

ATTACHMENT A

**REPORT TO THE ATTORNEY GENERAL
OF JUDGMENT OF PROPOSITION 65 CLAIM
As You Sow v. Twin Laboratories, Inc., et al. (Case No. 422847)
Attachment A – Description of Resolution of the Case**

I. CASE BACKGROUND

Twin Laboratories, Inc. (“Twin Labs”) and its associated corporations (“the Debtors”) filed for chapter 11 bankruptcy protection in the Bankruptcy Court of the Southern District of New York on September 4, 2003. On March 1, 2004, prior to the cut-off date for allowable claims against Twin Labs, As You Sow (“AYS”) filed the complaint in this action. The Superior Court stayed the litigation pending the outcome of the bankruptcy proceedings.

On July 3, 2005, the Debtors filed a Joint Objection to Disallow Proof of Claim on Behalf of As You Sow and, in the alternative, a Motion to Estimate Such Claim (“Joint Objection”), seeking, in part, to disallow AYS’ claim entirely. After extensive negotiations, on August 24, 2005, AYS and the Debtors entered into the Stipulation Resolving Debtors’ and Official Committee of Unsecured Creditors’ Joint (i) Objection to Disallow Proof of Claim Filed on Behalf of As You Sow and, in the Alternative, (ii) Motion to Estimate Such Claim (“the Stipulation”). A true and correct copy of the Stipulation is attached hereto as Attachment B.

II. TERMS OF THE STIPULATION

The Stipulation effectively settled AYS’ claims against the Debtors. The Stipulation states that AYS will dismiss the action with prejudice, releasing the Debtors from the claims set forth in the complaint. Stipulation, at p. 4, ¶ 3. Nothing in the Stipulation constitutes a release or waiver for any potential claims against Ideasphere, Inc., or TL Acquisition Corp, the purchasers of substantially all of the Debtors’ Assets. *Id.*, at p. 3 ¶ 2. Thus, the Stipulation does not prevent or otherwise hinder *any* potential Proposition 65 enforcement actions for all products sold in California under the “Twin Laboratories” or “Nature’s Herbs” brands (or any other brand, for that matter).

AYS’ claim was allowed as a Class 5 General Unsecured Claim (as defined in the Bankruptcy Plan) in the reduced amount of \$46,000. *Id.* at 4, ¶ 4. This amount is not classified as a penalty or payment in lieu of penalties. Under the terms of the Plan, claims are discharged at a rate of 18.1% to 20.1% of the claimed amount, reducing AYS’ overall claim to \$8326 to \$9246. AYS has received a check for \$5060.00 and will only receive the balance once all of the Debtors’ unresolved claims are resolved. A true and correct copy of the First Amended Disclosure Statement for the Liquidation Plan, which sets forth the rate for discharging unsecured claims, is attached hereto as Attachment C. A true and correct copy of the letter from the Debtors’ counsel explaining the above is attached hereto as Attachment D.

ATTACHMENT B

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

-----X
In re :
: **Chapter 11 Case No.**
TL ADMINISTRATION CORPORATION, :
et al. (f/k/a TWINLAB CORPORATION, et al.), : **03-15564 (RDD)**
: **(Jointly Administered)**
: **Debtors.** :
-----X

**STIPULATION RESOLVING DEBTORS' AND OFFICIAL
COMMITTEE OF UNSECURED CREDITORS' JOINT (i) OBJECTION
TO DISALLOW PROOF OF CLAIM FILED ON BEHALF OF AS YOU SOW
AND, IN THE ALTERNATIVE, (ii) MOTION TO ESTIMATE SUCH CLAIM**

- A. On September 4, 2003 (the "Commencement Date"), TL Administration Corporation (f/k/a Twinlab Corporation) ("Holdings"), TL Administration Inc. (f/k/a Twin Laboratories, Inc.) ("Laboratories") and TL Administration (UK) Ltd. (f/k/a Twin Laboratories (UK) Ltd.) ("TL UK" and collectively with Holdings and Laboratories, the "Debtors") each commenced a case under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").
- B. By Order dated July 26, 2005 (the "Confirmation Order"), the Bankruptcy Court and the United States District Court for the Southern District of New York (the "District Court" and together with the Bankruptcy Court, the "Courts"), having jurisdiction over the Debtors' chapter 11 cases, confirmed the Debtors' First Amended Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code (the "Plan"). On August 15, 2005, the Effective Date of the Plan occurred (as that term is defined in the Plan).
- C. On September 17, 2003, the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed the Creditors Committee.

D. Pursuant to an order of the Bankruptcy Court dated January 7, 2004, the deadline for filing proofs of claim against the Debtors for claims that arose on or prior to the Commencement Date was fixed as March 2, 2004 at 5:00 p.m.

E. On March 1, 2004, the Law Offices of Andrew L. Packard, on behalf of As You Sow ("As You Sow"), a 501(c)(3) non-profit California corporation, with its principal place of business in San Francisco, California, filed an unliquidated proof of claim against the Debtors ("Claim No. 442"). Claim No. 442 consists of a cover page and a First Amended Complaint for Injunctive Relief and Civil Penalties (the "Complaint") filed in the Superior Court of the State of California, County of San Francisco (the "State Court"), Case No. CGC-03-422845 (the "Action"), against "Twin Laboratories Inc., dba Nature's Herbs, and Does 1 to 20." Claim No. 442 requests: injunctive relief, civil penalties, restitution, and attorneys fees and costs.

F. The Debtors disputed the allegations made in the Complaint and any liability for Claim No. 442, and on June 3, 2005, the Debtors and the Creditors Committee filed their Joint (i) Objection to Disallow Proof of Claim filed on Behalf of As You Sow and, in the Alternative, (ii) Motion to Estimate Such Claim (the "Joint Objection"). The Joint Objection sought, in part, to disallow Claim No. 442 in its entirety.

G. Pursuant to Paragraph 27 of the Confirmation Order and Section 12.1 of the Plan, the Creditors Committee dissolved on the Effective Date.

H. Pursuant to Paragraph 13 of the Confirmation Order and Section 7.2 of the Plan, Denis O'Connor was appointed to serve as the Plan Administrator (as that term is defined in the Plan). Pursuant to Section 7.4(b) of the Plan and after the Effective Date, the Plan

Administrator is authorized to settle non-ephedra-related personal injury claims against the Debtors.

I. Following arms-length negotiation between the Debtors, the Creditors Committee, the Plan Administrator, and As You Sow, the Plan Administrator and As You Sow (together, the "Parties") have come to an agreement pursuant to the terms set forth in this Stipulation for the purposes of resolving the Joint Objection and Claim No. 442.

J. The Parties desire to avoid costly litigation with respect to the Joint Objection and Claim No. 442 and have entered into the agreement set forth below.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and between the Parties, through their undersigned counsel, that:

1. This Stipulation shall be effective upon execution by both Parties (the "Execution Date").
2. On the Execution Date, As You Sow shall be deemed to fully and finally release, acquit, and forever discharge the Debtors from any and all claims that have been or could have been asserted against the Debtors in Claim No. 442, the Complaint, or the Action; provided, however, that nothing herein shall release any rights arising under this Stipulation; and provided further, however, that nothing herein shall be deemed a release or waiver by As You Sow of any right or claim it may possess against Ideasphere, Inc. or TL Acquisition Corp., the purchasers of substantially all of the Debtors' assets. The Debtors and Plan Administrator make no representations with respect to any rights or claims that As You Sow may possess against Ideasphere, Inc. or TL Acquisition Corp.

3. Within three (3) business days of the Execution Date, As You Sow shall dismiss the Action with prejudice.

4. Upon As You Sow's satisfaction of the preceding paragraph, Claim No. 442 shall be allowed as a Class 5 (General Unsecured Claim) (as that term is defined in the Plan) in the reduced amount of \$46,000 and the Joint Objection shall be resolved.

5. This Stipulation contains the entire agreement between the Parties relative to the Complaint, the Action, Claim No. 442, and the Joint Objection, and supersedes all prior agreements and undertakings between the parties relating thereto.

6. This Stipulation can only be amended or otherwise modified by a signed writing executed by the Parties.

7. Each person who executes this Stipulation represents that he or she is duly authorized to execute this Stipulation on behalf of the respective Parties hereto and that each such party has full knowledge and has consented to this Stipulation.

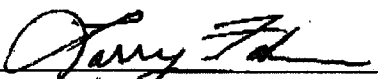
8. This Stipulation may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation to present any copy, copies or facsimiles signed by the Parties hereto to be charged

Dated: New York, New York
August __, 2005

TL Administration Corporation,
TL Administration Inc., and
TL Administration (UK) Ltd.

As You Sow

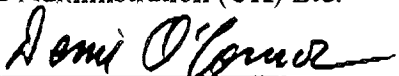
By: _____
Denis O'Connor
Plan Administrator


By: Larry Fahn
Its: Executive Director

8. This Stipulation may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation to present any copy, copies or facsimiles signed by the Parties hereto to be charged

Dated: New York, New York
August 24, 2005

TL Administration Corporation,
TL Administration Inc., and
TL Administration (UK) Ltd.



