

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SHARITY MINISTRIES, INC.,¹

Debtor.

Chapter 11 (Subchapter V)

Case No.: 21-11001 (JTD)

**Proposed Hearing Date: October 13,
2021 at 1:00 p.m. (ET)**

**Proposed Objection Deadline: October 12, 2021
at 12:00 p.m. (ET)**

**MOTION OF THE DEBTOR FOR ENTRY OF AN ORDER (I) APPROVING
THE DISCLOSURE STATEMENT ON AN INTERIM BASIS; (II) SCHEDULING
A COMBINED HEARING ON FINAL APPROVAL OF THE DISCLOSURE
STATEMENT AND PLAN CONFIRMATION AND DEADLINES RELATED
THERE TO; (III) APPROVING THE SOLICITATION, NOTICE AND
TABULATION PROCEDURES AND THE FORMS RELATED THERETO;
AND (IV) GRANTING RELATED RELIEF**

The above-captioned debtor and debtor in possession, Sharity Ministries, Inc. (“Sharity” or “Debtor”), by and through its undersigned counsel, hereby submits this motion (the “Motion”) for entry of an order (the “Interim Approval and Procedures Order”):

- (i) approving on an interim basis the adequacy of the disclosures set forth in the *Combined Disclosure Statement* (“Disclosure Statement”) and *Chapter 11 Plan of Liquidation of Sharity Ministries, Inc.* (the “Plan,” and together with the Disclosure Statement, the “Combined Plan and Disclosure Statement”) ² [Docket No. 223], which was filed on October 1, 2021, including all exhibits thereto and as amended, supplemented or otherwise modified from time to time;
- (ii) scheduling a combined hearing (the “Confirmation Hearing”) to consider (a) approval of the Disclosure Statement on a final basis and (b) confirmation of the Plan, both of which have been filed contemporaneously with this Motion;
- (iii) approving the solicitation, notice and tabulation procedures related to solicitation of the Plan and the forms related thereto; and
- (iv) granting related relief.

¹ The last four digits of the Debtor’s federal tax identification number is 0344. The Debtor’s mailing address is 821 Atlanta Street, Suite 124, Roswell, GA 30075.

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

The relief requested herein is supported by the Member Committee, the Subchapter V Trustee, and various States holding Governmental Fines and Penalty Claims (the “States”). In support of this Motion, the Debtor respectfully represent as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware* dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Court may enter a final order consistent with Article III of the United States Constitution.³ Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief sought herein are sections 105, 502, 1123(a), 1124, 1125, 1126, and 1128 of title 11 of chapter 11 of the United States Code 11 U.S.C. § 101, *et seq.* (as amended or modified, the “Bankruptcy Code”); rules 2002, 3003, 3016, 3017, 3018, 3020, and 9006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”); and rules 2002-1 and 3017-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”).

GENERAL BACKGROUND

3. On July 8, 2021 (the “Petition Date”), the Debtor commenced the above-captioned chapter 11 case (the “Chapter 11 Case”) by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Court”) and elected to proceed under subchapter V.

³ Pursuant to Local Rule 9013-1(f), the Debtor hereby confirms its consent to entry of a final order by the Court in connection with this Motion if it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

4. Sharity is authorized to continue to operate its business and manage its properties as a debtor in possession pursuant to 11 U.S.C. § 1184. On July 9, 2021, the Office of the United States Trustee for Region 3 appointed Holly S. Miller, Esq. as the Subchapter V Trustee.

5. Additional factual background regarding Sharity, including its charitable mission and the events leading to the filing of this subchapter V, chapter 11 case, is set forth in more detail in the *Declaration of Neil F. Luria in Support of Chapter 11 Petition and First Day Motions* [D.I. 5] (“First Day Declaration”), which is incorporated herein by reference.

6. On or about July 21, 2021, the Debtor decided to cease operations and conduct an orderly wind-down. As a result, the Debtor is no longer accepting contributions from members in connection with its health care sharing ministry (“HCSM”) and is in the process of winding down its business. The board’s decision was based on the Debtor’s business judgment that ceasing operations and winding down would be in the best interests of the members.

7. On August 12, 2021, the Court entered its *Order Holding in Abeyance in Part, and Granting in Part, the United States Trustee’s Motion to Remove the Debtor in Possession Pursuant to 11 U.S.C. § 1185, Or Alternatively, Motion to Authorize the Subchapter V Trustee to Investigate the Debtor’s Financial Affairs Pursuant to 11 U.S.C. § 1183 and Ordering the Appointment of an Official Committee of Members Pursuant to 11 U.S.C. §§ 1181(b) and 1102(a)(2)* [D.I. 144]. Among other things, the order directed the appointment of an official committee of members (the “Member Committee”) and directed the Subchapter V Trustee to investigate the financial affairs of the Debtor and certain other matters.

8. On August 20, 2021, the U.S. Trustee appointed the Member Committee [D.I. 163].

9. On the Petition Date, the Debtor filed the *Schedules of Assets and Liabilities for Sharity Ministries, Inc.* [D.I. 2] and *Statement of Financial Affairs for Sharity Ministries, Inc.*

[D.I. 3] (as amended or modified and together as, the “Schedules and Statements”). On August 4, 2021, the initial meeting of creditors was held pursuant to Bankruptcy Code section 341(a) and continued to and concluded on September 28, 2021.

THE PLAN

10. Contemporaneously with this Motion, the Debtor filed the Plan. In general, the Plan provides for (i) the contribution of all Liquidating Trust Assets to the Liquidating Trust, except for the Post-Petition Payments Reserve Cash which shall be returned to the Members that made payments to the Debtor after July 8, 2021; (ii) the designation of a Liquidation Trustee to, prosecute, continue or settle certain Causes of Action, pay and reconcile Claims, and administer the Plan and Liquidation Trust in an efficacious manner; and (iii) for the holders of Administrative Claims, Secured Tax Claims, Priority Tax Claims, Other Priority Claims and Miscellaneous Secured Claims to be treated in accordance with the terms of the Bankruptcy Code.

11. In accordance with Bankruptcy Code section 1126, the Plan classifies holders of Claims into certain Classes for all purposes, including with respect to voting rights, if any, as follows⁴:

CLASS	CLAIM/INTEREST	STATUS	VOTING RIGHTS
1	Miscellaneous Secured Claims	Unimpaired	Deemed to Accept
2	Priority Non-Tax Claims	Unimpaired	Deemed to Accept
3	Member Claims for Post-July 8, 2021 Payments	Impaired	Entitled to Vote
4	Member Claims and General Unsecured Claims	Impaired	Entitled to Vote
5	Governmental Fines and Penalty Claims	Impaired	Entitled to Vote
6	Section 510(c) Claims	Impaired	Deemed to Reject

⁴ In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article 3 of the Plan.

12. As set forth above, Classes 3 (Member Claims for Post-July 8, 2021 Payments), 4 (Member Claims and General Unsecured Claims), and 5 (Governmental Fines and Penalty Claims) are the only holders of Claims or Interests that are entitled to vote on the Plan (individually, a “Voting Class” and collectively, the “Voting Classes”). All other holders of Claims or Interests are not entitled to vote on the Plan because each such holder holds a Claim or Interest that is either (i) unimpaired under the Plan and deemed to accept the Plan; or (ii) impaired and deemed to reject the Plan.

13. To the extent Claims in a Voting Class are subject to an objection other than a “reduce and allow” objection that is filed with the Court on or prior to ten (10) days before the Voting Deadline (as defined herein), the holder of such Claims shall not be entitled to vote to accept or reject the Plan unless one or more of the following has occurred no later than two (2) days prior to the Voting Deadline (each, a “Resolution Event”):

- (a) an order of the Bankruptcy Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing;
- (b) an order of the Bankruptcy Court is entered temporarily allowing such Claim *for voting purposes only* pursuant to Bankruptcy Rule 3018(a), after notice and a hearing;
- (c) a stipulation or other agreement is executed between the holder of such Claim and the Debtor resolving the objection and allowing such Claim in an agreed upon amount; or
- (d) the pending objection is voluntarily withdrawn by the objecting party.

14. The Debtor respectfully submits that the Disclosure Statement complies with all aspects of Bankruptcy Code section 1125; however, by this Motion, the Debtor seeks only interim approval of the adequacy of the Disclosure Statement. At the Confirmation Hearing, the Debtor will seek final approval of the adequacy of the Disclosure Statement (as well as confirmation of the Plan).

HIGHLIGHTED PROVISIONS UNDER LOCAL RULE 3017-2(C)(II)

15. Local Rule 3017-2(c)(ii) requires the Debtor to highlight certain provisions included in the Plan and/or the Interim Approval and Procedures Order as follows:

- (a) Local Rule 3017-2(c)(ii)(A) requires the disclosure of provisions that seek consensual releases/injunctions with respect to claims creditors may hold against non-debtor parties. *In this case, the Debtor's Plan does not contain any of these provisions.*
- (b) Local Rule 3017-2(c)(ii)(B) requires the disclosure of provisions that seek to release any claims the Debtors may have against non-debtor parties who are insiders of the Debtors. *In this case, the Plan does not contain any releases, but Article XIV of the Plan provides for Exculpation of certain parties except for claims based on or arising out of gross negligence, fraud or willful misconduct.*
- (c) Local Rule 3017-2(c)(ii)(C) requires the disclosure of any provision that seeks an exemption under Bankruptcy Code section 1146. *In this case, Article X(H) of the Plan provides for an exemption under the Bankruptcy Code from certain taxes and fees.*

RELIEF REQUESTED

16. By this Motion, the Debtor respectfully requests entry of the proposed Interim Approval and Procedures Order, substantially in the form submitted herewith (i) granting interim approval of the Disclosure Statement solely to permit the Debtors to solicit the Plan, with final approval of the Disclosure Statement combined with the hearing on confirmation of the Plan; (ii) fixing the dates and deadlines related to solicitation and confirmation of the Plan as set forth in the Confirmation Schedule (defined below); (iii) approving certain solicitation, notice and tabulation procedures (the "Solicitation Procedures") with respect to confirmation of the Plan; (iv) approving the forms of the ballots and the notices in connection therewith; and (v) granting other related relief.

17. The relief requested herein is supported by the Member Committee, the Subchapter V Trustee, and various States.

18. A summary of the key dates the Debtor seeks to establish, subject to the Court's availability, by the Interim Approval and Procedures Order are as follows (the "Confirmation Schedule"):

PROPOSED TIMETABLE	
<u>EVENT</u>	<u>DATE</u>
Record Date	October 13, 2021 at 4:00 p.m. (prevailing Eastern Time) (or such other date the Interim Approval and Procedures Order is entered)
Deadline to Serve the Notices and the Solicitation Package	October 15, 2021 (or within 2 business days following entry of the Interim Approval and Procedures Order)
Deadline to File Plan Supplement	November 8, 2021 at 4:00 p.m. (prevailing Eastern Time)
Voting Deadline	November 22, 2021 at 5:00 p.m. (prevailing Eastern Time)
Deadline to Object to final approval of the Disclosure Statement and Confirmation of the Plan	November 22, 2021 at 4:00 p.m. (prevailing Eastern Time)
Deadline for Debtor to File Voting Report	November 24, 2021 at 4:00 p.m. (prevailing Eastern Time)
Deadline for Debtor to File Confirmation Brief and/or Reply to any Plan or Disclosure Statement Objections	November 30, 2021 at 10:00 a.m. (prevailing Eastern Time)
Combined Hearing on Final Approval of the Disclosure Statement and Confirmation of the Plan	December 2, 2021 at 1:00 p.m. (prevailing Eastern Time)

BASIS FOR RELIEF REQUESTED

A. Interim Approval of the Disclosure Statement is Appropriate

19. The Debtor submits that the Disclosure Statement contains adequate information as defined in section 1125 of the Bankruptcy Code. Accordingly, the Debtor requests that the Court approve the Disclosure Statement (a) on an interim basis to permit the Debtor to use it in the solicitation process as described herein; and (b) on a final basis at the Confirmation Hearing as part of the order confirming the Plan.

20. Specifically, the Disclosure Statement provides significant information regarding the Debtor's history, non-operational status, and going forward options, and also contains easy-to-read "questions and answers" that will aid in the Members understanding the bankruptcy process. Pursuant to section 1125 of the Bankruptcy Code, the proponent of a proposed chapter 11 plan must provide "adequate information" regarding that plan to holders of impaired claims and interests entitled to vote on the plan. Specifically, section 1125(a)(1) of the Bankruptcy Code states, in relevant part:

"adequate information" means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan . . . in determining whether a disclosure statement provides adequate information, the court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information.

