankruptcy Court determines the amount and enforceability of Claims against the Debtor, if the parties cannot agree upon such allowance. It is expected that the Debtor and/or the Disbursing Agent will file objections to Claims of Creditors, if any are deemed necessary, before and after confirmation of the Plan. The Plan merely provides for payment of Allowed Claims, but does not attempt to pre-approve the allowance of any Claims.

7.3 **Objection Deadline.** As soon as practicable, but in no event later than one hundred twenty (120) days after the Effective Date, unless extended by order of the Bankruptcy Court for cause, objections to Claims shall be filed with the Bankruptcy Court and served upon the Holders of each of the Claims to which objections are made.

7.4 **Prosecution of Objections.** On and after the Effective Date, except as the Bankruptcy Court may otherwise order, the filing, litigation, settlement or withdrawal of all objections to Claim and Avoidance Actions may be made by the Reorganized Debtor and/or Disbursing Agent.

ARTICLE VIII.

DEFAULT

8.1 If any of the following events occur, the Reorganized Debtor will be in breach of this Plan ("Default"):

8.1.1 Failure to pay any amount due under the Plan when due; or

8.1.2 Breach or violation of a material covenant or uncured default under the Plan, including failure to pay amounts due.

8.2 Should the Reorganized Debtor be in breach or violation under the foregoing paragraph, or Default has occurred and thereafter the Reorganized Debtor fails to remedy or resolve such breach within thirty (30) days from the date of receipt of written notice of such breach, violation or default, then any Creditor owed a distribution, which the Reorganized Debtor fails to make when due, at its option, may declare that the Reorganized Debtor is in default of this Plan.

ARTICLE IX.

EXECUTORY CONTRACTS AND LEASES

9.1 The Debtor hereby assumes the executory contracts and leases set forth in Exhibit "A" and any executory contracts and leases previously assumed pursuant to bankruptcy court order. All licenses issued to the Debtor by governmental authorities are assumed.

9.2 The Debtor hereby rejects all executory contracts and leases not otherwise assumed in this Plan or by prior Court order.

9.3 Any Claims arising from rejection of an executory contract or lease must be filed on or before 20 days from the Effective Date. Otherwise, such Claims are forever barred and will not be entitled to share in any distribution under the Plan. Any Claims arising from rejection, if timely filed and allowed, will be treated as General Unsecured Claims.

9.4 Except as specifically provided for herein, the Debtor shall pay all cure claims in the amount listed on Exhibit "A" on or before 30 days after the Administrative Claims Bar Date set in paragraphs 3.1 and 3.2, unless a Claim is filed before the Administrative Claims Bar Date in an

amount different from that set forth on Exhibit "A", in which case the cure claim will be paid when and if allowed by Final Order of the Bankruptcy Court.

ARTICLE X.

MODIFICATION OF THE PLAN

10.1 The Debtor may propose amendments and modifications of this Plan prior to the Confirmation Date with leave of the Bankruptcy Court upon appropriate notice. After the Confirmation Date, the Debtor may, with approval of the Bankruptcy Court, so long as it does not materially or adversely affect the interests of the Creditors, remedy any defect or omission, or reconcile any inconsistencies in the Plan or in the Confirmation Order in such manner as may be necessary to carry out the intent of this Plan. After the Confirmation Date, the Debtor may, with approval of the Bankruptcy Court, modify the Plan as to any Class, even though such modification materially affects the rights of the Creditors or Interest Holders in such Class; provided, however, that such modifications must be accepted as to Classes of Creditors by at least sixty-six and two-thirds percent (66-2/3%) in amount of Allowed Claims voting in each such Class and fifty-one percent (51%) in number of Allowed Claims voting in such Class, and as to Classes of Interest Holders by at least sixty-six and two-thirds percent (66-2/3%) in amount of Allowed Interests voting in each such Class; and provided, further, that additional disclosure material needed to support such modification shall be approved by the Bankruptcy Court in the manner consistent with Section 1125 of the Bankruptcy Code and Rule 3017 of the Federal Rules of Bankruptcy Procedure. With respect to all proposed modifications to the Plan both before and after confirmation, the Debtor shall comply with the requirements of Section 1127 of the Bankruptcy Code.