By: Denis O'Connor
Plan Administrator

As You Sow

By: _____
Its: _____

ATTACHMENT C

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

-----X
In re :
 : 04 MD 1598 (JSR)
EPHEDRA PRODUCTS LIABILITY :
LITIGATION. :
-----X
PERTAINS TO ALL CASES

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

-----X
In re :
 : Chapter 11 Case No.
TL ADMINISTRATION CORPORATION, :
et al. (f/k/a TWINLAB CORPORATION, et al.), : 03-15564 (RDD)
 :
 : (Jointly Administered)
Debtors. :
-----X

**FIRST AMENDED DISCLOSURE STATEMENT FOR THE FIRST AMENDED
JOINT PLAN OF LIQUIDATION OF TL ADMINISTRATION CORPORATION
(F/K/A TWINLAB CORPORATION), TL ADMINISTRATION, INC. (F/K/A TWIN
LABORATORIES INC.) AND TL ADMINISTRATION (UK) LTD. (F/K/A TWIN
LABORATORIES (UK) LTD.) UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
(212) 310-8000

Attorneys for Debtors
and Debtors in Possession

Dated: New York, New York
May 25, 2005

THE INFORMATION CONTAINED IN THIS FIRST AMENDED DISCLOSURE STATEMENT (THE “DISCLOSURE STATEMENT”) IS FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE FIRST AMENDED PLAN OF LIQUIDATION OF TL ADMINISTRATION CORPORATION (F/K/A TWINLAB CORPORATION), TL ADMINISTRATION, INC. (F/K/A TWIN LABORATORIES INC.) AND TL ADMINISTRATION (UK) LTD. (F/K/A TWIN LABORATORIES (UK) LTD.) (COLLECTIVELY, THE “PLAN”), AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO SOLICITATION OF VOTES TO ACCEPT THE PLAN MAY BE MADE EXCEPT PURSUANT TO SECTION 1125 OF THE UNITED STATES BANKRUPTCY CODE.

ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. A COPY OF THE PLAN IS ANNEXED HERETO AS EXHIBIT A. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN AND THE EXHIBITS ANNEXED TO THE PLAN AND THIS DISCLOSURE STATEMENT. IN THE EVENT OF ANY CONFLICT BETWEEN THE DESCRIPTION SET FORTH IN THIS DISCLOSURE STATEMENT AND THE TERMS OF THE PLAN, THE TERMS OF THE PLAN WILL GOVERN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE UNITED STATES BANKRUPTCY CODE AND RULE 3016(b) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT NECESSARILY IN ACCORDANCE WITH NON-BANKRUPTCY LAW.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT WILL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PARTY, NOR WILL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN THE DEBTORS IN THESE CASES.

TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
A. Definitions and Exhibits	1
1. Definitions	1
2. Exhibits	1
B. Notice to Creditors.....	1
1. Scope of Plan.....	1
2. Purpose of Disclosure Statement	2
C. Disclosure Statement Enclosures.....	3
1. Disclosure Statement Order.....	3
2. Notice of Confirmation Hearing	3
3. Ballots	3
D. Inquiries	4
E. Summary Table of Classification and Treatment of Claims and Equity Interests Under the Plan.....	4
II. OVERVIEW OF DEBTORS’ OPERATIONS AND CHAPTER 11 CASE	7
A. The Debtors’ Corporate Structure and Prepetition Business Operations	7
B. The Debtors’ Capital Structure and Prepetition Financing.....	7
C. Significant Events Leading to Commencement of the Chapter 11 Cases	8
D. The Chapter 11 Cases	9
1. Commencement of the Chapter 11 Cases	9
2. Appointment of the Creditors Committee	9
3. Appointment of Ephedra Claimants Committee.....	9
4. “First-Day” Orders.....	10
5. DIP Financing.....	11
6. Purchase Agreement with Ideasphere.....	11
7. Amendments to the Purchase Agreement	13
8. Proceeds from the Ideasphere Sale	14
9. Post-Closing Indemnification and Adjustments	14
10. Transfer of Ephedra Personal Injury Claims and Other Participating Ephedra Claims to the District Court	15
11. Adversary Proceeding to Extend the Automatic Stay to Third Party Defendants	16

TABLE OF CONTENTS
(continued)

	Page
12. Resolution of Ephedra Personal Injury Claims	16
13. Litigation Relating to the Former Officers and Directors	18
14. Settlement of Prepetition Securities Litigation and Shareholders Derivative Suit	20
15. Consumer Class Action Cases and Adversary Proceeding.....	21
16. Substantive Consolidation of Twinlab Catalog Corporation.....	23
17. Claims Process	24
18. District Court Withdrawal of Reference	26
III. OVERVIEW OF THE PLAN	26
A. Chapter 11 Generally	26
B. Assets for Distribution Under the Plan.....	27
C. Global Settlement of 2002-2004 Ephedra PI Claims and Other Participating Ephedra Claims	28
D. The Ephedra Personal Injury Trust.....	29
1. Transfer of Property to the Ephedra Personal Injury Trust	29
2. Appointment of Ephedra Personal Injury Trustee	30
3. Settlement and Allocation Procedures	30
4. Resolution of Minors' Claims by the Ephedra Personal Injury Trust.....	31
5. Tax Treatment of The Ephedra Personal Injury Trust	32
E. Classification and Treatment of Claims and Equity Interests Under the Plan.....	32
1. Class 1 – Secured Claims	32
2. Class 2 – Priority Non-Tax Claims.....	33
3. Class 3 – Pre-2002 Ephedra PI Claims	33
a. Liquidation of Pre-2002 Ephedra PI Claims	33
b. Distributions	34
4. Class 4 – 2002-2004 Ephedra PI Claims	35
5. Class 5 – General Unsecured Claims.....	35
6. Class 6 – Punitive Damage Claims.....	35
7. Class 7 – Equity Interests	36
F. Administrative Expense Claims and Priority Tax Claims	36

TABLE OF CONTENTS
(continued)

	Page
1. Administrative Expense Claims	36
2. Priority Tax Claims.....	37
G. Means for Implementation and Execution of the Plan.....	37
1. Deemed Consolidation of Debtors for Plan Purposes Only	37
2. The Plan Administrator.....	38
3. Directors/Officers/Assets of the Debtors on the Effective Date.....	38
4. Method of Distributions Under the Plan.....	39
a. Effective Date Payments and Transfers.....	39
b. Retention of Cash	39
c. Final Distributions and Transfers	40
H. Provisions Governing Distributions Under the Plan	40
1. Distribution Record Date	40
2. Surrender of Instruments	40
3. Effective Date Payments and Transfers by the Debtors	40
4. Distributions of Cash.....	41
5. Withholding and Reporting Requirements	41
I. Procedures for Treating and Resolving Disputed Claims.....	41
1. Objections to Claims.....	41
2. No Distribution Pending Allowance.....	41
3. Estimation of Claims	41
4. Resolution of Disputed Claims	41
J. Closing of the Chapter 11 Cases.....	42
K. Cancellation of Existing Securities and Agreements.....	42
L. Dissolution.....	42
M. Treatment of Executory Contracts and Unexpired Leases	42
1. Executory Contracts and Unexpired Leases	42
2. Approval of Rejection of Executory Contracts and Unexpired Leases	42
3. Claims Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan.....	43
N. Reservation of “Cram Down” Rights	43

TABLE OF CONTENTS
(continued)

	Page
O. Effectiveness of the Plan	43
1. Conditions Precedent To Confirmation.....	43
2. Conditions Precedent To Effective Date	43
3. Satisfaction of Conditions	44
4. Effect of Nonoccurrence of Conditions to Consummation	44
5. Waiver of Conditions.....	45
P. Effects of Confirmation of the Plan.....	45
1. Vesting of Assets	45
2. Binding Effect.....	45
3. Retention of Causes of Action.....	45
4. Exculpations and Limitations of Liability	45
5. Releases	46
a. Releases of the Settling Third Parties	46
b. Releases of the Blechmans	47
c. Releases by the Settling Third Parties and the Blechmans	47
d. Injunction.....	47
6. Terms of Pre-Plan Injunction and Stays.	48
Q. Retention of Jurisdiction by Bankruptcy Court	49
R. Dissolution of Committees	50
S. Substantial Consummation.....	50
T. Exemption from Transfer Taxes	50
U. Elimination of Vacant Classes	51
V. Modification of Plan.....	51
W. Notices	51
IV. ALTERNATIVES TO THE PLAN	52
A. Liquidation Under Chapter 7 of the Bankruptcy Code.....	52
B. Alternative Chapter 11 Plans	52
C. Certain Risk Factors	53
V. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN	53

TABLE OF CONTENTS
(continued)