11 U.S.C. § 1125(a)(1).

21. The primary purpose of a disclosure statement is to provide all material information that creditors and interest holders affected by a proposed plan need to make an informed decision regarding the plan. *See, e.g., Century Glove, Inc. v. First Am. Bank of N.Y.*, 860 F.2d 94, 100 (3d Cir. 1988) ("[Section] 1125 seeks to guarantee a minimum amount of information to the creditor asked for its vote."); *In re Monnier Bros.*, 755 F.2d 1336, 1341 (8th Cir. 1985); *In re Phoenix Petroleum Co.*, 278 B.R. 385, 392 (Bankr. E.D. Pa. 2001); *In re Unichem Corp.*, 72 B.R. 95, 97 (Bankr. N.D. Ill. 1987). Congress intended that informed judgments would be needed to both negotiate the terms of, and vote on, a plan. *Century Glove*, 860 F.2d at 100.

22. Bankruptcy courts have broad discretion in determining whether a disclosure statement contains adequate information based on the unique facts and circumstances of each case. *See Oneida Motor Freight, Inc. v. United Jersey Bank*, 848 F.2d 414, 417 (3d Cir. 1988) (“From the legislative history of § 1125 we discern that adequate information will be determined by the facts and circumstances of each case.”); *Lisanti v. Lubetkin (In re Lisanti Foods, Inc.)*, 329 B.R. 491, 507 (D. N.J. 2005), *aff’d*, 241 Fed. App’x. 1 (3d Cir. Aug. 2, 2007) (“Section 1125 affords the Court substantial discretion in considering the adequacy of a disclosure statement.”); *In re Phoenix Petroleum Co.*, 278 B.R. 385, 393 (Bankr. E.D. Pa. 2001) (“The general language of the statute and its surrounding legislative history make clear that the determination of what is adequate information is subjective and made on a case by case basis. This determination is largely within the discretion of the bankruptcy court.”) (internal quotations omitted).

23. In making a determination about the adequacy of the information, courts will typically look at whether the disclosure statement contains information such as:

- a. the circumstances that gave rise to the filing of the bankruptcy petition;
- b. a description of the available assets and their value;
- c. the anticipated future of the debtor;
- d. the source of the information provided in the disclosure statement;
- e. the condition and performance of the debtor while in chapter 11;
- f. claims against the debtor’s estate;
- g. a liquidation analysis setting forth the estimated return that creditors would receive if the debtor’s case was converted to a case under chapter 7 of the Bankruptcy Code;
- h. the accounting and valuation methods used to produce the financial information in the disclosure statement;

- i. the future management of the debtor, including the amount of compensation to be paid to any insiders, directors and/or officers of the debtor;
- j. a summary of the chapter 11 plan;
- k. an estimate of all administrative expenses, including attorneys' fees and accountants' fees;
- l. the collectability of any accounts receivable;
- m. any financial information, including financial valuations or *pro forma* projections that would be relevant to creditors' determinations of whether to accept or reject the plan;
- n. the risks to creditors and interest holders under the plan;
- o. the actual or projected value that can be obtained from avoidable transfers;
- p. the existence, likelihood and possible success of nonbankruptcy litigation; and
- q. the tax consequences of the plan.

See In re Scioto Valley Mortgage Co., 88 B.R. 168, 170-71 (Bankr. S.D. Ohio 1988); *see also In re Source Enters.*, 2007 Bankr. LEXIS 4770, *7-8 (Bankr. S.D.N.Y. July 31, 2007) (using similar list of factors); *In re Phoenix Petroleum*, 278 B.R. at 393 (citing similar factors that courts have used to determine the adequacy of information contained in disclosure statements, while cautioning that “no one list of categories will apply in every case.”).

24. Here, the Disclosure Statement contains adequate information to allow the holders of Claims and Interests to make an informed judgment regarding the Plan. The Disclosure Statement is the product of the Debtor's extensive review and analysis of its business, assets and liabilities, and circumstances leading to this Chapter 11 Case, and discussions with the Member Committee, the States and Subchapter V Trustee. Additionally, the Disclosure Statement contains detailed information regarding: (i) the terms of the Plan, including a summary of the classifications

and treatment of all Classes of Claims and Interests; (ii) the treatment of holders of Allowed Claims and Allowed Interests; (iii) the effect of the Plan on holders of Claims and Interests and other parties in interest thereunder; (iv) the Claims asserted against the Debtor; (v) certain risk factors to consider that may affect the Plan; (vi) certain tax issues related to the Plan and distributions; and (vii) the means for implementation of the Plan. Accordingly, the Debtor believes that the Disclosure Statement complies with all aspects of Bankruptcy Code section 1125 and contains more than sufficient information for a hypothetical reasonable investor to make an informed judgment about the Plan. Thus, the Debtor submits that the Disclosure Statement should be approved. Through this Motion, the Debtor seeks only interim approval of the Disclosure Statement. At the Confirmation Hearing, the Debtor will seek final approval of the adequacy of the Disclosure Statement and confirmation of the Plan.

B. It is Appropriate to Establish Claim Amounts and Temporarily Allow Claims for Voting Purposes.

25. Section 1126(c) of the Bankruptcy Code provides:

(c) A class of claims has accepted a plan if such plan has been accepted by creditors, other than any entity designated under subsection (e) of the this section, that holds at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors, other than any entity designated under subsection (e) of this section, that have accepted or rejected such plan.

Additionally, Bankruptcy Rule 3018(a) provides that the “court after notice and hearing may temporarily allow the claim or interest in an amount which the court deems proper for the purpose of accepting or rejecting a plan.” Fed. R. Bankr. P. 3018(a). The Debtor, in consultation with the Member Committee, the States and Subchapter V Trustee, submit the following procedures provide for a fair and equitable voting process.

26. The Debtor proposes that, solely for the purpose of voting to accept or reject the Plan and not for purposes of allowance of, or distribution on account of, a Claim, each Claim within a Voting Class be temporarily allowed in an amount equal to the greater of (i) the amount of such Claim set forth in the Schedules or (ii) the amount of the proof of claim amount, subject to the following exceptions:

- i. If a Claim is deemed Allowed pursuant to the Plan, such Claim shall be Allowed for voting purposes in the deemed Allowed amount set forth in the Plan.
- ii. All of the Debtor's current and former Members shall be accorded one (1) vote valued at \$1.00 in each class in which they are a holder for voting purposes only with respect to the Plan, and not for purposes of allowance or distribution. For the avoidance of doubt, any current or former Member that is the holder of a Member Claim for Post-July 8, 2021 Monthly Payments, an Unpaid Medical Claim, or that has filed an Other Member Claim shall similarly be accorded one vote valued at \$1.00 in each class in which they are a holder for voting purposes only, regardless of how many Claims or types of Claims such Member holds.
- iii. Each Governmental Unit holding a Governmental Fines and Penalty Claim shall be accorded one (1) vote per Member that holds a Member Claim for Post-July 8, 2021 Monthly Payments, an Unpaid Medical Claim, or that has filed an Other Member Claim, that resides in the jurisdiction of the respective Governmental Unit. Each vote shall be valued at \$1.00 for voting purposes only with respect to the Plan, and not for purposes of allowance or distribution.
- iv. If a Claim has been estimated for voting purposes or otherwise allowed for voting purposes by Order of the Court, such Claim shall be allowed in the amount so estimated or allowed by the Court for voting purposes only with respect to the Plan, and not for purposes of allowance or distribution, unless otherwise provided by Order of the Court.
- v. If an objection to, or request for estimation of, a Claim has been filed and served by any party in interest with appropriate standing by 30 days before the Confirmation Hearing, such Claim shall be temporarily disallowed or estimated for voting purposes only with respect to the Plan and not for purposes of allowance or distribution, except to the extent and in the manner as may be set forth in such objection or request for estimation.
- vi. If the voting amount of a Claim has been established by a stipulation, settlement, or other agreement filed by the Debtor on or before the Voting Deadline, such Claim shall be allowed for voting purposes only with respect to the Plan, and not for purposes of allowance or distribution, in the stipulation,

settled, or otherwise agreed-to amount.

27. Substantially all the potential claims held by the approximately 90,000 former Members are unliquidated. It is not possible to estimate the value of the claims held by the approximately 90,000 past and current Members for purposes of voting. Allowing each current and former Member a Claim at \$1.00 as set forth above is a reasonable proxy for voting purposes, has been agreed upon between the Debtor, Member Committee, the Subchapter V Trustee, and the States, and will save substantial time and effort in attempted to determine the exact nature and amount of the former Members' potential claims. Courts presiding over mass tort claimant chapter 11 cases have typically allowed claims temporarily for limited purposes, including allowing such claims at \$1.00 for voting purposes, in order to facilitate voting on chapter 11 plans and to ensure that the votes of the potential claimants are adequately represented in the case. *See e.g. In re A.H. Robins Co, Inc.*, 88 B.R. 742, 747 (E.D. Va. 1988), *aff'd* 880 F.2d 694 (4th Cir. 1989) (the placement of a nominal value on each claim for voting purposes was appropriate as “[a]ny attempt to evaluate each individual claim for purposes of voting on the Debtor’s Plan of Reorganization would, as a practical matter, by an act of futility, and would be so time consuming as to impose on many, many deserving claimants further intolerable delay all not only to their detriment, but to the detriment of the financial well being of the estate as well.”); *In re TK Holdings, Inc.*, Case No. 17-11375 (Bankr. D. Del. Jan. 5, 2018) [D.I. 1639] (approving procedures temporarily allowing tort claims relating to Debtors’ defective airbag inflators, whether based on personal injury, wrongful death, or economic loss, at \$1.00 for voting purposes); *In re Quigley Co.*, 346 B.R. 647, 655 (Bankr. S.D.N.Y. 2006) (allowing claims of asbestos claimants temporarily in the amount of \$1.00 for voting purposes); *In re Lloyd E. Mitchell, Inc.*, 373 B.R. 416, 428 (Bankr. D. Md. 2007) (approving procedures that valued personal injury claims at \$1.00 temporarily for voting purposes where,

among other things, the official committee with fiduciary duties to such personal injury claimants supported the proposed voting procedures, and further holding “...the objectors appear to lose sight of the fact that the Class 3 claims are only being allowed for voting purposes. They will not be adjudicated by the bankruptcy court, and there is no reason, as the Objectors suggest, to hold hearings, complete with evidence and argument, as to the value of the asbestos claims.”).

C. A Combined Hearing Is Appropriate in These Circumstances

28. Section 1128 of the Bankruptcy Code provides that “[a]fter notice, the court shall hold a hearing on confirmation of a plan” and that “[a] party in interest may object to confirmation of a plan.” 11 U.S.C. § 1128; *see also* Fed. R. Bankr. P. 3017(c).⁵ Section 105 of the Bankruptcy Code expressly authorizes the Court to “issue any order . . . that . . . provides that the hearing on approval of the disclosure statement may be combined with the hearing on confirmation of the plan” where the Court deems a combined hearing to be “appropriate to ensure that the case is handled expeditiously and economically.” *See* 11 U.S.C. § 105(d)(2)(B)(vi); *see also In re Gulf Coast Oil Corp.*, 404 B.R. 407, 425 (Bankr. S.D. Tex. 2009) (“Section 1125(f) authorizes combined plans and disclosure statements in small business cases and § 105(d) authorizes the court to combine them in other cases.”); *In re Luminent Mortgage Capital Inc.*, Case No. 08-21389 (Bankr. D. Md. May 15, 2009). Local Rule 3017-2(a) sets forth the conditions under which a combined hearing is ordinarily permissible.

29. Pursuant to this authority, courts in this District have combined hearings on approval of disclosure statements and confirmation of plans in chapter 11 cases that were neither small business cases nor prepackaged cases. *See, e.g., In re SFP Franchise Corporation*, Case

⁵ Bankruptcy Rule 3017(c) provides that “[o]n or before approval of the disclosure statement, the court . . . may fix a date for the hearing on confirmation.” Fed. R. Bankr. P. 3017(c).