ARTICLE XI.

CONDITIONS PRECEDENT

11.1 **Conditions to Confirmation.** Confirmation of the Plan shall not occur and the Bankruptcy Court shall not enter the Confirmation Order unless all of the requirements of the Bankruptcy Code for confirmation of the Plan with respect to the Debtor shall have been satisfied. In addition, confirmation shall not occur, the Plan shall be null and void and of no force and effect, and the Plan shall be deemed withdrawn unless the Court shall have entered all orders (which may be orders included within the Confirmation Order) required to implement the Plan.

11.2 **Waiver and Nonfulfillment of Conditions to Confirmation.** Nonfulfillment of any condition to confirmation of the Plan may be waived only by the Debtor. In the event the Debtor determines that the conditions to the Plan's confirmation which they may waive cannot be satisfied and should not, in its discretion, be waived, the Debtor may propose a new plan, may modify this Plan as permitted by law, or may request other appropriate relief.

11.3 **Confirmation Order Provisions for Pre-Effective Date Actions.** The Confirmation Order shall empower and authorize the Debtor to take or cause to be taken, prior to the Effective Date, all actions which are necessary to enable it to implement the provisions of the Plan and satisfy all other conditions precedent to the effectiveness of the Plan.

11.4 **Conditions to the Effective Date.** The following are conditions precedent to the effectiveness of the Plan: (i) the Plan is confirmed and the Bankruptcy Court shall have entered

the Confirmation Order, which shall have become a Final Order; (ii) Debtor does not withdraw the Plan at any time prior to the Effective Date; and (iii) the Debtor shall have sufficient Cash on hand to make the initial payments and distributions required under the Plan.

11.5 **Waiver and Nonfulfillment of Conditions to Effective Date.** Nonfulfillment of any condition set forth in the immediately foregoing paragraph of the Plan may be waived only by the Debtor. In the event that the Debtor determines that the conditions to the Plan's Effective Date set forth in the immediately foregoing paragraph of this Plan cannot be satisfied and should not, in its sole discretion, be waived, the Debtor may propose a new plan, may modify this Plan as permitted by law, or may request other appropriate relief.

ARTICLE XII.

JURISDICTION OF THE BANKRUPTCY COURT

12.1 Notwithstanding entry of the Confirmation Order or the Effective Date having occurred, the Bankruptcy Court shall retain exclusive jurisdiction of this case after the Confirmation Date with respect to the following matters:

12.1.1 To allow, disallow, reconsider (subject to Bankruptcy Code Section 502(j) and the applicable Bankruptcy Rules) Claims and to hear and determine any controversies pertaining thereto;

12.1.2 To estimate, liquidate, classify or determine any Claim against the Debtor, including claims for compensation or reimbursement;

12.1.3 To resolve controversies and disputes regarding the interpretation and implementation of the Plan, including entering orders to aid, interpret or enforce the Plan and to protect the Debtor and any other entity having rights under the Plan as may be necessary to implement the Plan;

12.1.4 To hear and determine any and all applications, contested matters, or adversary proceedings arising out of or related to this Plan or this case or as otherwise might be maintainable under the applicable jurisdictional scheme of the Bankruptcy Code prior to or after confirmation and consummation of the Plan whether or not pending on the Confirmation Date;

12.1.5 To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked or vacated;

12.1.6 To liquidate or estimate damages or determine the manner and time for such liquidation or estimation in connection with any contingent or unliquidated Claim;

12.1.7 To adjudicate all Claims to any lien on any of the Debtor's assets;

12.1.8 To hear and determine matters concerning state, local and federal taxes pursuant to the Bankruptcy Code, including (but not limited to) sections 346, 505 and 1146 thereof and to enter any order pursuant to Bankruptcy Code Section 505

or otherwise to determine any tax of the Debtor, whether before or after confirmation, including to determine any and all tax effects of the Plan;