	Page
A. General Considerations	54
B. Consequences to U.S. Debtors	54
C. Consequences to Holders of Allowed 2002-2004 Epehdra PI Claims	55
D. Consequences to Holders of Allowed General Unsecured Claims	55
E. Information Reporting and Withholding	56
VI. VOTING PROCEDURES AND REQUIREMENTS	57
A. Ballots and Voting Deadline	57
B. Holders of Claims Entitled to Vote	58
C. Voting Procedures	58
1. Holders of Claims in Classes 4 and 5	58
2. Acceptance by a Class	58
3. Withdrawal or Change of Vote	58
VII. CONFIRMATION OF THE PLAN	59
A. The Confirmation Hearing	59
B. Objections to Confirmation	59
C. General Requirements for Confirmation	60
D. Best Interests Test	60
E. Liquidation Analysis	62
1. Introduction	62
2. Liquidation Analysis	63
3. Notes to Liquidation Analysis	64
F. No Unfair Discrimination/ Fair and Equitable Test	66
1. Secured Creditors	67
2. Unsecured Creditors	67
3. Equity Interests	67
G. Classification of Claims and Equity Interests Under the Plan	68
H. Feasibility	68
VIII. CONCLUSION	69

GLOSSARY

<i>2002-2004 Ephedra PI Claim</i>	Any Ephedra Personal Injury Claim that is not a Pre -2002 Ephedra PI Claim.
<i>2002-2004 Ephedra PI Settlement Agreement</i>	That certain agreement by and among the holders of 2002-2004 Ephedra PI Claims, the holders of Other Participating Ephedra Claims, the Settling Third Parties, and the Debtors , substantially in the form of the agreement attached as Exhibit A to the Plan.
<i>Aggregate Allowed Consumer Class Action Claims</i>	The aggregate Allowed value of the Consumer Class Action Claims where the Allowed value, if any, of each such Claim is determined by estimation by (i) the Debtors following a settlement agreement with the applicable claimant(s) or (ii) the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code.
<i>Aggregate Third Party Settlement Amount</i>	The sum of all Third Party Settlement Amounts.
<i>AISLIC</i>	American International Specialty Lines Insurance Company.
<i>Allowed</i>	With reference to any Claim, (i) any Claim against any Debtor which has been listed by such Debtor in the Schedules, as such Schedules may be amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and for which no contrary proof of claim has been filed, (ii) any timely filed Claim as to which no objection to allowance has been interposed in accordance with Section 7.6 of the Plan or such other applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or as to which any objection has been determined by a Final Order to the extent such objection is determined in favor of the respective holder, (iii) any Claim expressly allowed by a Final Order or under the Plan, or (iv) any 2002-2004 Ephedra PI Claim or Other Participating Ephedra Claim finally resolved in accordance with the procedures of the Ephedra Personal Injury Trust Agreement.
<i>Available Cash</i>	The Initial Cash minus the Class 4 Distribution.
<i>Bankruptcy Code</i>	Title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Cases.
<i>Bankruptcy Court</i>	The District Court, having jurisdiction over the Chapter 11 Cases and, to the extent of any reference made under section 157 of title 28 of the United States Code, the bankruptcy court unit of such District Court having jurisdiction over the Chapter 11 Cases under section 157 of title 28 of the United States Code.
<i>Bankruptcy Rules</i>	The Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as amended from time to time, applicable to the Chapter 11 Cases, and any Local Rule of the Bankruptcy Court.
<i>Blechman Agreement</i>	That certain Stipulation and Agreement Regarding Compromise and Settlement of Adversary Proceeding, dated as of November 12, 2004, by and among the Debtors, the Creditors Committee, the Blechmans, John Danhaki, Jonathan Sokoloff, Leonard Schutzman, William Westerfield, U.S. Bank National Association as Indenture Trustee, and National Union.

<i>Blehmans</i>	Brian Blechman, Dean Blechman, Neil Blechman, Steve Blechman, Ross Blechman, Robin Blechman, Sharon Blechman, Helena Blechman, Linda Blechman, and Elyse Blechman.
<i>Business Day</i>	Any day other than a Saturday, a Sunday, or any other day on which banking institutions in New York, New York are required or authorized to close by law or executive order.
<i>Cash</i>	Legal tender of the United States of America.
<i>Cause of Action</i>	Any and all actions, causes of action, liabilities, obligations, rights, suits, damages, judgments, claims, and demands whatsoever, whether known or unknown, existing or hereafter arising, in law, equity, or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Commencement Date or during the course of the Chapter 11 Cases, including through the Effective Date, but not including any actions that may be commenced, before or after the Effective Date, pursuant to sections 544, 545, 547, 548, or 549 of the Bankruptcy Code that existed or may have existed against vendors, suppliers, or customers of the Debtors.
<i>Chapter 11 Cases</i>	The cases commenced and pending in the Bankruptcy Court under chapter 11 of the Bankruptcy Code by Holdings (03-15564) (RDD), Laboratories (03-15566) (RDD), and TL (UK) (03-15563) (RDD).
<i>CIT</i>	The CIT Group/Business Credit, Inc., as lender and agent for other lenders party to the Prepetition Credit Facility and the DIP Loan Agreement.
<i>Claim</i>	The meaning set forth in section 101 of the Bankruptcy Code.
<i>Class</i>	Any group of Claims or Equity Interests classified by the Plan pursuant to section 1122(a)(1) of the Bankruptcy Code.
<i>Class 4 Distribution</i>	\$3,550,000.
<i>Commencement Date</i>	September 4, 2003, the date on which the Debtors commenced the Chapter 11 Cases.
<i>Committees</i>	The Creditors Committee together with the Ephedra Claimants Committee.
<i>Confirmation Date</i>	The date on which the Clerk of the Bankruptcy Court enters the Confirmation Order.
<i>Confirmation Hearing</i>	The hearing held by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of the Plan.
<i>Confirmation Order</i>	The order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.
<i>Consumer Class Action Claim</i>	Any General Unsecured Claim listed in Exhibit B of the Plan.
<i>Creditors</i>	Any Entity that holds a Claim against a Debtor or Debtors (whether or not such Entity has asserted a Claim against any Debtor).

<i>Creditors Committee</i>	The official committee of unsecured creditors appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code.
<i>Debtors</i>	Holdings, Laboratories, and TL (UK).
<i>DIP Loan Agreement</i>	The \$35,000,000 postpetition credit agreement dated September 4, 2003 between the Debtors and the lenders under the Prepetition Credit Facility.
<i>Disclosure Statement</i>	This document, together with the annexed exhibits.
<i>Disclosure Statement Order</i>	The order of the Bankruptcy Court entered pursuant to section 1125 of the Bankruptcy Code approving the Disclosure Statement.
<i>Disclosure Statement Hearing</i>	The hearing held by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code to consider approval of the Disclosure Statement.
<i>Disputed Claims</i>	<p>With respect to any Claim which has not been Allowed pursuant to the Plan or a Final Order:</p> <p>(a) if no proof of claim has been filed by the applicable deadline: (i) a Claim that has been or hereafter is listed on the Schedules as disputed, contingent, or unliquidated; or (ii) a Claim that has been or hereafter is listed on the Schedules as other than disputed, contingent, or unliquidated, but as to which the Debtors or any other party in interest has interposed an objection or request for estimation which has not been withdrawn or determined by a Final Order;</p> <p>(b) if a proof of claim or request for payment of an Administrative Expense Claim has been filed by the applicable deadline: (i) a Claim for which no corresponding Claim has been or hereafter is listed on the Schedules; (ii) a Claim for which a corresponding Claim has been or hereafter is listed on the Schedules as other than disputed, contingent, or unliquidated, but the nature or amount of the Claim as asserted in the proof of claim varies from the nature and amount of such Claim as listed on the Schedules; (iii) a Claim for which a corresponding Claim has been or hereafter is listed on the Schedules as disputed, contingent, or unliquidated; or (iv) a Claim for which a timely objection or request for estimation is interposed by the Debtors or other party in interest which has not been withdrawn or determined by a Final Order.</p> <p>Without limiting the foregoing and for the avoidance of any doubt, any Ephedra Personal Injury Claim that has not been Allowed prior to the Effective Date pursuant to an order of the District Court is a Disputed Claim.</p>
<i>Distribution Record Date</i>	The Confirmation Date.
<i>District Court</i>	The United States District Court for the Southern District of New York.
<i>Effective Date</i>	The Date on which the Plan will become effective, after the conditions to effectiveness of the Plan set forth in Section 9 of the Plan have been satisfied or waived.