No. 20-10134 (JTD) (Bankr. D. Del. June 24, 2020); *In re Pernix Sleep, Inc.*, Case No. 19-10323 (CSS) (Bankr. D. Del. June 20, 2019); *In re RMBR Liquidation Inc. (f/k/a Things Remembered, Inc.)*, Case No. 19-10234 (KG) (Bankr. D. Del. June 12, 2019); *In re Orexigen Therapeutics, Inc.*, Case No. 18-10518 (KG) (Bankr. D. Del. May 17, 2019); *In re Peekay Acquisition, LLC*, Case No. 17-11722 (BLS) (Bankr. D. Del. Nov. 15, 2017); *In re DNIB Unwind, Inc. (f/k/a BIND Therapeutics, Inc.)*, Case No. 16-11084 (BLS) (Bankr. D. Del. Sept. 26, 2016); *In re JMO Wind Down, Inc.*, Case No. 16-10682 (BLS) (Bankr. D. Del. Oct. 21, 2016); *In re SDI Solutions LLC*, Case No. 16-10627 (CSS) (Bankr. D. Del. May 24, 2016); *In re Nuo Therapeutics, Inc.*, Case No. 16-10192 (MFW) (Bankr. D. Del. Mar. 29, 2016); *In re Hipcricket, Inc.*, Case No. 15-10104 (LSS) (Bankr. D. Del. Mar. 31, 2015); *In re AFA Investment Inc.*, Case No. 12-11127 (MFW) (Bankr. D. Del. January 16, 2014); *In re Devonshire PGA Holdings, LLC*, Case No. 13-12460 (CSS) (Bankr. D. Del. Oct. 16, 2013); *In re Contract Research Solutions, Inc.*, Case No. 12-11004 (KJC) (Banks. D. Del. July 10, 2012); *In re Rubicon US REIT, Inc.*, Case No. 10- 10 160 (BLS) (Bankr. D. Del. June 21, 2010).

30. Consistent with the foregoing authority, the Debtor respectfully requests that the Court consolidate the hearing to consider approval of the Disclosure Statement and confirmation of the Plan at the single Confirmation Hearing. The Debtor submits that Local Rule 3017-2 applies because all of its remaining assets will be liquidated under the Plan. *See* Del. Bankr. L.R. 3017-2(a). Moreover, the Plan complies with Bankruptcy Code section 1129(a)(9) and does not seek non-consensual releases/injunctions with respect to claims creditors may hold against non-debtor parties. *Id.*

31. Additionally, the Debtor submits that a combined hearing will streamline and expedite the confirmation process, which will inure directly to the benefit of the Debtor's estate

and their creditors by hastening the implementation of the Plan and limiting the amount of time the Debtor remains in chapter 11. A combined hearing will spare the Debtor from additional administrative expenses associated with a two-stage process, promote judicial efficiency and economy.

D. The Court Should Approve Certain Confirmation-Related Deadlines

32. The Debtor requests that the Court approve the setting of certain dates described herein in accordance with Bankruptcy Code section 1126(c), Bankruptcy Rules 3017 and 3018 and Local Rule 3017-2 and approve certain limited relief from Local Rule 3017-2(f).

The Record Date

33. Bankruptcy Rule 3017(d) provides that for purposes of seeking confirmation of a plan, “creditors and equity security holders shall include holders of stock, bonds, debentures, notes, and other securities of record on the date the order approving the disclosure statement is entered or another date fixed by the court, for cause, after notice and a hearing.” Fed. R. Bankr. P. 3017(d). Bankruptcy Rule 3018(a) contains a similar provision regarding determination of the record date for voting purposes.

34. In order to comply with the Bankruptcy Code and to ensure there is no confusion over who is entitled to vote on the Plan, the Debtor requires the establishment of a record date. The Debtor proposes that the Court establish the date the Court enters the Interim Approval and Procedures Order as the record date (the “Record Date”) for such purposes. The proposed Record Date is after the Debtor filed its Schedules and Statements.⁶ For purposes of the Record Date, all current and former Members shall be deemed to hold Claims entitled to be voted as set forth herein.

⁶ On September 23, 2021, the Court entered the *Order (I) Extending the General Bar Date for Filing Proofs of Claim, and (II) Approving the Manner of Notice Thereof* [D.I. 209] (the “Bar Date Order”) granting authority to set the General Bar Date to January 4, 2022.

The Voting Deadline

35. Bankruptcy Rule 3017(c) provides, in relevant part, “[o]n or before approval of the disclosure statement, the court shall fix a time within which the holders of claims and interests may accept or reject the plan” Fed. R. Bankr. P. 3017(c). The Debtor requests that the Court establish November 22, 2021 at 5:00 p.m. (prevailing Eastern Time) as the voting deadline (the “Voting Deadline”), which is ten (10) calendar days before the proposed Confirmation Hearing. The Debtor believes that this timeframe will provide the members of the Voting Classes with adequate time to consider the Solicitation Package (defined below) and respond by casting their ballots. The Voting Deadline is prominently displayed on the Confirmation Hearing Notice (defined below).

The Objection Deadline

36. The Debtor requests that the Court direct the manner in which objections to confirmation of the Plan shall be made. Pursuant to Bankruptcy Rule 3020(b)(1), objections to confirmation of a plan must be filed and served “within a time fixed by the court.” Pursuant to Local Rule 3017-2(f), the objection deadline for a combined confirmation hearing under the Local Rules typically must be at least thirty-eight (38) days from the date of entry of the order approving a disclosure statement on an interim basis and establishing voting procedures. *See* Del. Bankr. L.R. 3017-2(f). As a result, the Debtor requests that the Court establish November 22, 2021 at 4:00 p.m. (prevailing Eastern Time) as the deadline (the “Objection Deadline”) by which objections final approval of the Disclosure Statement and confirmation of the Plan or requests for modifications to the Plan, if any, must be filed and served.

37. The Debtor further requests that objections to final approval of the Disclosure Statement, confirmation of the Plan or proposed modifications to the Plan, if any, must:

- a. be in writing;
- b. conform to the Bankruptcy Rules and Local Rules;
- c. state the name and address of the objecting party and the amount and nature of the Claim or Interest of such entity;
- d. state with particularity the basis and nature of any objection to the Disclosure Statement, the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and
- e. be filed, together with a proof of service, with the Court and served on the notice parties identified in the Confirmation Hearing Notice on or prior to the Objection Deadline.

The Deadline to File a Voting Report

38. The Debtor intends to prepare and file with the Court a voting report (the “Voting Report”) by November 24, 2021 at 4:00 p.m. (prevailing Eastern Time).

The Deadline to File a Confirmation Brief and/or Reply to any Plan Objection

39. The Debtor also requests that it (and other parties in support of the Plan) be permitted to file a brief in support of confirmation of the Plan and/or a reply to any objections to final approval of the Disclosure Statement and confirmation of the Plan no later than November 30, 2021 at 10:00 a.m. (prevailing Eastern Time).

The Confirmation Hearing

40. In accordance with Bankruptcy Rule 3017(c), Bankruptcy Code section 1128 (requiring a confirmation hearing with respect to any chapter 11 plan) and Local Rule 3017-2 (permitting combined disclosure statement and confirmation hearings), the Debtor requests that the Confirmation Hearing be scheduled on December 2, 2021 at 1:00 p.m. (prevailing Eastern Time) or such other date thereafter at the Court’s earliest convenience. Pursuant to Local Rule 3917-2(f) the proposed confirmation hearing will occur at least forty-five (45) days following entry of the Interim Order.

E. The Court Should Approve the Solicitation, Notice and Tabulation Procedures

41. In order to seek confirmation of the Plan in an effective manner that is consistent with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and due process, the Debtor seeks approval of the solicitation, notice and tabulation procedures described herein (the “Solicitation Procedures”). The Debtor believes the Solicitation Procedures are well-designed and specifically tailored to effectively permit parties in interest to make an informed judgment regarding the Plan and for the Voting Classes to determine whether to vote to accept or reject the Plan. To the extent that circumstances require further modifications of, or amendments to, the Solicitation Procedures, the Debtor reserves its right to supplement or amend the Solicitation Procedures to further facilitate the solicitation of the Plan.

42. The Debtor proposes to distribute the Solicitation Package required by Bankruptcy Rule 3017(d) to the Voting Classes in the form and manner described below.

43. Except as otherwise indicated, upon entry of the Interim Approval and Procedures Order, the Debtor proposes that the following materials (collectively, the “Solicitation Package”) be distributed by or on behalf of the Debtor to each record and beneficial holder of a Claim in the Voting Classes, at the option of the Debtor, after consultation with the Member Committee, by (i) mail, or (ii) via email in accordance with the Court’s *Order (I) Approving the Scope of Notice with Respect to the Debtor’s Members, (II) Approving Opt-In Procedure for Additional Notice, and (III) Granting Related Relief* [D.I. 160]:

- a. a cover letter describing the contents of the Solicitation Package;
- b. The Combined Plan and Disclosure Statement and all exhibits thereto (on a flash drive in PDF format for those receiving the Solicitation Package by mail);
- c. The Member Summary;
- d. the Interim Approval and Procedures Order;

- e. the Confirmation Hearing Notice;
- f. the Ballot, including voting instructions;
- g. a pre-addressed stamped return envelope (for those receiving the Solicitation Package by mail); and
- h. such other materials as the Court may direct or as agreed between the Debtor and Member Committee, which may include, but not be limited to, copies of the Court's *Order (I) Extending the General Bar Date for Filing Proofs of Claim, and (II) Approving the Manner of Notice Thereof [D.I. 209]* and/or *Order (I) Approving the Scope of Notice with Respect to the Debtor's Members, (II) Approving Opt-In Procedure for Additional Notice, and (III) Granting Related Relief [D.I. 160]*.

44. All other parties in interest will receive a copy of the notice of the Confirmation Hearing, substantially in the form attached to the Interim Approval and Procedures Order as **Exhibit A** (the "Confirmation Hearing Notice"). The Confirmation Hearing Notice provides, among other things, (i) notice of the filing of the Disclosure Statement and Plan, (ii) notice of interim approval of the Disclosure Statement, (ii) information regarding the Confirmation Hearing, and (iv) directions for filing objections to the confirmation of the Plan by the Objection Deadline. In an effort to conserve resources, the Debtor proposes that it not mail printed copies of the Interim Approval and Procedures Order and the Plan (collectively, the "Plan Documents") to those parties receiving the Confirmation Hearing Notice. Instead, as set forth in the Confirmation Hearing Notice, the Debtor proposes to provide directions therein for such parties to obtain (i) electronic copies of the Plan Documents via download from the website maintained by the Debtor's noticing, claims and administrative agent, BMC Group, Inc. ("BMC") and (ii) a print copy of the Plan Documents free of charge (but only to the extent so requested of BMC by telephone, letter or email) to be delivered by BMC to the requesting party by first class mail.⁷

⁷ If, however, the Court declines to authorize distribution of the Plan Documents as requested herein, the Debtor requests, in the alternative, that it be authorized to include a flash drive containing the Plan Documents with the Confirmation Hearing Notice to be served by regular first class mail.

45. In addition, the Debtor intends to send the holders of Claims and Interests in the impaired Classes that are deemed to reject the Plan, the *Non-Voting Status Notice with Respect to Impaired Class Deemed to Reject the Debtor's Plan*, substantially in the form attached to the Interim Approval and Procedures Order as **Exhibit B** (the "Non-Voting Status - Deemed to Reject Notice") and together with the Confirmation Hearing Notice, the "Notices"). The Non-Voting Status - Deemed to Reject Notice will explain to holders in Class 6 their non-voting status and inform such holders that they may obtain certain materials in the Solicitation Package from BMC.

46. BMC will act as Balloting Agent in connection with the solicitation of any chapter 11 plan. BMC will assist the Debtor in:

- a. serving the Notices and distributing the Solicitation Package;
- b. receiving, tabulating, and reporting on Ballots cast to accept or reject the Plan;
- c. responding to inquiries from holders of Claims and other parties in interest relating to the Disclosure Statement, the Plan, the Ballot, the Solicitation Procedures, and matters related thereto, including, without limitation, the procedures and requirements for voting on the Plan; and
- d. soliciting votes to accept or reject the Plan;
- e. if necessary, contacting holders of Claims regarding the Plan.

47. Through BMC, the Debtor intends to serve the Notices and the Solicitation Package within two (2) business days of the entry of the Interim Approval and Procedures Order (the "Service Date"), which is thirty-eight (38) days before the deadline for the Voting Classes to vote on the Plan.

48. The Debtor submits that service of the Notices and the Solicitation Package on or before the Service Date will provide the requisite information to holders of Claims and Interests in compliance with Bankruptcy Rule 3017(d). *See* Fed. R. Bankr. P. 3017(d) (after approval of

the disclosure statement, except to the extent the Court orders otherwise, the debtor must transmit the plan, the approved disclosure statement, notice of the time within which to file acceptances and rejections of the plan, and any other information that the court may direct to creditors and equity security holders).