12.1.9 To correct any defect, cure any omission, or reconcile any inconsistency in the Plan or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan or to modify the Plan as provided by applicable law;

12.1.10 To determine all questions and disputes regarding title to assets and shares of the Debtor, Reorganized Debtor or of the Bankruptcy Estate, as may be necessary to implement the Plan;

12.1.11 To enforce and to determine actions and disputes concerning the releases contemplated by the Plan and to require persons holding Claims being released to release Claims in compliance with the Plan;

12.1.12 To fix the value of collateral in connection with determining Claims;

12.1.13 To enter a final decree closing the case and making such final administrative provisions for the case as may be necessary or appropriate; and

12.1.14 To, even after entry of a final decree, hear any cases enforcing Bankruptcy Code section 525.

12.2 **Failure of the Bankruptcy Court to Exercise Jurisdiction.** If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under or related to the Chapter 11 case, including the matters set forth in Section 12.1 of the Plan, this Article XII shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

ARTICLE XIII.

EFFECT OF CONFIRMATION

13.1 **Binding Effect.** As provided for in Section 1141(d) of the Bankruptcy Code, the provisions of the Plan shall bind the Debtor, any entity acquiring property under the Plan and any Creditor, Equity Holder of the Debtor, whether or not the Claim or Interest of such Creditor or Equity Holder is impaired under the Plan and whether or not such Creditor or Equity Holder has accepted the Plan, and the United States and any licensing authority. After confirmation, the property dealt with by the Plan shall be free and clear of all Claims and Interests of Creditors and Equity Holders, except to the extent as provided for in the Plan as the case may be. The Confirmation Order shall contain an appropriate provision to effectuate the terms of this paragraph 13.1.

13.2 **Satisfaction of Claims and Interests.** Holders of Claims and Interests shall receive the distributions provided for in this Plan, if any, in full settlement and satisfaction of all such Claims, and any interest accrued thereon, and all Interests.

13.3 **Vesting of Property.** Except as otherwise expressly provided in the Plan or the Confirmation Order, pursuant to Section 1141(b) of the Bankruptcy Code, upon the Effective Date, all Property of the Bankruptcy Estate shall vest in the Debtor free and clear of all Claims, liens, encumbrances, charges or other Interests of Creditors and Interest Holders. Except as otherwise expressly provided in the Plan or the Confirmation Order, all assets of the RB Processing Bankruptcy Estate shall vest in the Reorganized Debtor free and clear of all Claims, liens, and encumbrances. Moreover, all licenses and permits held by the Debtor shall continue be held by them.

13.4 **Discharge.** Pursuant to Section 1141(d) of the Bankruptcy Code, upon the Effective Date, the Debtor shall be discharged from any debt that arose before the date of such confirmation, and any debt of a kind specified in Section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not a proof of the Claim based on such debt is filed or deemed filed under Section 501 of this title; such Claim is allowed under Section 502 of this title; or the Holder of such Claim has accepted the Plan.

13.5 **Injunction.** **The Confirmation Order shall include a permanent injunction prohibiting the collection of Claims against the Reorganized Debtor in any manner other than as provided for in the Plan. All Holders of Claims shall be prohibited from asserting against the Debtor, Reorganized Debtor or any of its assets or properties, any other or further Claim based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Confirmation Date, whether or not such Holder filed a proof of Claim. Such prohibition shall apply whether or not (a) a proof of Claim based upon such debt is filed or deemed filed under Section 501 of the Bankruptcy Code; (b) a Claim based upon such debt is allowed under Section 502 of the Bankruptcy Code; or (c) the Holder of a Claim based upon such debt has accepted the Plan. This injunction also permits the Reorganized Debtor to enforce 11 U.S.C. §525(a) upon improper revocation or restriction of licenses.**