<i>Entity</i>	An individual, corporation, partnership, limited liability company, association, joint stock company, joint venture, estate, trust, unincorporated organization, or government or any political subdivision thereof, or other person or entity.
<i>Ephedra Claimants Committee</i>	The official committee of ephedra claimants appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code.
<i>Ephedra Indemnification Claim</i>	Any Claim against any of the Debtors, that is not a Punitive Damage Claim, that is (i) held by any Entity (or any assignee or transferee of such Entity) who has been, is, or may be a defendant or otherwise liable party in a Cause of Action seeking damages for wrongful death or personal injury (whether physical, emotional, or otherwise) to the extent caused or allegedly caused, directly or indirectly, by the ingestion of ephedra or ephedra-containing products, and (ii) on account of alleged liability of one or more of the Debtors for reimbursement, indemnification, subrogation, or contribution of all or any portion of (x) any damages such Entity has paid or may pay to one or more plaintiffs in such Cause of Action and/or (y) any expenses, including attorney fees in connection with such Causes of Action.
<i>Ephedra Insurance Policies</i>	Any and all policies of insurance in which the Debtors are or may be covered in respect of the 2002-2004 Ephedra PI Claims, to the full remaining extent of such coverage; provided, however, that if AISLIC is a Settling Third Party, then Ephedra Insurance Policies will not include policies written by AISLIC.
<i>Ephedra Personal Injury Claim</i>	(i) Any Claim against any of the Debtors that is not a Punitive Damage Claim, which arises out of events which occurred, in whole or in part, prior to the Commencement Date, and alleges wrongful death or personal injury (whether physical, emotional, or otherwise) to the extent caused or allegedly caused, directly or indirectly, by the ingestion of ephedra or ephedra-containing products designed, manufactured, fabricated, sold, supplied, produced, or distributed by one or more of the Debtors, including, without limitation, any Claim for compensatory damages and actual pecuniary loss, and (ii) any Ephedra Indemnification Claim. Without limitation of the foregoing, Ephedra Personal Injury Claims will include all (i) Pre-2002 Ephedra PI Claims and (ii) 2002-2004 Ephedra PI Claims.
<i>Ephedra Personal Injury Trust</i>	The trust established pursuant to the Ephedra Personal Injury Trust Agreement.
<i>Ephedra Personal Injury Trust Agreement</i>	The Ephedra Personal Injury Trust Agreement executed by the Debtors, the Settlement Escrow Agent, and the Ephedra Personal Injury Trustee, substantially in the form of the agreement attached as Exhibit C to the Plan.
<i>Ephedra Personal Injury Trustee</i>	The person confirmed by the Bankruptcy Court to serve as trustee of the Ephedra Personal Injury Trust, pursuant to the terms of the Ephedra Personal Injury Trust Agreement, or as subsequently may be appointed pursuant to the terms of the Ephedra Personal Injury Trust Agreement.
<i>Equity Interest</i>	The interest of any holder of an equity security of Holdings represented by any issued and outstanding shares of common or preferred stock or other instrument evidencing a present ownership interest in Holdings, whether or not transferable, or any option, warrant, or right, contractual or otherwise, to acquire any such interest.

<i>Estates</i>	The three estates of the Debtors created pursuant to section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases.
<i>Final Order</i>	An order or judgment of the Bankruptcy Court entered by the Clerk of the Bankruptcy Court on the docket in the Chapter 11 Cases which has not been reversed, vacated, or stayed and as to which (i) the time to appeal, petition for certiorari, or move for a new trial, reargument, or rehearing has expired and as to which no appeal, petition for certiorari, or other proceeding for a new trial, reargument, or rehearing shall then be pending, or (ii) if an appeal, writ of certiorari, new trial, reargument, or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied, or a new trial, reargument, or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari, or move for a new trial, reargument, or rehearing shall have expired.
<i>Holdings</i>	TL Administration Corporation (f/k/a Twinlab Corporation).
<i>Ideasphere Sale</i>	The sale of substantially all of the Debtors assets to Ideasphere.
<i>Indenture</i>	That certain Indenture, dated as of May 7, 1996, between Holdings and US Bank Corporate Trust Services, as trustee, as such Indenture may have been amended or modified, pursuant to which \$100,000,000 in principal amount of 10 ¹ / ₄ % Senior Subordinated Notes due May 2006 were issued and under which \$39,915,000 principal amount of such notes remains outstanding.
<i>Indenture Trustee</i>	The trustee under the Indenture, and any successors or predecessors thereto.
<i>Initial Cash</i>	As of the Effective Date, all Cash and Cash equivalents (not including restricted cash or the Aggregate Third Party Settlement Amount) of the Debtors, less the amount of Cash estimated and retained by the Debtors to fund adequately the administration of the Plan and the Chapter 11 Cases on and after the Effective Date and the payment of Administrative Expense Claims, Priority Tax Claims, Priority Non-Tax Claims, and, if applicable, Secured Claims.
<i>Laboratories</i>	TL Administration, Inc. (f/k/a Twin Laboratories Inc.).
<i>L/C</i>	The \$15,000,000 letter of credit provided by the Blechmans in support of the Debtors' obligations under the Prepetition Credit Facility and DIP Loan Agreement.
<i>MDL</i>	The Multi-District Litigation in the District Court captioned <u>In re Ephedra Products Liability Litigation</u> , 04 M.D. 1598 (JSR).
<i>National Union</i>	National Union Fire Insurance Company of Pittsburgh, Pennsylvania, the Debtors' primary director and officer insurance carrier.
<i>Non-Ephedra Claims</i>	Any Claim that is not an Ephedra Personal Injury Claim.

<i>Other Participating Ephedra Claims</i>	In connection with the lawsuits listed in Exhibit D of the Plan, the claims against the Settling Third Parties seeking damages for wrongful death or personal injury (whether physical, emotional, or otherwise) to the extent caused or allegedly caused, directly or indirectly, by the ingestion of ephedra or ephedra-containing products designed, manufactured, fabricated, sold, supplied, produced, or distributed by one or more of the Debtors.
<i>Plaintiffs' Coordinating Counsel</i>	Counsel appointed by the District Court in Case Management Order No. 1 dated April 26, 2004 as coordinating counsel for the plaintiffs in the MDL.
<i>Plan</i>	The Debtors' first amended joint chapter 11 plan of liquidation, dated May 25, 2005, including the exhibits thereto, as the same may be amended or modified from time to time in accordance with the provisions of the Bankruptcy Code and the terms thereof.
<i>Plan Administrator</i>	The person charged with administering the Plan, initially selected by the Debtors and named in the Confirmation Order, and any successor thereto appointed in accordance with the Plan.
<i>Pre-2002 Ephedra PI Claim</i>	Any Ephedra Personal Injury Claim listed in Exhibit E to the Plan and any Ephedra Indemnification Claim in connection with a Pre-2002 Ephedra PI Claim.
<i>Prepetition Credit Facility</i>	A secured financing arrangement pursuant to that certain Financing Agreement dated as of March 29, 2001 (as such agreement was amended from time to time), between the Debtors and CIT.
<i>Pro Rata Share</i>	A proportionate share, so that the ratio of the consideration distributed on account of an Allowed Claim in a Class to the amount of such Allowed Claim is the same as the ratio of the consideration distributed on account of all Allowed Claims in such Class to the amount of all Allowed Claims in such Class.
<i>Punitive Damages</i>	Any fine, penalty, forfeiture, attorneys' fees (to the extent such attorneys' fees are punitive in nature), or for multiple, exemplary, or punitive damages, to the extent that such fine, penalty, forfeiture, attorneys' fees, or damages is not for compensatory damages or actual pecuniary loss.
<i>Punitive Damage Claim</i>	To the maximum extent permitted by law, any Claim against any of the Debtors, whether secured or unsecured, for Punitive Damages or for reimbursement, indemnification, subrogation, or contribution of Punitive Damages.
<i>Reimbursement Agreement</i>	That certain Reimbursement and Security Agreement No. 2 dated on or about April 10, 2001 between the Debtors and the Blechmans whereby the Debtors agreed to reimburse the Blechmans all amounts that they are obligated to pay or repay in respect of any drawings made under the L/C and any indebtedness, liability, or obligation incurred by the Blechmans in connection with the Reimbursement Agreement.
<i>Reimbursement Claim</i>	A Secured Claim of the Blechmans's based on the Reimbursement Agreement and CIT's draw on the L/C.

<i>Released Parties</i>	The Settling Third Parties and any current or former employee, agent, representative, officer, director, member, partner, manager, accountant, attorney, financial advisor, other professional, successor, and assign of any Settling Third Party, and any Entity claimed to be liable derivatively through any of the foregoing.
<i>Schedules</i>	The schedules of assets and liabilities and the statements of financial affairs filed by the Debtors under section 521 of the Bankruptcy Code, Bankruptcy Rule 1007, and the Official Bankruptcy Forms of the Bankruptcy Rules as such schedules and statements have been or may be supplemented or amended through the Confirmation Date.
<i>Settlement Escrow Agent</i>	The escrow agent appointed pursuant to the 2002-2004 Ephedra PI Settlement Agreement.
<i>Settling Third Party</i>	Each of AISLIC and the Entities listed on Exhibit F of the Plan, each of which is a party to the 2002-2004 Ephedra PI Settlement Agreement pursuant to which such Entity agreed to pay a Third Party Settlement Amount.
<i>Third Party Settlement Amount</i>	The amount pursuant to the 2002-2004 Ephedra PI Settlement Agreement that a Settling Third Party agrees to pay to the Settlement Escrow Agent for distribution to the Ephedra Personal Injury Trust in accordance with the Plan.
<i>TL (UK)</i>	TL Administration (UK) Ltd. (f/k/a Twin Laboratories (UK) Ltd.).
<i>U.S. Trustee</i>	The Office of the United States Trustee for the Southern District of New York.
<i>Voting Agents</i>	Bankruptcy Services, LLC and Financial Balloting Group LLC. See Section I.D. of the Disclosure Statement for contact information.
<i>Voting Procedures Order</i>	An order of the Bankruptcy Court approving procedures relating to the solicitation and tabulation of votes with respect to the Plan, which order may be included and be a part of the Disclosure Statement Order.
<i>Zions Mortgage</i>	The first deed trust on the Debtors' production facility in American Fork, Utah, securing an \$8,000,000 principal loan from Zions First National Bank.