F. The Court Should Approve the Form of the Confirmation Hearing Notice

49. Local Rule 3017-2(f) requires the Debtor to provide notice to all holders of claims or equity interests of the time fixed for filing objections to the combined hearing on final approval of a disclosure statement and confirmation of a chapter 11 plan. Del. Bankr. L.R. 3017-2(f). To satisfy this requirement, the Debtor intends to send to all holders of Claims and Interests a copy of the Confirmation Hearing Notice. In accordance with Bankruptcy Rules 2002 and 3017(d), the Confirmation Hearing Notice shall contain, among other things:

- a. the time, date and place for the Confirmation Hearing;
- b. the Objection Deadline and the manner in which objections shall be filed;
- c. a disclosure regarding the exculpation and injunction provisions of Article XIV of the Plan; and
- d. instructions on how to obtain electronic or print copies of any of the Plan Documents.

50. The Debtor respectfully requests that the Court find that the Confirmation Hearing Notice complies with the requirements of Bankruptcy Rules 2002(b). The Debtor further requests that the Court determine that the Confirmation Hearing Notice contains sufficient disclosure regarding the exculpation and injunction provisions contained in Article XIV of the Plan.

51. In addition to distributing the Confirmation Hearing Notice, the Debtor will post the Confirmation Hearing Notice electronically on the website dedicated to this Chapter 11 Case, <https://bmcgroup.com/sharity>.

a. **The Court Should Approve the Form of the Notice to Classes Deemed to Reject the Plan**

52. The Debtor does not intend to solicit votes from holders of Claims in the impaired class (Class 6) that are deemed to reject and not entitled to vote on the Plan. As explained above, the Debtor will, however, send the Non-Voting Status – Deemed to Reject Notice, in lieu of the Solicitation Package, to the holders of Claims not entitled to vote on the Plan. The Debtor respectfully submits that the Non-Voting Status - Deemed to Reject Notice complies with the Bankruptcy Code and, therefore, should be approved.

b. **The Court Should Approve the Forms of the Ballot**

53. Bankruptcy Rule 3018(c) provide that the ballots for accepting or rejecting a plan under Chapter 11 should conform substantially to Official Form No. 314. The Debtor proposes to distribute to holders of Claims in the Voting Classes their respective ballots as set forth in **Exhibit C**, **Exhibit D** and **Exhibit E** as attached to the Interim Approval and Procedures Order (each a “**Ballot**” and together, the “**Ballots**”). The Ballots are based on Official Form No. 314, but have been modified to address the particular aspects of this Chapter 11 Case and to include certain additional information that the Debtor believes is relevant and appropriate for the holders of Claims entitled to vote. For example, the Ballots for holders of Claims in Classes 3 and 4 shall include Member-specific information regarding the allowed amount of each Member’s Claim.

54. In order to properly submit a Ballot, parties must fully complete the Ballot and submit it to BMC by mail (at the address set forth in the Ballot) or electronically (through BMC’s website), so that it is received by BMC, on or before the date that is ten (10) days prior to the Confirmation Hearing. Ballots submitted by other means will **not** be accepted. Only properly completed, executed and timely submitted Ballots will be accepted. To that end, the Debtor requests that the following Ballots **not** be counted in tabulating votes cast to accept or reject the

Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim; (b) any Ballot submitted by a party that does not hold a Claim in a Class that is entitled to vote; (c) any Ballot that is not signed (electronically or physically, as applicable); and (d) any Ballot not marked to either accept or reject the Plan.

55. As noted above, the solicitation process shall be conducted by the Debtor's administrative agent, BMC. Pursuant to the Solicitation Procedures, BMC will distribute the Ballots, as part of the Solicitation Package, to all holders of claims in Classes 3 (Member Claims for Post-July 8, 2021 Payments), 4 (Member Claims and General Unsecured Claims) and 5 (Governmental Fines and Penalty Claims). All other Classes are either (i) unimpaired and conclusively deemed to have accepted the Plan or (ii) impaired and conclusively deemed to have rejected the Plan. As such, holders of Claims in Classes 1 and 2 will receive the Confirmation Hearing Notice only, and holders of Claims in Class 6 will receive the Confirmation Hearing Notice and the Non-Voting Status - Deemed to Reject Notice.

NOTICE

56. The Debtor has provided notice of this Motion to the following or in lieu thereof, their counsel, if known: (a) the U.S. Trustee; (b) the Internal Revenue Service; (c) the Subchapter V Trustee; (d) the Member Committee; (e) the United States Attorney for Delaware; and (f) all parties who have requested notice in this Chapter 11 Case pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested in this Motion, the Debtor respectfully submits that no further notice is necessary.

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WHEREFORE, for the reasons set forth herein, the Debtor respectfully requests that the Court enter the Interim Approval and Procedures Order and grant such other and further relief as this Court deems just and proper.

Dated: October 1, 2021
Wilmington, Delaware

LANDIS RATH & COBB LLP

/s/ Nicolas E. Jenner

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- and -

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Counsel for the Debtor and Debtor in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SHARITY MINISTRIES, INC.,¹

Debtor.

Chapter 11 (Subchapter V)

Case No.: 21-11001 (JTD)

Ref. No. ____

ORDER (I) APPROVING THE DISCLOSURE STATEMENT ON AN INTERIM BASIS; (II) SCHEDULING A COMBINED HEARING ON FINAL APPROVAL OF THE DISCLOSURE STATEMENT AND PLAN CONFIRMATION AND DEADLINES RELATED THERETO; (III) APPROVING THE SOLICITATION, NOTICE AND TABULATION PROCEDURES AND THE FORMS RELATED THERETO; AND (IV) GRANTING RELATED RELIEF

Upon the *Motion of the Debtor for Entry of an Order (I) Approving the Disclosure Statement on an Interim Basis; (II) Scheduling a Combined Hearing on Final Approval of the Disclosure Statement and Plan Confirmation and Deadlines Related Thereto; (III) Approving the Solicitation, Notice and Tabulation Procedures and the Forms Related Thereto; and (IV) Granting Related Relief* (the "Motion");² and based on the record in this Chapter 11 Case; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and this Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that sufficient notice of the Motion has been given; and the Court having found that the relief requested in the Motion is in the best interests of the Debtor's estate, its creditors

¹ The last four digits of the Debtor's federal tax identification number is 0344. The Debtor's mailing address is 821 Atlanta Street, Suite 124, Roswell, GA 30075.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

and other parties in interest; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before the Court; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY FOUND THAT:

- A. The Debtor has all necessary authority to propose and prosecute the Plan.
- B. The Debtor has provided adequate notice of the Motion, and the time fixed for filing objections thereto, and no other or further notice need be provided with respect to the Motion.
- C. The period, set forth below, during which the Debtor may solicit the Plan is a reasonable and adequate period of time under the circumstances for creditors entitled to vote to make an informed decision to accept or reject the Plan, including to make an informed decision to object to the Plan.
- D. The notice substantially in the form attached hereto as **Exhibit A** (the “Confirmation Hearing Notice”) and the procedures set forth below for providing such notice to known and unknown creditors and interest holders of the time, date and place of the combined hearing to consider final approval of the Disclosure Statement and confirmation of the Plan (the “Confirmation Hearing”), and the contents of the Confirmation Hearing Notice comply with Bankruptcy Rules 2002, 3017 and Local Rule 3017-2 and constitute sufficient notice to all interested parties.
- E. The notice substantially in the form attached hereto as **Exhibit B** (the “Non-Voting Status - Deemed to Reject Notice”) and together with the Confirmation Hearing Notices,

the “Notices”) and the procedures set forth below for providing such notice to holders of Interests in the Class that is deemed to reject the Plan of their non-voting status, and the content of the Non-Voting Status - Deemed to Reject Notice comply with the requirements of the Bankruptcy Code and is appropriate for the non-voting Class who are deemed to reject the Plan.

F. The procedures for solicitation and tabulation of votes to accept or reject the Plan (as more fully set out in the Motion and in this Order below) provide for a fair and equitable process and are consistent with the Bankruptcy Code section 1126. The form of the Ballots attached hereto as Exhibit C, Exhibit D and Exhibit E is sufficiently consistent with Official Form No. 314, adequately addresses the particular needs of this Chapter 11 Case and is appropriate for the Voting Classes to vote to accept or reject the Plan.

NOW THEREFOR, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is **GRANTED** as set forth herein.
2. The Disclosure Statement is approved on an interim basis under Bankruptcy Code section 1125, Bankruptcy Rule 3017 and Local Rule 3017-2. Any objections to the adequacy of the information contained in the Disclosure Statement are expressly reserved for consideration at the Confirmation Hearing
3. The Confirmation Schedule is approved in its entirety as follows:

CONFIRMATION SCHEDULE	
<u>EVENT</u>	<u>DATE</u>
Record Date	October 13, 2021 at 4:00 p.m. (prevailing Eastern Time) (or such other date the Interim Approval and Procedures Order is entered)
Deadline to Serve the Notices and the Solicitation Package	October 15, 2021 (or within 2 business days following entry of the Interim Approval and Procedures Order)

CONFIRMATION SCHEDULE	
<u>EVENT</u>	<u>DATE</u>
Deadline to File Plan Supplement	November 8, 2021 at 4:00 p.m. (prevailing Eastern Time)
Voting Deadline	November 22, 2021 at 5:00 p.m. (prevailing Eastern Time)
Deadline to Object to final approval of the Disclosure Statement and Confirmation of the Plan	November 22, 2021 at 4:00 p.m. (prevailing Eastern Time)
Deadline for Debtor to File Voting Report	November 24, 2021 at 4:00 p.m. (prevailing Eastern Time)
Deadline for Debtor to File Confirmation Brief and/or Reply to any Plan or Disclosure Statement Objections	November 30, 2021 at 10:00 a.m. (prevailing Eastern Time)
Combined Hearing on Final Approval of the Disclosure Statement and Confirmation of the Plan	December 2, 2021 at 1:00 p.m. (prevailing Eastern Time)

4. The combined hearing on final approval of the adequacy of the Disclosure Statement and confirmation of the Plan is scheduled for **December 2, 2021 at 1:00 p.m. (prevailing Eastern Time)** (the “Confirmation Hearing”). The deadline to file objections to the adequacy of the Disclosure Statement and confirmation of the Plan is **November 22, 2021 at 4:00 p.m. (prevailing Eastern Time)** (the “Objection Deadline”). The Confirmation Hearing may be continued from time to time by the Court or the Debtor without further notice other than adjournments announced in open court.

5. The deadline for the Debtor to file the Voting Report is **November 24, 2021 at 4:00 p.m. (prevailing Eastern Time)**.

6. The Deadline for the Debtor (and other parties in support of the Plan) to file a brief in support of confirmation of the Plan and/or a reply to any objections to the final approval of the Disclosure Statement and confirmation of the Plan is **November 30, 2020 at 10:00 a.m. (prevailing Eastern Time)**.

7. Objections to the adequacy of the Disclosure Statement and confirmation of the Plan, if any, must:

- a. be in writing;
- b. conform to the Bankruptcy Rules and Local Rules;
- c. state the name and address of the objecting party and the amount and nature of the Claim or Interest of such entity;
- d. state with particularity the basis and nature of any objection to the Disclosure Statement, the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and
- e. be filed, together with a proof of service, with the Court and served on the following parties: (1) co-counsel to the Debtor, Baker & Hostetler, LLP, 45 Rockefeller Plaza, New York, New York 10111 (Attn: Jorian L. Rose, Esq., jrose@bakerlaw.com, Jason I. Blanchard, Esq., jblanchard@bakerlaw.com and Elyssa S. Kates, Esq., ekates@bakerlaw.com); Baker & Hostetler LLP, 200 South Orange Avenue, Suite 2300, Orlando, Florida 32801 (Attn: Andrew V. Layden, Esq., alayden@bakerlaw.com); and Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801 (Attn: Matthew B. McGuire, Esq., mcguire@lrclaw.com and Nicolas E. Jenner, Esq., jenner@lrclaw.com); (2) Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, (Attn: Rosa Sierra, Esq., Rosa.Sierra@usdoj.gov); (3) Holly S. Miller, the Subchapter V Trustee, c/o Gellert Scali Busenkill & Brown, LLC, 8 Penn Center, 1628 John F. Kennedy Blvd, Suite 1901, Philadelphia, PA 19103 (hsmiller@gsbblaw.com); and (4) co-counsel to the Official Committee of Members, Sirianni Youtz Spoonemore Hamburger PLLC, 3101 Western Avenue, Suite 350 Seattle, Washington 98121 (Attn: Eleanor Hamburger, Esq., ele@syllaw.com); Mehri & Skalet, PLLC, 1250 Connecticut Avenue, NW, Suite 300, Washington, D.C. 20036 (Attn: Cyrus Mehri, Esq., CMehri@findjustice.com); Stevens & Lee, P.C., 919 North Market Street, Suite 1300, Wilmington, Delaware 19801 (Attn: Joseph H. Huston, Jr., Esq., joseph.huston@stevenslee.com and David W. Giattino,

Esq., david.giattino@stevenslee.com), with proof of service of such objection filed when and as required under the Local Rules of the Bankruptcy Court.