13.6 **Preservation of Setoff Rights.** In the event that the Debtor has a Claim of any nature whatsoever against the Holders of Claims, the Debtor may, but is not required to setoff against the Claim (and any payments or other distributions to be made in respect of such Claim hereunder), subject to the provisions of Section 553 of the Bankruptcy Code. Neither the failure to setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtor of any Claim that the Debtor has against the Holder of Claims. Neither this provision nor the injunctive provision of the Confirmation Order shall impair the existence of any right of setoff or recoupment that may be held by a Creditor herein; provided that the exercise of such right, except as set forth herein with respect to Class 6, shall not be permitted unless the Creditor provides the Debtor with written notice of the intent to affect such setoff or recoupment. If the Debtor or the Disbursing Agent, as applicable, objects in writing within twenty (20) business days following the receipt of such notice, such exercise shall only be allowed upon order of the Bankruptcy Court. In the absence of timely objection, the Creditor may implement the proposed setoff or recoupment against the Claim held by the Bankruptcy Estate.

13.7 **Releases.** On the Effective Date and pursuant to Section 1123(b)(3)(A) of the Bankruptcy Code, the Debtor, and to the maximum extent provided by law, its agents, release and forever discharge all Avoidance Actions (except those related to the claim objection process) and other claims, including acts taken or omitted to be taken in connection with or related to the

formulation, preparation, dissemination, implementation, confirmation or consummation of the Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created or entered into or any other act taken or entitled to be taken in connection with the Plan or this case against the following, whether known or unknown:

13.7.1 Raymond B. Rice, RB Products, LLC, RB Products Holdings, LLC, RB Fabrication, LLC, RB Environmental, LLC, their employees, agents, attorneys and representatives (collectively "Insider Released Parties"), in connection with any and all claims and causes of action arising on or before the Confirmation Date that may be asserted by or on behalf of the Debtor or the Bankruptcy Estate and/or on account of the Debtor's Case. The release of these Insider Released Parties shall be conditioned upon the occurrence of the Effective Date.

13.7.2 The Debtor's Professionals will be released from any and all claims and liabilities of the Debtor other than willful misconduct or if the release is otherwise restricted by the Texas Disciplinary Rules of Professional Conduct.

13.7.3 BBVA Compass Bank and the Holder of the Class 2 Claims, including their respective Representatives, in connection with any and all claims and causes of action arising on or before the Confirmation Date that may be asserted by or on behalf of the Debtor or the Bankruptcy Estate and/or on account of the Debtor's Case.

13.8 **Guarantors.** Nothing herein shall be deemed to release the liability of any non-debtor guarantor to a Creditor; provided, however, that so long as the Debtor is current with respect to all of its obligations under this Plan and the Confirmation Order Creditors may not pursue collection of their Claims from any guarantor. If the Debtor commits an uncured default in its obligations hereunder, then and only then may Creditors seek relief against guarantors.

13.9 **Lawsuits.** On the Effective Date, all lawsuits, litigations, administrative actions or other proceedings, judicial or administrative, in connection with the assertion of Claims against the Debtor and any guarantor (except for any Proof of Claim and/or objections thereto pending in the Bankruptcy Court) shall be dismissed as to the Debtor. Such dismissal shall be with prejudice to the assertion of such Claim in any manner other than as prescribed by the Plan. All parties to any such action shall be enjoined by the Bankruptcy Court by the Confirmation Order from taking any action to impede the immediate and unconditional dismissal of such actions. All lawsuits, litigations, administrative actions or other proceedings, judicial or administrative, in connection with the assertion of a claim(s) by the Debtor or any entity proceeding in the name of or for the benefit of the Debtor against a person shall remain in place only with respect to the claim(s) asserted by the Debtor or such other entity, and shall become property of the Post-Confirmation Reorganized Debtor to prosecute, settle or dismiss as it sees fit.

13.10 **Insurance.** Confirmation and consummation of the Plan shall have no effect on insurance policies of the Debtor or Reorganized Debtor in which the Debtor or any of the Debtor's representatives or agents is or was the insured party; the Reorganized Debtor shall become the insured party under any such policies without the need of further documentation other than the Plan and entry of the Confirmation Order. Each insurance company is prohibited from denying,

refusing, altering or delaying coverage on any basis regarding or related to the Debtor's bankruptcy, the Plan or any provision within the Plan.