I. INTRODUCTION

This is the Disclosure Statement filed by the Debtors, as debtors and debtors in possession, in the Bankruptcy Court and in connection with the Plan dated May 25, 2005. A copy of the Plan is annexed to this Disclosure Statement as Exhibit A.

A. Definitions and Exhibits

1. **Definitions.** Please refer to the foregoing Glossary for definitions of many of the terms used in this Disclosure Statement. Some terms that are used only in a specific section may be defined in that section. Capitalized terms used but not defined shall have the meaning ascribed to them in the Plan.

2. **Exhibits.** All exhibits to this Disclosure Statement are incorporated as if fully set forth and are a part of this Disclosure Statement.

B. Notice to Creditors

1. **Scope of Plan.** The following is a summary of the joint liquidating chapter 11 plan filed by the Debtors.

Prior to their bankruptcy filing, the Debtors were leading manufacturers and marketers of brand name and private label nutritional supplements. A number of the Debtors' products included alkaloids from the herb commonly known as ephedra. Prior to the Debtors' bankruptcy, the allegedly harmful or adverse effects of ephedra became the subject of extensive negative publicity and litigation, and state and federal governments passed legislation first regulating and then banning ephedra products. Due to their deteriorating financial condition and lack of liquidity, in large part because of ephedra-related liabilities, the Debtors determined that a sale of their businesses was required to preserve the value of the Debtors' assets for the benefit of their creditors and other parties in interest. Accordingly, shortly after the filing of these Chapter 11 Cases, the Debtors sold substantially all of their assets and ceased doing business as operating companies.

Following the sale, the critical issue facing the Debtors has been the resolution of the numerous prepetition tort and indemnity claims relating to Laboratories' manufacture and sale of ephedra and ephedra-related products. The Pre-2002 Ephedra PI Claims are adequately covered by the Debtors' various insurance policies. Accordingly, the Plan provides that Pre-2002 Ephedra PI Claims shall be resolved or adjudicated, as the case may be, in the ordinary course and in a manner as if the Debtors' Chapter 11 Cases had not been commenced (subject, however, to bankruptcy avoidance claims and rights under sections 365 and 724 of the Bankruptcy Code, and certain limited rights to object to such claims, as described below, under section 502 of the Bankruptcy Code). Once liquidated and allowed, these claims shall be satisfied in full out of the applicable insurance policy or policies.

The Debtors have no or insufficient insurance for the 2002-2004 Ephedra PI Claims. The Plan provides for a global settlement of the 2002-2004 Ephedra PI Claims and Other Participating Ephedra Claims, incorporating an agreed aggregate distribution amount for

all of the 2002-2004 Ephedra PI Claims and Other Participating Ephedra Claims and cash contributions from and releases of the Debtors, certain third-party defendants, and the Debtors' and third-party defendants' insurers. To effectuate the 2002-2004 Ephedra PI Settlement Agreement, the Plan provides for the establishment of an Ephedra Personal Injury Trust and the appointment of a trustee. The trust shall be funded with \$19,710,000 as the proceeds of the settlement and shall assume full responsibility for determining and paying the allowed amount of each of the 2002-2004 Ephedra PI Claims and Other Participating Ephedra Claims in accordance with the trust distribution procedures. The \$19,710,000 shall be paid to the Ephedra Personal Injury Trust by a \$3,550,000 payment by the Debtors and a \$16,160,000 payment by the Settling Third Parties. The Debtors project that the total recovery for the 2002-2004 Ephedra PI Claims and Other Participating Ephedra Claims will be approximately 49% - 66%.

Allowed Administrative Expense Claims, Priority Tax Claims, Secured Claims, and Priority Non-Tax Claims against the Debtors will be unimpaired and will be paid in full in cash on the effective date of the Plan.

General Unsecured Claims against the Debtors will receive a pro rata Cash distribution from the Debtors' remaining assets. The Debtors project that the total recovery for Allowed General Unsecured Claims will be 18.1% - 20.1%.

Punitive Damage Claims are separately classified, are subordinated to the Claims of all unsecured creditors, and will receive no distribution. Because Claims will not be paid in full, no distributions will be made on account of Equity Interests in the Debtors.

The Debtors' filing of the Plan follows months of discussion, mediation, and negotiation among the Debtors and their insurers, non-Debtor defendants in Ephedra Personal Injury Claims and their insurers, the Ephedra Claimants Committee, and the holders of 2002-2004 Ephedra PI Claims and Other Participating Ephedra Claims. The Debtors believe the terms of the Plan are fair to all holders of Claims and Equity Interests, taking into account the financial situation of the Debtors and the legal priorities of the Claims and Equity Interests.

**THE DEBTORS BELIEVE THAT THE PLAN PROVIDES
THE BEST RECOVERIES FOR THE HOLDERS OF CLAIMS
AGAINST AND EQUITY INTERESTS IN THE DEBTORS, AS APPLICABLE.**

**AT THIS TIME, THE DEBTORS DO NOT BELIEVE THERE IS A
VIABLE ALTERNATIVE FOR COMPLETING THESE CHAPTER 11
CASES OTHER THAN THROUGH CONFIRMATION OF THE PLAN.**

**THE DEBTORS STRONGLY RECOMMEND
THAT YOU VOTE TO ACCEPT THE PLAN.**

2. Purpose of Disclosure Statement. The purpose of the Disclosure Statement is to set forth information that (i) summarizes the Plan and alternatives to the Plan, (ii) advises holders of Claims and Equity Interests of their rights under the Plan, (iii) assists holders of Claims entitled to vote in making informed decisions as to whether they should vote to accept

or reject the Plan, and (iv) assists the Bankruptcy Court in determining whether the Plan complies with the provisions of chapter 11 of the Bankruptcy Code and should be confirmed.

On June 3, 2005, after notice and a hearing, the Bankruptcy Court entered an order (the "Disclosure Statement Order") approving this Disclosure Statement as containing adequate information of a kind and in sufficient detail to enable hypothetical reasonable investors typical of the holders of Claims against and Equity Interests in the Debtor to make an informed judgment in voting to accept or reject the Plan. However, the Bankruptcy Court has not passed on the merits of the Plan. Creditors should carefully read the Disclosure Statement, in its entirety, before voting on the Plan.

This Disclosure Statement and the attached Plan are the only materials Creditors should use to determine whether to vote to accept or reject the Plan.

THE LAST DAY TO VOTE TO ACCEPT OR REJECT THE PLAN IS JULY 14, 2005.

THE RECORD DATE FOR DETERMINING WHICH CREDITORS MAY VOTE ON THE PLAN IS MAY 27, 2005.

PLEASE READ THE DISCLOSURE STATEMENT, INCLUDING THE PLAN, IN ITS ENTIRETY. A COPY OF THE PLAN IS ANNEXED AS EXHIBIT A. THE DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN, BUT THE PLAN ITSELF QUALIFIES ALL SUCH SUMMARIES. ACCORDINGLY, IF THERE ARE ANY INCONSISTENCIES BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THE TERMS OF THE PLAN SHALL CONTROL.

C. Disclosure Statement Enclosures

Accompanying this Disclosure Statement are the following enclosures:

- 1. Disclosure Statement Order.** A copy of the Disclosure Statement Order approving the Disclosure Statement and, among other things, establishing procedures for voting on the Plan and scheduling the hearing to consider, and the deadline for objecting to, confirmation of the Plan.
- 2. Notice of Confirmation Hearing.** A copy of the notice of the deadline for submitting ballots to accept or reject the Plan and, among other things, the date, time and place of the Confirmation Hearing and the deadline for filing objections to confirmation of the Plan.
- 3. Ballots.** One or more ballots (and return envelopes) for voting to accept or reject the Plan, unless you are not entitled to vote because you are (i) to receive no distribution under the Plan and are deemed to reject the Plan, or (ii) not impaired under the Plan and are deemed to accept the Plan. See Sections I.E. and III.E. below for an explanation of which parties in interest are entitled to vote.