8. The Confirmation Hearing Notice, in substantially the form attached hereto as **Exhibit A**, complies with the requirements of Bankruptcy Rules 2002(b), 2002(d) and 3017(d) and Local Rule 3017-2 and is approved in all respects. The Confirmation Hearing Notice shall be served upon the Debtor's creditors and all parties requesting notice pursuant to Bankruptcy Rule 2002 within two (2) business days of the entry of this Order.

9. The Non-Voting Status - Deemed to Reject Notice, substantially in the form attached hereto as **Exhibit B**, is hereby approved in all respects. The Non-Voting Status - Deemed to Reject Notice shall be served upon all holders of Claims in Class 6 within two (2) business days of the entry of this Order.

10. The Debtor shall transmit a package (the "**Solicitation Package**") by mail or email in accordance with the Court's *Order (I) Approving the Scope of Notice with Respect to the Debtor's Members, (II) Approving Opt-In Procedure for Additional Notice, and (III) Granting Related Relief* [D.I. 160] containing, (a) a cover letter describing the contents of the Solicitation Package, (b) the Combined Plan and Disclosure Statement and all exhibits thereto (on a flash drive in PDF format for those receiving the Solicitation Package by mail), (c) the Member Summary, (d) this Order (on a flash drive in PDF format for those receiving the Solicitation Package by mail), (e) the Confirmation Hearing Notice, (f) the Ballot, including voting instructions, (g) a pre-addressed stamped return envelope (for those receiving the Solicitation Package by mail), and (h) such other materials as the Court may direct or as agreed between the Debtor and Member Committee, which may include, but not be limited to, copies of the Court's *Order (I) Extending the General Bar Date for Filing Proofs of Claim, and (II) Approving the*

Manner of Notice Thereof [D.I. 209] and/or *Order (I) Approving the Scope of Notice with Respect to the Debtor's Members, (II) Approving Opt-In Procedure for Additional Notice, and (III) Granting Related Relief* [D.I. 160] to holders of Claims in the Voting Classes (Classes 3, 4 and 5) within two (2) business days following entry of this Order.

11. As part of the Solicitation Package, the Debtor shall distribute to creditors entitled to vote on the Plan the ballots based on Official Form No. 314, modified to address the particular circumstances of this Chapter 11 Case and to include certain additional information that the Debtor believes to be relevant and appropriate for the Voting Classes to vote to accept or reject the Plan. The form of ballots attached hereto as **Exhibit C**, **Exhibit D** and **Exhibit E** are hereby approved.

12. The deadline to submit Ballots to accept or reject the Plan shall be **November 22, 2021 at 5:00 p.m. (prevailing Eastern Time)** (the "Voting Deadline").

13. Ballots shall be transmitted by mail or email, as part of the Solicitation Package, to the record holders of claims in the Voting Classes. All other holders of Claims and Interests will not be provided with a Ballot because such holders are either unimpaired and presumed to accept the Plan under Bankruptcy Code section 1126(f) or impaired and deemed to reject the Plan under Bankruptcy Code section 1126(g). Such non-voting holders will receive a copy of the Confirmation Hearing Notice.

14. The procedures set forth in the Motion for effectively casting a Ballot are hereby approved in their entirety. In order to cast a Ballot, parties must fully complete and execute the Ballot and return it by first class mail, over-night courier or hand-delivery to the Debtor's noticing, claims and administrative agent, BMC Group, Inc. (the "Balloting Agent") at the

address set forth in the Ballot or submit a ballot electronically through the balloting portal on the Balloting Agent's website, on or before the Voting Deadline.

15. Ballots otherwise sent by facsimile, telecopy, or any other means of electronic submission, besides the balloting portal on the Balloting Agent's website, will **not** be accepted. Only properly completed, executed and timely submitted Ballots will be accepted by the Debtor.

16. The following Ballots shall not be counted in tabulating votes cast to accept or reject the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim or Interest; (b) any Ballot submitted by a party that does not hold a Claim or Interest in a Class that is entitled to vote; (c) any unsigned Ballot; and (d) any Ballot not marked to either accept or reject the Plan, as applicable.

17. The record date for determining which holders of Claims and Interests are to be served with the Solicitation Package and the Notices shall be the date on which this Order is entered (the "Record Date").

18. With the exception of those entities in the Voting Classes and those entities in impaired classes that are deemed to reject the Plan and who will also receive the Non-Voting Status - Deemed to Reject Notice, the Debtor shall mail only the Confirmation Hearing Notice to holders of Claims and Interests and all parties requesting notice pursuant to Bankruptcy Rule 2002 and shall not be required to mail any Plan Documents to such entities. Instead, the Debtor is authorized to provide in the Confirmation Hearing Notice directions for such parties to obtain electronic copies of the Plan Documents from the Balloting Agent.

19. To the extent Claims in the Voting Class are subject to an objection other than a "reduce and allow" objection that is filed with the Court on or prior to ten (10) days before the Voting Deadline, the holder of such Claims shall not be entitled to vote to accept or reject the

Plan unless one or more of the following has occurred no later than two (2) days prior to the Voting Deadline (each, a “Resolution Event”):

- a. an order of the Bankruptcy Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing;
- b. an order of the Bankruptcy Court is entered temporarily allowing such Claim *for voting purposes only* pursuant to Bankruptcy Rule 3018(a), after notice and a hearing;
- c. a stipulation or other agreement is executed between the holder of such Claim and the Debtor resolving the objection and allowing such Claim in an agreed upon amount; or
- d. the pending objection is voluntarily withdrawn by the objecting party.

20. The holder of Claims in the Voting Class that is the subject of a pending objection on a “reduce and allow” basis shall be entitled to vote such Claim in the reduced amount contained in such objection.

21. The Solicitation Procedures are hereby approved in their entirety, provided that the Debtor reserves the right to amend or supplement the Solicitation Procedures and related documents to better facilitate the confirmation process.

22. The Solicitation Procedures for service of the Solicitation Package and the Notices set forth in the Motion satisfy the requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules.

23. The Debtor is authorized to make non-material changes to the Plan, Solicitation Procedures, Notices, Ballot and related pleadings without further order of the Court, including without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the foregoing documents before their distribution.

24. The Debtor is hereby authorized to take any action necessary or appropriate to implement the terms of, and the relief granted in, this Order without seeking further order of the Court.

25. The terms and conditions of this Order shall be immediately effective and enforceable upon entry of this order.

26. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this order.

Dated: _____, 2021
Wilmington, Delaware

THE HONORABLE JOHN T. DORSEY
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SHARITY MINISTRIES, INC.,¹

Debtor.

Chapter 11 (Subchapter V)

Case No.: 21-11001 (JTD)

Ref. Nos. ___ & ___

**NOTICE OF (A) INTERIM APPROVAL OF THE DISCLOSURE STATEMENT
AND (B) COMBINED HEARING TO CONSIDER FINAL APPROVAL OF
THE DISCLOSURE STATEMENT AND CONFIRMATION OF THE PLAN
AND THE OBJECTION DEADLINE RELATED THERETO**

TO ALL PARTIES IN INTEREST, PLEASE TAKE NOTICE THAT:

1. **Filing of the Plan.** On October 1, 2021, the above-captioned debtor and debtor-in-possession (the “Debtor”) filed the *Combined Disclosure Statement* (“Disclosure Statement”) and *Chapter 11 Plan of Liquidation of Sharity Ministries* (the “Plan,” and together with the Disclosure Statement, the “Combined Plan and Disclosure Statement”) [D.I. 223] including all exhibits thereto and as amended, supplemented or otherwise modified from time to time.
2. **Interim Bankruptcy Court Approval of the Disclosure Statement and the Notice Procedures.** On October 13, 2021, the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) entered an order [D.I. ___] (the “Interim Approval and Procedures Order”) approving, among other things, the Disclosure Statement on an interim basis, as required under Local Rule 3017-2 and authorizing the Debtor to provide notice of their intent to seek confirmation of the Plan pursuant to certain procedures set forth therein, including the solicitation of votes to accept or reject the Plan. The Bankruptcy Court’s interim approval of the Disclosure Statement does not indicate approval of the Plan by the Bankruptcy Court.
3. **The Combined Hearing.** A combined hearing to consider final approval of the Disclosure Statement and confirm the Plan (the “Combined Hearing”) will commence on **December 2, 2021 at 1:00 p.m. (ET)** before the Honorable John T. Dorsey, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, located at 824 Market Street, 5th Floor, Courtroom No. 5, Wilmington, DE 19801. Please be advised that the Combined Hearing may be continued from time to time by the Bankruptcy Court or the Debtor without further notice other than by such adjournment being announced in open court or by a notice of adjournment filed with the Bankruptcy Court and served on parties entitled to notice under Bankruptcy Rule 2002 and the Local Rules or otherwise. In accordance with the Plan, the Plan may be

¹ The last four digits of the Debtor’s federal tax identification number is 0344. The Debtor’s mailing address is 821 Atlanta Street, Suite 124, Roswell, GA 30075.

modified, if necessary, prior to, during, or as a result of the Combined Hearing by further action of the Debtor and without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

4. **Objections to Final Approval of the Disclosure Statement and Confirmation of the Plan.** The Bankruptcy Court has established **November 22, 2021 at 4:00 p.m. (ET)**, as the last date and time for filing and serving objections to the adequacy of the information in the Disclosure Statement and to confirmation of the Plan (the “Objection Deadline”). Any objection to the final approval of the Disclosure Statement and confirmation of the Plan must (a) be in writing, (b) conform to the Bankruptcy Rules and the Local Rules, (c) state the name and address of the objecting party and the amount and nature of the Claim or Interest of such Entity, (d) state with particularity the basis and nature of any objection to the Disclosure Statement the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection, and (e) be filed with the Clerk of the Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, DE 19801, and served on the following: (1) co-counsel to the Debtor, Baker & Hostetler, LLP, 45 Rockefeller Plaza, New York, New York 10111 (Attn: Jorian L. Rose, Esq., jrose@bakerlaw.com and Jason I. Blanchard, Esq., jblanchard@bakerlaw.com); Baker & Hostetler LLP, 200 South Orange Avenue, Suite 2300, Orlando, Florida 32801 (Attn: Andrew V. Layden, Esq., alayden@bakerlaw.com); and Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801 (Attn: Matthew B. McGuire, Esq., mcguire@lrclaw.com and Nicolas E. Jenner, Esq., jenner@lrclaw.com); (2) Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, (Attn: Rosa Sierra, Esq., Rosa.Sierra@usdoj.gov); (3) Holly S. Miller, the Subchapter V Trustee, c/o Gellert Scali Busenkill & Brown, LLC, 8 Penn Center, 1628 John F. Kennedy Blvd, Suite 1901, Philadelphia, PA 19103 (hsmiller@gsbblaw.com); and (4) co-counsel to the Official Committee of Members, Sirianni Youtz Spoonemore Hamburger PLLC, 3101 Western Avenue, Suite 350 Seattle, Washington 98121 (Attn: Eleanor Hamburger, Esq., ele@syllaw.com); Mehri & Skalet, PLLC, 1250 Connecticut Avenue, NW, Suite 300, Washington, D.C. 20036 (Attn: Cyrus Mehri, Esq., CMehri@findjustice.com); Stevens & Lee, P.C., 919 North Market Street, Suite 1300, Wilmington, Delaware 19801 (Attn: Joseph H. Huston, Jr., Esq., joseph.huston@stevenslee.com and David W. Giattino, Esq., david.giattino@stevenslee.com), with proof of service of such objection filed when and as required under the Local Rules of the Bankruptcy Court.