13.11 **U.S. Trustee Fees.** The Debtor shall timely pay post-confirmation quarterly fees assessed pursuant to 28 U.S.C. § 1930(a)(6) until such time as the Bankruptcy Court enters a final decree closing this Chapter 11 case, or enters an order either converting these cases to cases under Chapter 7 or dismisses the cases. After confirmation, the Reorganized Debtor shall file with the Bankruptcy Court and shall transmit to the United States Trustee a true and correct statement of all disbursements made by them for each month or portion thereof, which these Chapter 11 cases remain open in a format prescribed by the United States Trustee.

13.12 **Term of Stays.** Except as otherwise provided in the Plan, the stay provided for in this case pursuant to Bankruptcy Code Section 362 shall remain in full force and effect until the Effective Date.

ARTICLE XIV.

MISCELLANEOUS PROVISIONS

14.1 **Corporate Authority.** All actions and transactions contemplated under the Plan shall be authorized upon confirmation of the Plan without the need of further board or stockholder resolutions, approval, notice or meetings, other than the notice provided by serving this Plan on all known Creditors of the Debtor, all Interest Holders, and all current directors of the Debtor.

14.2 **Documentation.** The Debtor, all Creditors and other parties in interest required to execute releases, termination statements, deeds, bills of sale or other documents required by the Plan, shall be ordered and directed to execute such documents as are necessary in order to effectuate the terms of this Plan. The Bankruptcy Court may determine that the failure of any party to execute a required document shall constitute contempt of the Bankruptcy Court's Confirmation Order, which shall require such documents to be executed in accordance with the terms of the Plan and the Confirmation Order. On the Effective Date, all documents and instruments contemplated by the Plan not requiring execution and delivery prior to the Confirmation Date shall be executed and delivered by the Debtor, and Creditors, as the case may be. All Documents shall be consistent with the terms of the Plan and shall otherwise be subject to approval as to form by all respective counsel.

14.3 **Integration Clause.** This Plan is a complete, whole, and integrated statement of the binding agreement between the Debtor, Creditors, Equity Interests and the parties-in-interest upon the matters herein. Parole evidence shall not be admissible in an action regarding this Plan or any of its provisions.

14.4 **Primacy of the Plan and Confirmation Order.** To the extent of any conflict or inconsistency between the provisions of the Plan on the one hand, and the Confirmation Order on the other hand, the provisions of the Confirmation Order shall govern and control.

14.5 **Severability.** Should the Bankruptcy Court determine that any provision of the Plan is unenforceable either on its face or as applied to any Claim or Equity Interest or transaction, the proponent may modify the Plan in accordance with Article 13 hereof so that such provision shall not be applicable to the Holder of any Claim or Equity Interest. Such a determination of

unenforceability shall not (a) limit or affect the enforceability and operative effect of any other provision of the Plan or (b) require the resolicitation of any acceptance or rejection of the Plan.

14.6 **No Admission.** Neither the filing of the Plan, nor Disclosure Statement, nor any statement or provision contained herein, nor the taking by the Debtor of any action with respect to the Plan shall (i) be or be deemed to be an admission against interest and (ii) until the Effective Date, be or be deemed to be a waiver of any rights which the Debtor may possess against any other party. In the event that the Effective Date does not occur, neither the Plan, Disclosure Statement nor any statement contained herein may be used or relied upon in any manner in any suit, action, proceeding or controversy within or outside of the Debtor's case.

14.7 **Bankruptcy Restrictions.** From and after the Effective Date, the Debtor shall no longer be subject to the restrictions and controls provided by the Bankruptcy Code or Rules (e.g., section 363, section 364, rule 9019), the Bankruptcy Court, or the United States Trustee's guidelines. The Disbursing Agent may, on behalf of the Debtor, compromise Claims and/or controversies post-Effective Date without the need of notice or Bankruptcy Court approval. No monthly operating reports will be filed after the Effective Date; however, the Disbursing Agent shall provide the U.S. Trustee such financial reports as provided above and as the U.S. Trustee may reasonably request until the entry of a final decree.