D. Inquiries

If you have any questions about this packet of materials, or if you would like additional copies of this Disclosure Statement or the Plan Supplement, please contact the Debtors' Voting Agents at the following address or telephone number:

If by overnight or hand delivery:
 BSI- FBG
 757 Third Avenue
 New York, New York 10017
 Attention: TL Ballot Tabulation
Telephone: (866) 890-1550

If by standard mailing:
 BSI- FBG
 P.O. Box 5295
 Grand Central Station
 New York, New York 10163-5295
 Attention: TL Ballot Tabulation

E. Summary Table of Classification and Treatment of Claims and Equity Interests Under the Plan

The following table provides a summary of the classification and treatment of Claims and Equity Interests under the Plan. The table is qualified in its entirety by reference to the Plan.

Class Number	Class Description	Entitled To Vote	Treatment Under the Plan	Estimated Percentage Recovery
--	Administrative Expense Claims	No	Except to the extent that a holder of an Allowed Administrative Expense Claim agrees to a different treatment, on the later of the Effective Date and the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is reasonably practicable, the Debtors shall pay to each holder of an Allowed Administrative Expense Claim, in full satisfaction of such Claim, an amount in Cash equal to the Allowed amount of such Claim.	100% Unimpaired
--	Priority Tax Claims	No	Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a different treatment, on the later of the Effective Date and the date such Priority Tax Claim becomes an Allowed Priority Tax Claim, or as soon thereafter as is reasonably practicable, the Debtors shall pay to each holder of an Allowed Priority Tax Claim, in full satisfaction of such Claim, an amount in Cash equal to the Allowed amount of such Claim.	100% Unimpaired

Class Number	Class Description	Entitled To Vote	Treatment Under the Plan	Estimated Percentage Recovery
1	Secured Claims	No	Except to the extent that the holder of an Allowed Secured Claim agrees to less favorable treatment or that such Allowed Secured Claim has previously been satisfied by the Debtors, on the later of the Effective Date or the date such Secured Claim becomes an Allowed Secured Claim, or as soon thereafter as is reasonably practicable, each holder of an Allowed Secured Claim shall receive, at the option of the Debtors, and in full satisfaction of such Claim, either (i) Cash in an amount equal to one hundred percent (100%) of the unpaid amount of such Allowed Secured Claim, (ii) the proceeds of the sale or disposition of the Collateral securing such Allowed Secured Claim to the extent of the value of the holder's secured interest in the Allowed Secured Claim, net of the costs of disposition of such Collateral, (iii) the Collateral securing such Allowed Secured Claim, (iv) treatment that leaves unaltered the legal, equitable, and contractual rights to which the holder of such Allowed Secured Claim is entitled, or (v) such other distribution and/or treatment as necessary to satisfy the requirements of the Bankruptcy Code for classifying a Class of secured Claims as unimpaired. In the event the Debtors treat a Claim under clause (i) or (ii) above, the liens securing such Secured Claim shall be deemed released.	100% Unimpaired
2	Priority Non-Tax Claims	No	Except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to a different treatment of such Claim, on the later of the Effective Date and the date such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, or as soon thereafter as is reasonably practicable, each holder of an Allowed Priority Non-Tax Claim shall receive, in full satisfaction of such Claim, an amount in Cash equal to the Allowed amount of such Priority Non-Tax Claim.	100% Unimpaired
3	Pre-2002 Ephedra PI Claims	No	All Pre-2002 Ephedra PI Claims are Disputed Claims and shall be determined, resolved, or adjudicated, as the case may be, in a manner as if the Chapter 11 Cases had not been commenced and shall survive the Effective Date as if the Chapter 11 Cases had not been commenced (subject, however, to bankruptcy avoidance claims and rights under sections 365 and 724 of the Bankruptcy Code, and certain limited rights to object to such claims, as described below, under section 502 of the Bankruptcy Code). Each Pre-2002 Ephedra PI Claim shall be satisfied in full in the ordinary course of business from the proceeds of the Debtors' applicable insurance policy or policies, as the case may be, at such time as such Pre-2002 Ephedra PI Claim becomes an Allowed Claim.	100% Unimpaired

Class Number	Class Description	Entitled To Vote	Treatment Under the Plan	Estimated Percentage Recovery
4	2002-2004 Ephedra PI Claims	Yes	All 2002-2004 Ephedra PI Claims shall be determined and paid pursuant to the terms, provisions, and procedures of the Ephedra Personal Injury Trust and the Ephedra Personal Injury Trust Agreement. The Ephedra Personal Injury Trust shall, upon the Effective Date or as soon thereafter as is reasonably practicable, be funded by the Class 4 Distribution, the Aggregate Third Party Settlement Amount, and any Ephedra Insurance Policies.	49% - 66% Impaired
5	General Unsecured Claims	Yes	On the Effective Date, or as soon thereafter as is reasonably practicable, each holder of an Allowed General Unsecured Claim shall receive its Pro Rata Share of Available Cash until such Claim has been paid or otherwise satisfied in full.	18.1% - 20.1% Impaired
6	Punitive Damage Claims	No	No distribution.	0% Impaired
7	Equity Interests	No	No distribution.	0% Impaired

Any Claim, including without limitation Pre-2002 Ephedra PI Claims, 2002-2004 Ephedra PI Claims, and Ephedra Indemnification Claims, which asserts, alleges, or includes a claim for Punitive Damages or seeks reimbursement, indemnification, subrogation, or contribution of Punitive Damages will be bifurcated into two Claims, a Claim for the amount asserted or alleged exclusive of Punitive Damages and a Punitive Damage Claim for the amount asserted or alleged as Punitive Damages (or for reimbursement, indemnification, subrogation, or contribution of Punitive Damages), whether or not asserted or alleged in a fixed or unfixed amount.

The estimated recoveries are based upon the following projections:

The estimated aggregate value of the Cash available for distribution after payment in full of Administrative Expense Claims, Priority Tax Claims, Secured Claims, and Priority Non-Tax Claims is \$15,843,000 - \$16,556,000.
The estimated aggregate value of General Unsecured Claims is \$64,820,000 - \$67,820,000.
The estimated aggregate value of 2002-2004 Ephedra PI Claims is \$30,000,000 - \$40,000,000.

II. OVERVIEW OF DEBTORS' OPERATIONS AND CHAPTER 11 CASE

A. The Debtors' Corporate Structure and Prepetition Business Operations

Laboratories is a wholly owned subsidiary of Holdings, a publicly held company. TL (UK), a wholly owned subsidiary of Laboratories, operated a European sales office for the Debtors. As of the Commencement Date, the Debtors employed approximately 430 employees.

Prior to the Commencement Date, the Debtors were leading manufacturers and marketers of brand name nutritional supplements sold through health and natural food stores, national and regional drug store chains, supermarkets, mass merchandise retailers and military post exchanges. The Debtors developed, manufactured and sold vitamins, minerals and specialty supplements, sports nutrition products and diet and energy products under the "Twinlab," "Ironman Triathlon," "Fuel," and other brand names; an extensive line of herbal supplements and photonutrients under the "Nature's Herbs" brand name; and a full line of herbal teas under the "Alvita" brand name. The Debtors were also engaged in the private label manufacture of products for a limited number of third parties.

The Debtors emphasized the development and introduction of high-quality, unique nutraceutical products. The Debtors' premium product quality, broad product line, strong history of new product introductions, and innovations established the Twinlab brand as a leading and widely recognized name in the industry. The Debtors targeted their products to consumers who included nutritional supplements in their daily diet and who demanded premium quality ingredients in a broad variety of dosages and delivery methods.

B. The Debtors' Capital Structure and Prepetition Financing

Holdings trades on the OTC Bulletin Board under the symbol "TLADQ.PK" As of the Commencement Date, there were 29,315,856 shares of common stock of Holdings outstanding. Shares of Holdings common stock declined from an all-time high of \$47.25 in the third quarter of 1998 to an intraday high of \$3.50 in the first quarter of 2001 to \$.02 at the close of trading on April 15, 2005.

As of the Commencement Date, the Debtors were obligated on an unsecured basis in the aggregate principal amount of \$39,915,000 plus accrued interest through the Commencement Date to the holders of its 10¼% Senior Subordinated Notes due May 2006, issued under the Indenture.

Pursuant to the Debtors' Prepetition Credit Facility, CIT agreed to provide the Debtors with a credit facility with a maximum borrowing of \$45,000,000 under a revolving line of credit, inclusive of a \$4,200,000 term loan. The Prepetition Credit Facility was secured by substantially all of the Debtors' assets. In connection with the Prepetition Credit Facility, the Blechmans also provided the L/C (a \$15,000,000 letter of credit) in support of the Debtors' obligations under the Prepetition Credit Facility. Borrowing under the Prepetition Credit Facility was subject to limitations based on a formula comprised of eligible accounts receivable, inventories, and the L/C.