5. The following chart summarizes the classification and treatment of Claims and Interests under the Plan:

CLAIMS/INTERESTS & DESCRIPTION	ESTIMATED ALLOWED CLAIMS	TREATMENT	ESTIMATED RECOVERY
Administrative Claims (unclassified)	Unknown	Unimpaired	Estimated Recovery Percentage: 100% Form of Recovery: Cash

Priority Tax Claims (unclassified)	Unknown	Unimpaired	Estimated Recovery Percentage: 100% Form of Recovery: Cash
Miscellaneous Secured Claims (Class 1)	\$0.00	Unimpaired – Deemed to Accept	Estimated Recovery Percentage: 100% Form of Recovery: Cash
Priority Non-Tax Claims (Class 2)	\$0.00	Unimpaired – Deemed to Accept	Estimated Recovery Percentage: 100% Form of Recovery: Cash
Member Claims for Post-July 8, 2021 Payments (Class 3)	\$1,178,866	Impaired – Entitled to Vote	Estimated Recovery Percentage: 100% Form of Recovery: Beneficial Trust Interests
Member Claims and General Unsecured Claims (Class 4)	Unknown	Impaired – Entitled to Vote	Estimated Recovery Percentage: 0-10% Form of Recovery: Beneficial Trust Interests
Governmental Fines and Penalty Claims (Class 5)	Unknown	Impaired – Entitled to Vote	Estimated Recovery Percentage: 0% Form of Recovery: Beneficial Trust Interests
Section 510(c) Claims (Class 6)	Unknown	Impaired – Deemed to Reject	Estimated Recovery Percentage: 0% Form of Recovery: None

6. **Voting Procedures.** Holders of Classes 3 (Member Claims for Post-July 8, 2021 Payments), 4 (Member Claims and General Unsecured Claims), and 5 (Governmental Fines and Penalty Claims) as of **October 13, 2021 at 4:00 p.m. (ET)** (the “Record Date”) are entitled to vote to accept or reject the Plan. If you hold such a Claim, you will receive a solicitation package which shall include, among other things, a copy of (i) this Notice, (ii) the Disclosure Statement and the Plan (on a flash drive in PDF format), and (iii) a ballot. Please review the ballot and the instructions included therewith for how to vote on the Plan. Failure to follow the voting instructions may disqualify your vote. Please be advised that the Holders of Class 3, Class 4 and Class 5 Claims are the only holders of Claims or Interests that are entitled to vote on the Plan.
7. **Voting Deadline.** The deadline to vote on the Plan is **November 22, 2020 at 5:00 pm (ET)** (the “Voting Deadline”). The Debtor’s notice, claims and balloting agent, BMC Group, Inc. (the “Balloting Agent” or “BMC”), must receive your ballot with an original signature by the Voting Deadline, otherwise your vote will not be counted. In order for your Ballot to count, you must (1) properly complete, date, and execute the Ballot and (2) deliver the Ballot by (a) first class mail, in the return envelope provided with each Ballot; (b) overnight courier; (c) hand-delivery; or (d) electronic submission via the balloting portal on the Balloting Agent’s website so that such Ballot is actually received by the Balloting Agent on or before the Voting Deadline.
8. **Directions to Obtain the Plan Documents and Make Inquiries.** If you have not received copies of the Plan or the Interim Approval and Procedures Order (the “Plan”

Documents”) and wish to obtain copies of the same, you may do so by: (i) writing to BMC Group, Inc., Attn: Sharity Ministries Inquiries, PO Box 90100, Los Angeles, CA 90009; and/or (ii) emailing jenner@lrclaw.com with a reference to “Sharity Ministries, Inc.” in the subject line; (iii) visiting <https://bmcgroup.com/sharity> or (iv) visiting (for a fee) PACER at <http://www.deb.uscourts.gov>. Additionally, if you have any questions regarding this Notice, any of the Plan Documents, or any matters related thereto, including, without limitation, the procedures for objecting to the Plan, please contact the Balloting Agent at 1-888-909-0100. Please be advised that the Balloting Agent cannot provide you with legal advice, and you should consult with an attorney to provide any legal advice you may need.

9. **Exculpation and Injunction Language in the Plan.** Please be advised that Article XIV of the Plan, as proposed, contains the following exculpation, releases, and injunction provisions:

Article XIV(A) Exculpation

For the avoidance of doubt and notwithstanding any other provision of the Plan or Plan Supplement, the Plan does not contain any releases of any party or of any Causes of Action, and except for the following paragraph, the Plan does not contain any exculpation provisions.

Except for liability of an Exculpated Party that arises primarily and directly from any act or omission that is determined in a Final Order to have constituted gross negligence or willful misconduct, the Exculpated Parties shall neither have nor incur any liability to any Entity for any and all claims, causes of action, and any other debts, obligations, rights, suits, damages, actions, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing during the Exculpation Timeframe arising, in law, at equity, whether for tort, contract, or otherwise, based in whole or in part upon any act or omission, transaction, or other occurrence or circumstances taking place or arising during the Exculpation Timeframe and related in any way to the Debtor.

This exculpation provision includes those claims and causes of action that the Debtor would have been legally entitled to assert against the Exculpated Parties or that any Holder of a Claim or other Entity would have been legally entitled to assert against the Exculpated Parties for or on behalf of the Debtor or the bankruptcy estate and further including those claims and causes of action that are related to the Chapter 11 Case, Liquidating Trust Agreement, or this Plan, including any act taken or omitted to be taken in connection with, or related to, formulating, negotiating, preparing, disseminating, implementing, administering, confirming, or consummating the Plan, the Liquidating Trust Agreement, or any other contract, instrument, release or other agreement or document created or entered into in connection with this Plan or any other post-petition act taken or omitted to be taken in connection with the Debtor, but only during the Exculpation Timeframe.

Article XIV(B) Injunction

From and after the Effective Date, all Persons are permanently enjoined from commencing or continuing in any manner against the Debtor, the Member Committee or its members, the Liquidating Trust or the Liquidating Trustee, or their respective predecessors, successors, and assigns, current and former shareholders, affiliates, subsidiaries, principals, employees, agents, officers, directors, managers, consultants, limited partners, trustees, partners, members, professionals, representatives, advisors, attorneys, financial advisors, accountants, investment bankers, and consultants, in each case in their capacity as such, and their assets and properties, as the case may be, any suit, action or other proceeding, on account of or respecting any claim, demand, liability, obligation, debt, right, cause of action, interest or remedy treated pursuant to the Plan or the Confirmation Order.

Except as otherwise expressly provided for in this Combined Plan and Disclosure Statement or in obligations issued pursuant to this Combined Plan and Disclosure Statement, from and after the Effective Date, all Persons shall be precluded from asserting against the Estate, or its representatives, the Liquidating Trust, the Liquidating Trustee, or their respective successors and assigns, and their assets and properties, any other claims or equity interests based upon any documents, instruments, or any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date.

Except as otherwise specifically provided in the Combined Plan and Disclosure Statement, all Persons who have held, hold, or may hold Claims against or Interests in the Debtor and any successors, assigns or representatives of such Person shall be precluded and permanently enjoined on and after the Effective Date from (a) commencing or continuing in any manner any Claim, action or other proceeding of any kind against any of the assets to be distributed under the Plan, (b) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree, or order with respect to any of the assets to be distributed under the Plan, and (c) creating, perfecting or enforcing any encumbrance of any kind with respect to any of the assets to be distributed under the Plan. Except as otherwise expressly provided for in this Combined Plan and Disclosure Statement or with respect to obligations issued pursuant to this Combined Plan and Disclosure Statement, all Persons are permanently enjoined, on and after the Effective Date, on account of any Claim or Interest satisfied and released hereby, from: commencing or continuing in any manner any action or other proceeding of any kind against any Debtor, the Liquidating Trust or the Liquidating Trustee, or their successors and assigns, and their assets and properties; enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree or order against any Debtor, the Liquidating Trust or the Liquidating Trustee, their successors and assigns, and their assets and properties; creating, perfecting, or enforcing any encumbrance of any kind against any Debtor, the Liquidating Trust or the Liquidating Trustee or the property or estate of any Debtor or the Liquidating Trust; asserting any right of subrogation against any Debtor, the Liquidating Trust or the Liquidating Trustee or against the property or Estate of any of the Debtor or the Liquidating Trust, except to the extent that a permissible right of subrogation is asserted with respect to a timely filed proof of claim; or commencing or

continuing in any manner any action or other proceeding of any kind in respect of any claim or equity interest or cause of action released or settled hereunder.

Notwithstanding any provision in this Combined Plan and Disclosure Statement or the Plan Confirmation Order to the contrary, nothing contained in this Combined Plan and Disclosure Statement or the Confirmation Order shall (i) extinguish, impact, or release any right of setoff, recoupment, or subrogation of any kind (a) held by any creditor or vendor which is asserted in a timely filed proof of claim or objection to this Combined Plan and Disclosure Statement, or pursuant to section 503(b)(1)(d) of the Bankruptcy Code or (b) that is or may be asserted as an affirmative defense or other defense to a cause of action or claim asserted by a Debtor or the Liquidating Trust against such creditor or vendor; or (ii) affect the applicability of 26 U.S.C. § 7421(a).

Notwithstanding anything contained in the section, the injunction referenced herein shall not apply to the Alera Companies or their predecessors, successors, and assigns, current and former shareholders, affiliates, subsidiaries, principals, employees, agents, officers, directors, managers, consultants, limited partners, trustees, partners, members, professionals, representatives, advisors, attorneys, financial advisors, accountants, investment bankers, and consultants, in each case in their capacity as such, and their assets and properties, as the case may be.

YOU ARE ADVISED TO CAREFULLY REVIEW AND CONSIDER THE PLAN, INCLUDING THE RELEASES, EXCULPATION, AND INJUNCTION PROVISIONS, AS YOUR RIGHTS MIGHT BE AFFECTED.

Dated: October __, 2021
Wilmington, Delaware

LANDIS RATH & COBB LLP
/s/
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Matthew B. McGuire (No. 4366)
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*Counsel for the Debtor and Debtor in
Possession*

EXHIBIT B

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SHARITY MINISTRIES, INC.,¹

Debtor.

Chapter 11 (Subchapter V)

Case No.: 21-11001 (JTD)

Ref. Nos. ___ & ___

**NON-VOTING STATUS NOTICE WITH RESPECT TO IMPAIRED
CLASS DEEMED TO REJECT THE DEBTOR'S PLAN**

PLEASE TAKE NOTICE THAT On October 1, 2021, the above-captioned debtor and debtor-in-possession (the “Debtor”) filed the *Combined Disclosure Statement* (“Disclosure Statement”) and *Chapter 11 Plan of Liquidation of Sharity Ministries, Inc.* (the “Plan,” and together with the Disclosure Statement, the “Combined Plan and Disclosure Statement”) ² [D.I. 223] including all exhibits thereto and as amended, supplemented or otherwise modified from time to time.

PLEASE TAKE NOTICE THAT On October 13, 2021, the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) entered an order [D.I. ___] (the “Interim Approval and Procedures Order”) approving, among other things, the Disclosure Statement on an interim basis, as required under Local Rule 3017-2 and authorizing the Debtor to provide notice of their intent to seek approval of the Disclosure Statement on a final basis and confirmation of the Plan pursuant to certain procedures set forth therein, including the solicitation of votes to accept or reject the Plan. The Bankruptcy Court’s interim approval of the Disclosure Statement does not indicate approval of the Plan by the Bankruptcy Court

PLEASE TAKE FURTHER NOTICE THAT you are receiving this notice because, under the terms of Article VI of the Plan your Claim(s) and Interest(s) against the Debtor are Impaired, you shall receive no distribution on account of your Claim(s) or Interest(s) against the Debtor, and, pursuant to section 1126(g) of the Bankruptcy Code, you are conclusively presumed to have rejected the Plan and are, therefore, not entitled to vote on the Plan.

PLEASE TAKE FURTHER NOTICE THAT the Disclosure Statement, Interim Approval Procedures Order, the Plan, and the other documents and materials included in the Solicitation Package, except Ballots, may be obtained by any of the following means: (i) writing to BMC Group, Inc., Attn: Sharity Ministries Inquiries, PO Box 90100, Los Angeles, CA 90009; and/or (ii) emailing jenner@lrclaw.com with a reference to “Sharity Ministries, Inc.” in the subject line; (iii) visiting <https://bmcgroup.com/sharity> or (iv) visiting (for a fee) PACER at <http://www.deb.uscourts.gov>.

¹ The last four digits of the Debtor’s federal tax identification number is 0344. The Debtor’s mailing address is 821 Atlanta Street, Suite 124, Roswell, GA 30075.

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

PLEASE TAKE FURTHER NOTICE THAT additional information regarding the Plan Documents and important deadlines related to the Plan and Combined Hearing can be found on the Notice of Combined Hearing, which you should have received along with this notice. If you have any questions regarding this Notice, any of the Plan Documents, or any matters related thereto, including the status of any of your Claims or Interests, please contact the Debtor's noticing, claims and administrative agent, BMC Group, Inc. (the "Balloting Agent" or "BMC") at 1-888-909-0100. Please be advised that the Balloting Agent cannot provide you with legal advice. You should consult with your attorney to provide any legal advice you may need.