14.8 **Governing Law.** Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or the law of the jurisdiction of organization of any entity, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any agreements, documents and instruments executed in connection with the Plan or the Chapter 11 case, including the documents executed pursuant to the Plan.

14.9 **Closing of Case.** As soon as the Debtor has either obtained substantial consummation or otherwise performed its obligations under the Plan the Reorganized Debtor shall seek the entry of an Order of the Court closing this case.

14.10 **Successors and Assigns.** The rights, benefits and obligations of any entity 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 entity.

14.11 **Notices.** All notices or requests in connection with the Plan shall be in writing and given by mail addressed to:

RB Products, L.L.C.
740 Bradfield Road
Houston, TX 77060
Attn: Raymond B. Rice

with copies to:

Edward L. Rothberg
Hoover Slovacsek, LLP
5847 San Felipe, Suite 2200
Houston, Texas 77057

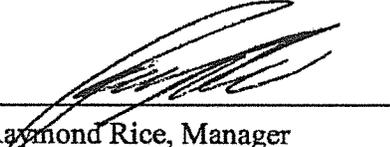
All notices and requests to Persons holding any Claim or Interest in any Class shall be sent to them at their last known address or to the last known address of their attorney of record in the case. Any such holder of Claim or Interest may designate in writing any other address for purposes of this section, which designation will be effective upon receipt by the Debtor.

14.12 **Validity and Enforceability.** The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms. Should any provision in this Plan be determined by the Court or any appellate court to be unenforceable following the Effective Date, such determination shall in no way limit the enforceability and operative effect of any and all other provisions of this Plan.

14.13 **Plan Supplement.** Any and all exhibits or schedules not filed with the Plan shall be contained in a Plan Supplement to be filed within ten (10) days of the Confirmation Hearing.

Respectfully submitted this 6 day of January, 2014.

RB PROCESSING, L.L.C.

By: 
Raymond Rice, Manager

EDWARD L. ROTHBERG
State Bar No. 17313990
MELISSA A. HASELDEN
State Bar No. 00794778
5847 San Felipe, Suite 2200
Houston, Texas 77057
Telephone: 713.977.8686
Facsimile: 713.977.5395

ATTORNEYS FOR DEBTOR

PLAN EXHIBIT A

**EXECUTORY CONTRACTS TO BE ASSUMED
AND PROPOSED CURE AMOUNTS**

(To be supplemented prior to the confirmation hearing)

PLAN EXHIBIT B

**COMPASS BANK RENEWAL NOTE
(To be supplemented prior to the confirmation hearing)**

EXHIBIT “B”

CLAIMS ANALYSIS

RB Processing, L.L.C.
Case No. 12-32997-H4-11
Claims Analysis - Secured

Creditors	Address1	Address2	Address3	City	State	Zip	Scheduled Amount, As Amended	Proof of Claim No.	Proof of Claim Amount	Claim Amount for Plan Totals
BBVA Compass Bank	Attn Brian A. Terlinsky	2200 Post Oak Blvd., 21st Floor		Houston	TX	77056-0000	6,386,387.49	8	6,419,684.40	6,419,684.40
Harris County, et al.	c/o John P. Dillman	Linebarger Goggan Blair & Sampson	P O Box 3064	Houston	TX	77253-3500	0.00	2	2,176.04	2,176.04
Capital Certified Development Corp. /	Attn Aaron Milligan	Building 1, Suite 600	1250 S. Capital of Texas Hwy.	Austin	TX	78746-0000	921,203.28	9	0.00	
US Small Business Administration	8701 S. Gessner Drive, Suite 1200			Houston	TX	77074-0000	Unknown	9	921,532.01	921,532.01
Total Secured Claims:							7,307,590.77		7,343,392.45	

EXHIBIT "B"