Pursuant to the Reimbursement Agreement, the Debtors agreed to reimburse the Blechmans all amounts they were obligated to pay or repay in respect of any drawings made under the L/C and any indebtedness, liability, or obligation incurred by the Blechmans in connection with the Reimbursement Agreement. As security for the L/C, the Debtors granted the Blechmans a lien and security interest junior to the lien and security interest granted to CIT under the Prepetition Credit Facility.

In connection with the financing of the Debtors' production facility (the "Utah Facility") in American Fork, Utah, the Debtors borrowed \$8,000,000 from Zions First National Bank. The loan from Zions was secured by a first deed of trust on the Utah Facility. CIT had a junior lien and the Blechmans had a third lien on the Utah Facility. As of the Commencement Date, approximately \$5,264,000 remained outstanding under the Zions Mortgage.

C. Significant Events Leading to Commencement of the Chapter 11 Cases

For the six-month period ending June 30, 2003, the Debtors recorded revenue of \$74,958,000 and a net loss of \$14,110,000. As of June 30, 2003, the Debtors' books and records reflected assets totaling \$91,525,000 and liabilities totaling approximately \$116,538,000. In the recent years prior to 2003, the Debtors experienced a significant loss in revenue as a result of unpredicted shifts of category trends and a change in the buying strategy of a key customer.

Until early 2003, a number of the Debtors' products included alkaloids from the herb known as "Ma Huang," also known as ephedra, which contains naturally-occurring ephedrine alkaloids. Ma Huang has been the subject of extensive negative publicity and litigation in the United States and other countries relating to alleged harmful or adverse effects from the ingestion of products with a Ma Huang additive. Several state governments had passed legislation regulating the sale of products containing Ma Huang. In February 2003, the Suffolk County, New York legislature passed a bill banning retail sales of ephedra products in that county and the Food and Drug Administration subsequently also banned the sale of ephedra products.¹

One of the key factors contributing to the decline in the Debtors' revenue was its discontinuance in April 2003 of the sale of products containing ephedra. Products containing ephedra accounted for approximately 21% of the Debtors' net sales in 2002. Returns of ephedra products also contributed to negative cash flows. In addition to the loss of ephedra related revenue, in mid-2003 the Debtors and a key customer terminated a contractual purchasing and marketing agreement by mutual agreement, which resulted in an additional negative impact on the Debtors' revenues and estimated gross profit.

¹ On April 14, 2005, a United States District Court Judge in Utah ruled that the Food and Drug Administration had failed to prove that ephedra was dangerous in low doses and that the agency lacked the authority to ban ephedra without such proof.

Although the Debtors aggressively restructured their operations between 2001 and 2003 by disposing of non-strategic businesses and implementing dramatic cost-reduction programs, they were unable to generate positive cash flows.

Due to their deteriorating financial condition, as of June 30, 2003, the Debtors were in default of the financial covenants contained in (i) the Prepetition Credit Facility, and (ii) the Zions Mortgage. Pursuant to the terms of the Prepetition Credit Facility, CIT, in its reasonable discretion, had the right to increase the reserve against loan availability, thereby limiting the amount the Debtors were permitted to borrow under the revolving portion of the Prepetition Credit Facility. Although CIT granted the Debtors a waiver relating to the covenant defaults, CIT increased the reserve. This further restricted the Debtors' ability to purchase necessary inventory and raw materials, pay vendors, and operate their businesses.

Due to the Debtors' need for additional liquidity to ensure their ability to maintain operations as a going concern, the Debtors determined it was necessary to commence their Chapter 11 Cases.

D. The Chapter 11 Cases

1. **Commencement of the Chapter 11 Cases.** On September 4, 2003, the Debtors commenced their Chapter 11 Cases. The Chapter 11 Cases were initially assigned to and presided over by the Honorable Judge Cornelius Blackshear. On or about March 17, 2005, the Chapter 11 Cases were reassigned to the Honorable Judge Robert D. Drain. In addition, on March 22, 2005, the Honorable District Court Judge Jed S. Rakoff withdrew the reference of the Chapter 11 Cases from the bankruptcy court to the District Court for all matters excepting those matters expressly reserved to the bankruptcy court in the Order withdrawing the reference. The Debtors continue to manage their properties as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code.

2. **Appointment of the Creditors Committee.** Section 1102 of the Bankruptcy Code requires that as soon as practicable after the commencement of a chapter 11 case, the United States Trustee shall appoint an official committee of unsecured creditors. On September 17, 2003, the U.S. Trustee appointed the Creditors Committee. The Creditors Committee is currently comprised of: U.S. Bank National Association, as Indenture Trustee; Black Horse Capital, L.P.; Schultze Asset Mgmt., LLC; Century Foods; Anabolic Laboratories, Inc.; Industrial Container & Supply Co., Inc.; and Cognis Corporation.

The Creditors Committee retained Kaye Scholer LLP, 425 Park Avenue, New York, New York 10022, as its legal counsel and Wachtel & Masyr, 110 East 59th Street, New York, New York 10022, as special conflicts counsel. The Creditors Committee also retained Seneca Financial Group, Inc., 39 Lewis Street, Greenwich, Connecticut, as its financial advisor.

3. **Appointment of Ephedra Claimants Committee.** Section 1102 of the Bankruptcy Code also permits, on request of a party in interest, the United States Trustee to appoint and the court to order the appointment of additional committees of creditors if necessary to assure adequate representation of creditors. On January 15, 2004, the U.S. Trustee appointed

the Ephedra Claimants Committee. Pursuant to the terms of that certain letter dated January 15, 2004, from the U.S. Trustee:

- The Ephedra Claimants Committee shall not (i) duplicate the role of the Creditors Committee in the Chapter 11 Cases or (ii) burden the Estates with unnecessary administrative expenses (such as fees incurred by the retention of financial advisors, and other professionals) that are redundant or duplicative of those incurred by the Creditors Committee.
- The role of the Ephedra Claimants Committee is expressly limited to representation of holders of claims against the Debtors based on alleged personal injury or death caused by use of the Debtors' products containing ephedra and oversight of the Debtors in connection with the following matters:
 - Causation: the procedural structuring of an appropriate trial on causation (if necessary) and participation in such trial solely to insure that the approved procedures are followed;
 - Claim Estimation: the development and negotiation of procedures to govern the allowance of ephedra-related claims;
 - Insurance Coverage: issues related to the allocation and marshalling of the insurance pool available to satisfy ephedra-related claims; and
 - Plan Negotiation: negotiations with the Debtors and the Creditors Committee with respect to the classification and treatment of ephedra claims under a chapter 11 plan.
- Notwithstanding the foregoing, the Ephedra Claimants Committee shall not represent individual Ephedra Claimants.

The Ephedra Committee is currently comprised of: Alexander Korizis, Administrator for the Estate of George Korizis, deceased; Carlos Liera, David Fulton; Harvey L. Levine; and Nikeisha Joyner-Wiggins.

The Ephedra Claimants Committee retained Buchanan Ingersoll PC, One Chase Manhattan Plaza, 35th Floor, New York, New York 10005 as its legal counsel. By Order dated May 25, 2005, the Bankruptcy Court approved the retention of Brown Rudnick Berlack Israels LLP, Seven Times Square, New York, New York 10036, as counsel to the Ephedra Claimants Committee in replacement of Buchanan Ingersoll PC. The Ephedra Committee also retained Gentle, Pickens & Turner, Two North Twentieth Building, 2 North 20th Street, Suite 1200, Birmingham, Alabama 35203 as its consultant and valuation expert.

4. “First-Day” Orders. On the Commencement Date, the Debtors requested and obtained a series of orders from the Bankruptcy Court designed to ensure a smooth transition into chapter 11 and minimize any disruption of their business operations. The Bankruptcy Court entered orders authorizing the Debtors to, among other things, maintain their existing bank accounts and business forms; pay certain prepetition wages, compensation, tax withholding obligations, and employee benefits; pay prepetition sales and use taxes; pay certain

prepetition shipping claims; provide adequate assurance to utility companies; and honor certain prepetition customer programs.

The Bankruptcy Court also authorized the Debtors to employ Weil, Gotshal & Manges LLP as attorneys for the Debtors, FTI Consulting, Inc. as Financial Advisors to the Debtors (“FTI”), and Peter J. Solomon Company, Ltd. (“PJ Solomon”) as investment banker for the Debtors. The Bankruptcy Court further authorized the Debtors to continue to employ professionals utilized in the ordinary course of business to render services to the Debtors similar to those services rendered prior to the Commencement Date.

5. DIP Financing. The Debtors required additional liquidity to operate their businesses in the ordinary course and preserve the going concern value of their Estates. Accordingly, the Debtors, together with their attorneys and financial advisors, sought proposals for postpetition financing from the Prepetition Lenders, in addition to a number of other financial institutions.

Prior to the Commencement Date, the Debtors negotiated the terms of the DIP Loan Agreement, a \$35,000,000 postpetition credit agreement with the lenders under the Prepetition Credit Facility. On September 26, 2003, the Court entered an order approving the DIP Loan Agreement (the “DIP Order”) with Laboratories as the borrower and Holdings as the guarantor.