Dated: October __, 2021
Wilmington, Delaware

LANDIS RATH & COBB LLP

/s/

Adam G. Landis (No. 3407)
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Counsel for the Debtor and Debtor in Possession

EXHIBIT C

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SHARITY MINISTRIES, INC.,¹

Debtor.

Chapter 11 (Subchapter V)

Case No.: 21-11001 (JTD)

**BALLOT FOR ACCEPTING OR REJECTING COMBINED
DISCLOSURE STATEMENT AND CHAPTER 11 PLAN OF
LIQUIDATION OF SHARITY MINISTRIES, INC.**

CLASS 3 — MEMBER CLAIM FOR POST-JULY 8, 2021 PAYMENTS

**PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR
COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT**

**THIS BALLOT MUST BE ACTUALLY RECEIVED BY BMC GROUP, INC.
BY NOVEMBER 22, 2021 AT 5:00 P.M. PREVAILING
EASTERN TIME (THE “VOTING DEADLINE”)**

The Debtor has sent this Ballot to you because its records indicate that you are a holder of a Class 3 Member Claim for Post-July 8, 2021 Payments, and accordingly, you have a right to vote to accept or reject the *Combined Disclosure Statement* (“Disclosure Statement”) and *Chapter 11 Plan of Liquidation of Sharity Ministries, Inc.* (the “Plan,” and together with the Disclosure Statement, the “Combined Plan and Disclosure Statement”) [D.I. 223] including all exhibits thereto and as amended, supplemented or otherwise modified from time to time. Your rights are described in the Disclosure Statement and all exhibits related thereto. On October 13, 2021, the Bankruptcy Court entered an order [D.I. ___] (the “Interim Approval and Procedures Order”)² approving on an interim basis the adequacy of the Disclosure Statement. At the Confirmation Hearing, the Debtor will seek final approval of the adequacy of the Disclosure Statement, as well as confirmation of the Plan

Copies of the Disclosure Statement, the Interim Approval and Procedures Order, the Plan and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. Additionally, the Solicitation Package may be obtained by (i) writing to BMC Group, Inc., Attn: Sharity Ministries Inquiries, PO Box 90100, Los Angeles, CA 90009; and/or (ii) emailing jenner@lrclaw.com with a reference to “Sharity Ministries, Inc.” in the subject line; (iii) visiting <https://bmcgroup.com/sharity> or (iv) visiting (for a fee) PACER at <http://www.deb.uscourts.gov>. The Bankruptcy Court’s interim approval of the Disclosure

¹ The last four digits of the Debtor’s federal tax identification number is 0344. The Debtor’s mailing address is 821 Atlanta Street, Suite 124, Roswell, GA 30075.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, the Disclosure Statement or the Interim Approval and Procedures Order, as applicable.

Statement does not indicate approval of the Plan by the Bankruptcy Court. This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. If you believe you have received this Ballot in error, please contact the Balloting Agent at the address or email address set forth above.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 3 (Member Claim for Post-July 8, 2021 Payments) under the Plan.

If the Balloting Agent does not receive your Ballot on or before the Voting Deadline, November 22, 2021, at 5:00 p.m. prevailing Eastern Time and if the Voting Deadline is not extended, your vote as either an acceptance or rejection of the Plan will not count. If the Bankruptcy Court confirms the Plan, it will bind you regardless of whether you vote.

Item 1. Principal Amount of Class 3 Member Claim for Post-July 8, 2021 Payments.

As of the Record Date, October 13, 2021 at 4:00 p.m. prevailing Eastern Time, the undersigned was the holder of Class 3 Member Claim for Post-July 8, 2021 Payments in the aggregate principal amount against the Debtor as set forth below:

\$ _____

Item 2. Class 3 Member Claim for Post-July 8, 2021 Payments Vote on the Plan.

The holder of the Class 3 Member Claim for Post-July 8, 2021 Payments set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN

REJECT THE PLAN

ANY BALLOT THAT IS EXECUTED BY THE HOLDER OF A CLAIM BUT THAT INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN OR DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED.

Item 3. Certifications

By signing this Ballot, the undersigned certifies to the Bankruptcy Court and to the Debtor:

- a. that either: (i) the Entity is the holder of the Class 3 Claim being voted; or (ii) the Entity is an authorized signatory for an Entity that is a holder of the Class 3 Claim being voted;
- b. that the Entity has received a copy of the Disclosure Statement and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;
- c. that the Entity has cast the same vote with respect to all Class 3 Claims that it holds or for which it is the authorized signatory; and
- d. that no other Ballots with respect to the amount of the Class 3 Claim identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claims, then any such Ballots dated earlier are hereby revoked.

Name of holder: _____
(Print or Type)

Social Security or Federal Tax Identification Number: _____

Signature: _____

Name of Signatory: _____
(If other than holder)

Title: _____

Address: _____

Date Completed: _____

THE BALLOT MUST BE COMPLETED AND SUBMITTED, ON OR BEFORE THE VOTING DEADLINE, BY THE FOLLOWING APPROVED SUBMISSION METHOD:

<p>By first class mail to: If by Regular Mail: BMC Group Attn: Sharity Ministries Ballot Processing 3732 West 120th Street Hawthorne, CA 90250</p> <p>By overnight courier or hand-delivery to: BMC Group Attn: Sharity Ministries Ballot Processing PO Box 90100 Los Angeles, CA 90009</p> <p>By electronic online transmission solely through the customized, online balloting portal (the “<u>Balloting Portal</u>”) accessible via the unique email you may have received from the Balloting Agent.</p> <p>If you submit your Ballot through the Balloting Portal, you should <u>not</u> return a paper ballot.</p>

BALLOTS OTHERWISE SUBMITTED BY FACSIMILE, TELECOPY, OR ANY ELECTRONIC SUBMISSION EXCEPT FOR THE BALLOTING PORTAL WILL NOT BE ACCEPTED.

YOUR BALLOT MUST BE RECEIVED BY THE VOTING DEADLINE, WHICH IS NOVEMBER 22, 2021, AT 5:00 P.M. PREVAILING EASTERN TIME.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtor is soliciting the votes of holders of Claims with respect to the Plan. Capitalized terms used in the Ballot or in these instructions but not otherwise defined in the Ballot or these instructions shall have the meanings set forth in the Plan or Disclosure Statement, copies of which also accompany the Ballot.
2. The Bankruptcy Court may confirm the Plan and thereby bind you by the terms of the Plan if, among other things, the Plan is confirmed. Please review the Disclosure Statement for more information.
3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) submit the Ballot to the address set forth on the enclosed pre-addressed envelope or via the Debtor’s Balloting Portal. The Voting Deadline for the receipt of Ballots by

the Balloting Agent is November 22, 2021 at 5:00 p.m. (prevailing Eastern Time). **Your completed Ballot must be received by the Balloting Agent on or before the Voting Deadline.**

4. You must vote all of your Claims within a particular Class either to accept or reject the Plan and may not split your vote. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a holder has multiple Claims within the same Class, the Debtor may, in its discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes.
5. If a Ballot is received after the Voting Deadline, it will not be counted unless the Debtor determines otherwise. **The method of delivery of Ballots to the Balloting Agent is at the election and risk of each holder of a Claim.** Delivery will be deemed made only when the Balloting Agent **actually receives** the originally executed Ballot. If a holder of a Claim chooses effecting delivery by mail, it is recommended, though not required, that holders use an overnight or hand delivery service to assure timely delivery. No Ballot should be sent to the Debtor or the Debtor's agents (other than the Balloting Agent).
6. Delivery of a Ballot to the Balloting Agent by facsimile, telecopy, or other electronic submissions, other than the Debtor's Balloting Portal will **not** be accepted.
7. If multiple Ballots are received from the same holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last dated valid Ballot timely received will supersede and revoke any earlier dated Ballots.
8. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, holders of Claims should not surrender certificates or instruments representing or evidencing their Claims, and neither the Debtor nor the Balloting Agent will accept delivery of any such certificates or instruments surrendered together with a Ballot.
9. This Ballot does not constitute and shall not be deemed to be: (a) a Proof of Claim; or (b) an assertion or admission of a Claim.
10. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Balloting Agent, the Debtor, or the Bankruptcy Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.
11. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim; (b) any Ballot cast by a Party that does not hold

a Claim in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any Entity not entitled to vote pursuant to the Solicitation Procedures.

12. If you believe you have wrongly received a Ballot, you should contact the Balloting Agent by telephone immediately at 1-888-909-0100.

PLEASE SUBMIT YOUR BALLOT PROMPTLY!

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE NOTICE, CLAIMS, AND BALLOTING AGENT AT 1-888-909-0100.

EXHIBIT D

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SHARITY MINISTRIES, INC.,¹

Debtor.

Chapter 11 (Subchapter V)

Case No.: 21-11001 (JTD)

**BALLOT FOR ACCEPTING OR REJECTING COMBINED
DISCLOSURE STATEMENT AND CHAPTER 11 PLAN OF
LIQUIDATION OF SHARITY MINISTRIES, INC.**

CLASS 4 — MEMBER CLAIMS AND GENERAL UNSECURED CLAIMS

**PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR
COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT**

**THIS BALLOT MUST BE ACTUALLY RECEIVED BY BMC GROUP, INC.
BY NOVEMBER 22, 2021 AT 5:00 P.M. PREVAILING
EASTERN TIME (THE “VOTING DEADLINE”)**

The Debtor has sent this Ballot to you because its records indicate that you are a holder of a Class 4 Member Claim and General Unsecured Claim, and accordingly, you have a right to vote to accept or reject the *Combined Disclosure Statement* (“Disclosure Statement”) and *Chapter 11 Plan of Liquidation of Sharity Ministries, Inc.* (the “Plan,” and together with the Disclosure Statement, the “Combined Plan and Disclosure Statement”) [D.I. 223] including all exhibits thereto and as amended, supplemented or otherwise modified from time to time. Your rights are described in the Disclosure Statement and all exhibits related thereto. On October 13, 2021, the Bankruptcy Court entered an order [D.I. ___] (the “Interim Approval and Procedures Order”)² approving on an interim basis the adequacy of the Disclosure Statement. At the Confirmation Hearing, the Debtor will seek final approval of the adequacy of the Disclosure Statement, as well as confirmation of the Plan

Copies of the Disclosure Statement, the Interim Approval and Procedures Order, the Plan and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. Additionally, the Solicitation Package may be obtained by (i) writing to BMC Group, Inc., Attn: Sharity Ministries Inquiries, PO Box 90100, Los Angeles, CA 90009; and/or (ii) emailing jenner@lrclaw.com with a reference to “Sharity Ministries, Inc.” in the subject line; (iii) visiting <https://bmcgroup.com/sharity> or (iv) visiting (for a fee) PACER at <http://www.deb.uscourts.gov>. The Bankruptcy Court’s interim approval of the Disclosure

¹ The last four digits of the Debtor’s federal tax identification number is 0344. The Debtor’s mailing address is 821 Atlanta Street, Suite 124, Roswell, GA 30075.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, the Disclosure Statement or the Interim Approval and Procedures Order, as applicable.

Statement does not indicate approval of the Plan by the Bankruptcy Court. This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. If you believe you have received this Ballot in error, please contact the Balloting Agent at the address or email address set forth above.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 4 (Member Claim and General Unsecured Claim) under the Plan.

If the Balloting Agent does not receive your Ballot on or before the Voting Deadline, November 22, 2021, at 5:00 p.m. prevailing Eastern Time and if the Voting Deadline is not extended, your vote as either an acceptance or rejection of the Plan will not count. If the Bankruptcy Court confirms the Plan, it will bind you regardless of whether you vote.

Item 1. Principal Amount of Class 4 Member Claim and General Unsecured Claim.

As of the Record Date, October 13, 2021 at 4:00 p.m. prevailing Eastern Time, the undersigned was the holder of Class 4 Member Claim and General Unsecured Claim in the aggregate principal amount against the Debtor as set forth below:

\$ _____

Item 2. Class 4 Member Claim and General Unsecured Claim Vote on the Plan.

The holder of the Class 4 Member Claim and General Unsecured Claim set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN

REJECT THE PLAN

ANY BALLOT THAT IS EXECUTED BY THE HOLDER OF A CLAIM BUT THAT INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN OR DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED.

Item 3. Certifications

By signing this Ballot, the undersigned certifies to the Bankruptcy Court and to the Debtor:

- a. that either: (i) the Entity is the holder of the Class 4 Claim being voted; or (ii) the Entity is an authorized signatory for an Entity that is a holder of the Class 4 Claim being voted;
- b. that the Entity has received a copy of the Disclosure Statement and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;
- c. that the Entity has cast the same vote with respect to all Class 4 Claims that it holds or for which it is the authorized signatory; and
- d. that no other Ballots with respect to the amount of the Class 4 Claim identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claims, then any such Ballots dated earlier are hereby revoked.