RB Processing, L.L.C.
Case No. 12-32997-H4-11
Claims Analysis - Unsecured

Creditors	Address1	Address2	Address3	City	State	Zip	Scheduled Amount	Proof of Claim No.	Proof of Claim Amount	Claim Amount for Plan Totals
Automation Service	13871 Parks Steed Drive			Earth City	MO	63045	486.92			486.92
G&K Services	P O Box 5498			Houston	TX	77262	451.97			451.97
Hi-Tech Industrial Services, Inc.	P O Box 1920			Lees Summit	MO	64063	127.32			127.32
IP Investments, LLC	c/o Ohad Yannay	10201 Bay Area Blvd.		Pasadena	TX	77507	16,533.00	7		18,882.33
LabCal Repairs and Services Inc.	P O Box 1426			Kemah	TX	77565	590.00			590.00
Luman Enterprises	c/o Gary W. Coker	Germer PLLC	P O Box 4915	Beaumont	TX	77704	198,636.51	6		unknown
ORR Safety	Attn: Kim Hardy	P O Box 198029		Louisville	KY	40259	8,504.93	4	7,992.44	7,992.44
W. W. Grainger, Inc.	Attn Special Collections Dept.	7300 N Melvina		Niles	IL	60714	358.24	3	1,877.77	1,877.77
Total Non-Insider Unsecured Claims:							224,750.00		9,870.21	29,469.86
Insider Claims:										
RB Environmental, LLC	740 Bradfield Road			Houston	TX	77060	5,114.83			5,114.83
RB Products Holdings, LLC	740 Bradfield Road			Houston	TX	77060	140,042.78			140,042.78
RB Products, Inc.	740 Bradfield Road			Houston	TX	77060	5,030,888.91			5,030,888.91
Total Insider Claims:							5,176,046.52			5,176,046.52

EXHIBIT "B"

EXHIBIT C

FINANCIAL PROJECTIONS **(Revised Projection To be Supplemented)**

EXHIBIT D

LIQUIDATION ANALYSIS

Exhibit D - Liquidation Analysis

RB Processing, LLC

Assets:	Current FMV	Liquidation Value	
Cash and 3rd Party AR *	\$ 374,495	\$ 299,596	80%
Inventory *	\$ 41,892	\$ 25,135	60%
Personal Property **	\$ 875,000	\$ 700,000	80%
Total Fair Market Value	\$ 1,291,387		
Total Liquidation Value		\$ 1,024,731	

I. OPTION 1: Case converted to a Chapter 7 and assets liquidated :

Liquidation Administrative Costs*** \$ 54,000

Creditor Payout according to Priority under 507	Claim Amount	Amount Paid	Percentage Recovery
Chapter 7 Administrative Costs***	\$ 79,000	\$ 79,000	100.0%
Priority Claims	\$ 12,346	\$ 12,346	100.0%
Liquidator's commission, 6%	\$ 42,000	\$ 42,000	100.0%
Chapter 11 Administrative Costs****	\$ 70,000	\$ 70,000	100.0%
Class 1, Ad Valorem Tax	\$ 2,176	\$ -	0.0%
Class 2.a, b, c (BBVA notes)	\$ 6,143,006	\$ 821,385	13.4%
Class 3, SBA Loan	\$ 921,203	\$ -	0.0%
Class 4, Unsecured <\$1K	\$ 2,494	\$ -	0.0%
Class 5< Unsecured >\$1K	\$ 231,236	\$ -	0.0%
Class 6, Insiders, Affiliates	\$ 5,176,047	\$ -	0.0%
	\$ 12,679,508	\$ 1,024,731	8.1%

* Per Balance Sheet 09.30.13; excludes interco AR of \$206,000 which can be offset by affiliated entity RB Products against the \$5.1 million owed to it by the Debtor.

** Based on Hilco Appraisal 01.03.13; BV = \$4,564,623 Debtor's schedules reflect the book value of these assets.

*** Based a Chapter 7 trustee's sliding commission scale plus estimated attorneys fees of \$25,000.

**** Estimated

II. OPTION 2: If the case is converted to a Chapter 7, it is likely that the Debtor's senior secured lender Compass Bank would seek to terminate the automatic stay and foreclose its interest in the Debtor's assets, thereby, leaving no assets available for liquidation for the benefit of other creditors.