Name of holder: _____
(Print or Type)

Social Security or Federal Tax Identification Number: _____

Signature: _____

Name of Signatory: _____
(If other than holder)

Title: _____

Address: _____

Date Completed: _____

THE BALLOT MUST BE COMPLETED AND SUBMITTED, ON OR BEFORE THE VOTING DEADLINE, BY THE FOLLOWING APPROVED SUBMISSION METHOD:

<p>By first class mail to: If by Regular Mail: BMC Group Attn: Sharity Ministries Ballot Processing 3732 West 120th Street Hawthorne, CA 90250</p> <p>By overnight courier or hand-delivery to: BMC Group Attn: Sharity Ministries Ballot Processing PO Box 90100 Los Angeles, CA 90009</p> <p>By electronic online transmission solely through the customized, online balloting portal (the “<u>Balloting Portal</u>”) accessible via the unique email you may have received from the Balloting Agent.</p> <p>If you submit your Ballot through the Balloting Portal, you should <u>not</u> return a paper ballot.</p>

BALLOTS OTHERWISE SUBMITTED BY FACSIMILE, TELECOPY, OR ANY ELECTRONIC SUBMISSION EXCEPT FOR THE BALLOTING PORTAL WILL NOT BE ACCEPTED.

YOUR BALLOT MUST BE RECEIVED BY THE VOTING DEADLINE, WHICH IS NOVEMBER 22, 2021, AT 5:00 P.M. PREVAILING EASTERN TIME.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtor is soliciting the votes of holders of Claims with respect to the Plan. Capitalized terms used in the Ballot or in these instructions but not otherwise defined in the Ballot or these instructions shall have the meanings set forth in the Plan or Disclosure Statement, copies of which also accompany the Ballot.
2. The Bankruptcy Court may confirm the Plan and thereby bind you by the terms of the Plan if, among other things, the Plan is confirmed. Please review the Disclosure Statement for more information.
3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) submit the Ballot to the address set forth on the enclosed pre-addressed envelope

or via the Debtor's Balloting Portal. The Voting Deadline for the receipt of Ballots by the Balloting Agent is November 22, 2021 at 5:00 p.m. (prevailing Eastern Time). **Your completed Ballot must be received by the Balloting Agent on or before the Voting Deadline.**

4. You must vote all of your Claims within a particular Class either to accept or reject the Plan and may not split your vote. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a holder has multiple Claims within the same Class, the Debtor may, in its discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes.
5. If a Ballot is received after the Voting Deadline, it will not be counted unless the Debtor determines otherwise. **The method of delivery of Ballots to the Balloting Agent is at the election and risk of each holder of a Claim.** Delivery will be deemed made only when the Balloting Agent **actually receives** the originally executed Ballot. If a holder of a Claim chooses effecting delivery by mail, it is recommended, though not required, that holders use an overnight or hand delivery service to assure timely delivery. No Ballot should be sent to the Debtor or the Debtor's agents (other than the Balloting Agent).
6. Delivery of a Ballot to the Balloting Agent by facsimile, telecopy, or other electronic submissions, other than the Debtor's Balloting Portal will **not** be accepted.
7. If multiple Ballots are received from the same holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last dated valid Ballot timely received will supersede and revoke any earlier dated Ballots.
8. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, holders of Claims should not surrender certificates or instruments representing or evidencing their Claims, and neither the Debtor nor the Balloting Agent will accept delivery of any such certificates or instruments surrendered together with a Ballot.
9. This Ballot does not constitute and shall not be deemed to be: (a) a Proof of Claim; or (b) an assertion or admission of a Claim.
10. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Balloting Agent, the Debtor, or the Bankruptcy Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.
11. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the

identification of the holder of the Claim; (b) any Ballot cast by a Party that does not hold a Claim in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any Entity not entitled to vote pursuant to the Solicitation Procedures.

12. If you believe you have wrongly received a Ballot, you should contact the Balloting Agent by telephone immediately at 1-888-909-0100.

PLEASE SUBMIT YOUR BALLOT PROMPTLY!

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE NOTICE, CLAIMS, AND BALLOTING AGENT AT 1-888-909-0100.

EXHIBIT E

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SHARITY MINISTRIES, INC.,¹

Debtor.

Chapter 11 (Subchapter V)

Case No.: 21-11001 (JTD)

**BALLOT FOR ACCEPTING OR REJECTING COMBINED
DISCLOSURE STATEMENT AND CHAPTER 11 PLAN OF
LIQUIDATION OF SHARITY MINISTRIES, INC.**

CLASS 5 — GOVERNMENTAL FINES AND PENALTY CLAIMS

**PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR
COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT**

**THIS BALLOT MUST BE ACTUALLY RECEIVED BY BMC GROUP, INC.
BY NOVEMBER 22, 2021 AT 5:00 P.M. PREVAILING
EASTERN TIME (THE “VOTING DEADLINE”)**

The Debtor has sent this Ballot to you because its records indicate that you are a holder of a Class 5 Governmental Fines and Penalty Claims, and accordingly, you have a right to vote to accept or reject the *Combined Disclosure Statement* (“Disclosure Statement”) and *Chapter 11 Plan of Liquidation of Sharity Ministries, Inc.* (the “Plan,” and together with the Disclosure Statement, the “Combined Plan and Disclosure Statement”) [D.I. 223] including all exhibits thereto and as amended, supplemented or otherwise modified from time to time. Your rights are described in the Disclosure Statement and all exhibits related thereto. On October 13, 2021, the Bankruptcy Court entered an order [D.I. ___] (the “Interim Approval and Procedures Order”)² approving on an interim basis the adequacy of the Disclosure Statement. At the Confirmation Hearing, the Debtor will seek final approval of the adequacy of the Disclosure Statement, as well as confirmation of the Plan

Copies of the Disclosure Statement, the Interim Approval and Procedures Order, the Plan and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. Additionally, the Solicitation Package may be obtained by (i) writing to BMC Group, Inc., Attn: Sharity Ministries Inquiries, PO Box 90100, Los Angeles, CA 90009; and/or (ii) emailing jenner@lrclaw.com with a reference to “Sharity Ministries, Inc.” in the subject line; (iii) visiting <https://bmcgroup.com/sharity> or (iv) visiting (for a fee) PACER at <http://www.deb.uscourts.gov>. The Bankruptcy Court’s interim approval of the Disclosure

¹ The last four digits of the Debtor’s federal tax identification number is 0344. The Debtor’s mailing address is 821 Atlanta Street, Suite 124, Roswell, GA 30075.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, the Disclosure Statement or the Interim Approval and Procedures Order, as applicable.

Statement does not indicate approval of the Plan by the Bankruptcy Court. This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. If you believe you have received this Ballot in error, please contact the Balloting Agent at the address or email address set forth above.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 5 (Governmental Fines and Penalty Claims) under the Plan.

If the Balloting Agent does not receive your Ballot on or before the Voting Deadline, November 22, 2021, at 5:00 p.m. prevailing Eastern Time and if the Voting Deadline is not extended, your vote as either an acceptance or rejection of the Plan will not count. If the Bankruptcy Court confirms the Plan, it will bind you regardless of whether you vote.

Item 1. Principal Amount of Class 5 Governmental Fines and Penalty Claims.

As of the Record Date, October 13, 2021 at 4:00 p.m. prevailing Eastern Time, the undersigned was the holder of Class 5 Governmental Fines and Penalty Claims in the aggregate principal amount against the Debtor as set forth below:

\$ _____

Item 2. Class 5 Governmental Fines and Penalty Claims Vote on the Plan.

The holder of the Class 5 Governmental Fines and Penalty Claims set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN

REJECT THE PLAN

ANY BALLOT THAT IS EXECUTED BY THE HOLDER OF A CLAIM BUT THAT INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN OR DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED.

Item 3. Certifications

By signing this Ballot, the undersigned certifies to the Bankruptcy Court and to the Debtor:

- a. that either: (i) the Entity is the holder of the Class 5 Claim being voted; or (ii) the Entity is an authorized signatory for an Entity that is a holder of the Class 5 Claim being voted;
- b. that the Entity has received a copy of the Disclosure Statement and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;
- c. that the Entity has cast the same vote with respect to all Class 5 Claims that it holds or for which it is the authorized signatory; and
- d. that no other Ballots with respect to the amount of the Class 5 Claim identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claims, then any such Ballots dated earlier are hereby revoked.

Name of holder: _____
(Print or Type)

Social Security or Federal Tax Identification Number: _____

Signature: _____

Name of Signatory: _____
(If other than holder)

Title: _____

Address: _____

Date Completed: _____

THE BALLOT MUST BE COMPLETED AND SUBMITTED, ON OR BEFORE THE VOTING DEADLINE, BY THE FOLLOWING APPROVED SUBMISSION METHOD:

By first class mail to:
If by Regular Mail:
BMC Group
Attn: Sharity Ministries Ballot Processing
3732 West 120th Street
Hawthorne, CA 90250

By overnight courier or hand-delivery to:
BMC Group
Attn: Sharity Ministries Ballot Processing
PO Box 90100
Los Angeles, CA 90009

By electronic online transmission solely through the customized, online balloting portal (the “Balloting Portal”) accessible via the unique email you may have received from the Balloting Agent.

If you submit your Ballot through the Balloting Portal, you should not return a paper ballot.

BALLOTS OTHERWISE SUBMITTED BY FACSIMILE, TELECOPY, OR ANY ELECTRONIC SUBMISSION EXCEPT FOR THE BALLOTING PORTAL WILL NOT BE ACCEPTED.

YOUR BALLOT MUST BE RECEIVED BY THE VOTING DEADLINE, WHICH IS November 22, 2021, AT 5:00 P.M. PREVAILING EASTERN TIME.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtor is soliciting the votes of holders of Claims with respect to the Plan. Capitalized terms used in the Ballot or in these instructions but not otherwise defined in the Ballot or these instructions shall have the meanings set forth in the Plan or Disclosure Statement, copies of which also accompany the Ballot.
2. The Bankruptcy Court may confirm the Plan and thereby bind you by the terms of the Plan if, among other things, the Plan is confirmed. Please review the Disclosure Statement for more information.
3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) submit the Ballot to the address set forth on the enclosed pre-addressed envelope

or via the Debtor's Balloting Portal. The Voting Deadline for the receipt of Ballots by the Balloting Agent is November 22, 2021 at 5:00 p.m. (prevailing Eastern Time). Your completed Ballot must be received by the Balloting Agent on or before the Voting Deadline.

4. You must vote all of your Claims within a particular Class either to accept or reject the Plan and may not split your vote. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a holder has multiple Claims within the same Class, the Debtor may, in its discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes.
5. If a Ballot is received after the Voting Deadline, it will not be counted unless the Debtor determines otherwise. The method of delivery of Ballots to the Balloting Agent is at the election and risk of each holder of a Claim. Delivery will be deemed made only when the Balloting Agent **actually receives** the originally executed Ballot. If a holder of a Claim chooses effecting delivery by mail, it is recommended, though not required, that holders use an overnight or hand delivery service to assure timely delivery. No Ballot should be sent to the Debtor or the Debtor's agents (other than the Balloting Agent).
6. Delivery of a Ballot to the Balloting Agent by facsimile, telecopy, or other electronic submissions, other than the Debtor's Balloting Portal will **not** be accepted.
7. If multiple Ballots are received from the same holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last dated valid Ballot timely received will supersede and revoke any earlier dated Ballots.
8. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, holders of Claims should not surrender certificates or instruments representing or evidencing their Claims, and neither the Debtor nor the Balloting Agent will accept delivery of any such certificates or instruments surrendered together with a Ballot.
9. This Ballot does not constitute and shall not be deemed to be: (a) a Proof of Claim; or (b) an assertion or admission of a Claim.
10. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Balloting Agent, the Debtor, or the Bankruptcy Court, must submit proper evidence to the requesting party to so act on behalf of such holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.
11. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the

identification of the holder of the Claim; (b) any Ballot cast by a Party that does not hold a Claim in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any Entity not entitled to vote pursuant to the Solicitation Procedures.

12. If you believe you have wrongly received a Ballot, you should contact the Balloting Agent by telephone immediately at 1-888-909-0100.

PLEASE SUBMIT YOUR BALLOT PROMPTLY!

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE NOTICE, CLAIMS, AND BALLOTING AGENT AT 1-888-909-0100.