The DIP Loan Agreement provided for a total commitment of up to \$35,000,000 (inclusive of amounts outstanding under the Prepetition Credit Facility). Borrowings under the DIP Loan Agreement were subject to limitations based upon a formula comprised of eligible accounts receivables, inventories, and the L/C. The postpetition facility (the “DIP Facility”) was collateralized by, among other things, a senior lien on substantially all of the Debtors’ assets, a junior lien on certain assets that had previously been subject to a lien by other parties, and the L/C. The lenders under the DIP Facility were also granted a super-priority claim against the Estates. Pursuant to the terms of the DIP Loan Agreement and the DIP Order, the DIP Facility terminated upon the consummation of the Purchase Agreement and the Debtors were required to use the proceeds therefrom to repay all outstanding obligations under the DIP Loan Agreement upon Closing. (See Section II.D.8. below.)

On December 19, 2003, CIT drew on the \$15,000,000 L/C, and on December 22, 2003, the proceeds were remitted to CIT and applied against the DIP Facility. As a result of the draw on the L/C, the Blechmans acquired the Reimbursement Claim.

6. Purchase Agreement with Ideasphere. Due to their deteriorating financial condition and lack of liquidity, the Debtors determined that a sale of their businesses was required to preserve the value of the Debtors’ assets for the benefit of their creditors and other parties in interest. In June 2003, the Debtors retained PJ Solomon to, among other things, solicit offers from qualified buyers for a possible purchase of substantially all of the Debtors’ assets as a going concern.

PJ Solomon, along with FTI, worked with the Debtors to identify seventy-eight companies potentially interested in acquiring all of the Debtors' assets (the "Potential Purchasers"). PJ Solomon contacted each of the Potential Purchasers, thirty-seven of whom ultimately executed confidentiality agreements. In addition, eight management meetings were held with interested parties.

As a result of these marketing efforts, four written indications of interest, in the form of letter proposals (the "Letter Proposals"), were received by the Debtors. In addition to the Letter Proposals, six additional parties expressed interest in participating in an auction for substantially all of the Debtors' assets, should one be held.

Three of the Letter Proposals contemplated that the Debtors' assets would be sold pursuant to section 363 of the Bankruptcy Code (a "363 Sale"), including an auction prior to the closing of such sale, to ensure that the Debtors receive the highest and best offer. The Letter Proposal from Ideasphere, Inc. ("Ideasphere"), however, provided for the sale of the Debtors' assets pursuant to a chapter 11 plan. Notwithstanding that Ideasphere's purchase proposal afforded the highest purchase price for the Debtors' assets, the Debtors and their advisors were concerned that the length of time associated with the plan process could inure to the detriment of the Debtors' Estates and reduce the value of their businesses. After extensive negotiations, Ideasphere agreed to pursue a 363 Sale in lieu of its proposal to purchase pursuant to a plan (the "Revised Ideasphere Proposal"). Moreover, under the Revised Ideasphere Proposal, Ideasphere agreed to continue to offer the advantageous economic terms of its original plan proposal.

The Debtors, in conjunction with their financial advisors and WGM, carefully evaluated and scrutinized the terms of all of the Letter Proposals. After careful deliberation, the Debtors concluded that the Revised Ideasphere Proposal offered the greatest economic and other benefits to the Debtors' Estates, including significantly more cash and total consideration than the other Letter Proposals, and the retention of substantially all of the Debtors' employees in place.

Following extensive arms' length negotiations with Ideasphere, the Debtors entered into an Asset Purchase Agreement, dated as of September 3, 2003 (the "Purchase Agreement") with Ideasphere and TL Acquisition Corp. (each a "Purchaser" and together, the "Purchasers"). The Purchase Agreement provided for the sale of substantially all of the Debtors' assets to Ideasphere. However, expressly excluded from the purchase were any assets relating to products containing ephedra. The initial denominated consideration components of the Purchase Agreement were:

- Cash purchase price in the amount of \$65,000,000 (subject to adjustment), less the balance of the Zions Mortgage (the "Cash Consideration");
- Assumption of certain liabilities of the Debtors, including: (i) the Zions Mortgage, (ii) employee and related liabilities in an amount of up to \$3,700,000, (iii) all executory liabilities of the Debtors under those executory contracts purchased by Ideasphere and to the extent such liabilities relate to the period from and after the Closing; (iv) liabilities of the Debtors under "retail voucher programs" to reimburse retailers for the cost of advertisements, replacement products or similar incentive reimbursements

that run or occur on or after the Closing Date; and (v) 50% of all transfer taxes to the extent, if any, payable.

On September 4, 2003, the Debtors filed a motion with the Bankruptcy Court seeking an order (i) scheduling a hearing to approve the Purchase Agreement, (ii) approving bidding procedures for submission and acceptance of any competing bids, and (iii) approving the form and manner of notice of the asset sale. On September 25, 2003, the Bankruptcy Court entered an order (the "Bidding Procedures Order") approving the procedures to sell substantially all of the Debtors' assets (the "Bidding Procedures"), and the form and manner of notice of the asset sale, and scheduling a hearing to consider authorization of the Ideasphere Sale.

The Debtors provided notice of the Ideasphere Sale and Bidding Procedures in compliance with the Bidding Procedures Order, but received no "Qualified Bids" (as defined in the Bidding Procedures Order) other than the Revised Ideasphere Proposal. The Revised Ideasphere Proposal pursuant to the Purchase Agreement was deemed the highest and best bid for the purchase of the Debtors' assets, and on October 30, 2003, the Bankruptcy Court approved the Ideasphere Sale.

7. Amendments to the Purchase Agreement. The Purchase Agreement included a representation by the Debtors that, as of the closing date (the "Closing"), the value of the Debtors' inventory and accounts receivable would be no less than \$47,000,000 (the "Current Assets Representation"). Prior to the Closing and due to the Debtors' deteriorating financial condition, the Debtors determined that, absent an amendment to the Purchase Agreement, they would have been in breach of the Current Assets Representation, which could have been viewed as a material adverse effect, allowing Ideasphere to terminate the Purchase Agreement.

Termination of the Purchase Agreement by the Purchasers would have seriously jeopardized the Debtors' efforts to sell their assets and the ultimate recovery of the Debtors' creditors. The Debtors would have been forced to attempt to re-market their assets, the value of which would likely have steadily declined during this process, further eroding any leverage the Debtors would have in negotiating with any alternative prospective purchaser. Moreover, termination of the Purchase Agreement would have caused a default by the Debtors under the DIP Loan Agreement.

Given the serious consequences the Debtors potentially faced should the Purchasers terminate the Purchase Agreement, the Debtors and the Purchasers commenced negotiations in an attempt to reach a mutually agreeable resolution. As a result of these negotiations, the Debtors and the Purchasers executed an amendment to the Purchase Agreement ("Amendment No. 1"), which provided, among other things, for a reduction in the Cash Consideration from \$65,000,000 to \$57,500,000 (less the Zions Mortgage). On December 5, 2003, the Court entered an order approving Amendment No. 1.

On December 19, 2003, the Debtors and the Purchasers entered into a second amendment to the Purchase agreement ("Amendment No. 2"). Amendment No. 2 provided, in part, that notwithstanding that the Closing would take place at a later date, the effective date of the Closing would be December 9, 2003 (i.e., from and after December 9, 2003, the Debtors business was operated on the Purchaser's behalf) and that the cash paid by Purchaser at the

Closing would be reduced by \$3,000,000, representing an estimate of financing provided by the Purchaser for the purchase of certain inventory, prepaid inventory, and prepaid advertising.

The Closing occurred on December 19, 2003, effective December 9, 2003.

8. Proceeds from the Ideasphere Sale. At the Closing, the Purchaser paid the Debtors net cash proceeds totaling \$49,200,000, after deductions for assumption of the Zions Mortgage and reimbursements for Ideasphere's inventory and advertising advances, as well as other closing costs. From the net cash proceeds, the Company repaid the outstanding loan balance under the DIP Loan Agreement, cure costs for assumed contracts, other related finance and closing costs, and administrative expenses.

9. Post-Closing Indemnification and Adjustments. Section 11.2 of the Purchase Agreement provides that the Debtors are obligated to indemnify the Purchasers for any losses based upon (i) certain defined excluded liabilities (including ephedra-related liabilities), (ii) any breach by the Debtors in their representations, warranties or covenants which survive the closing of the Purchase Agreement, and (iii) all actions, suits, proceedings, claims, demands, assessments, judgments, costs, and expenses incident to the foregoing. Section 11.3 of the Purchase Agreement further provides that as part of the purchase price, the Sellers deposit \$3,000,000 in an escrow account (the "Indemnity Escrow Account"). Pursuant to Amendment No. 1, Section 11.3 was replaced and the Indemnity Escrow Account deposit was reduced to \$1,500,000, of which \$1,000,000 (the "General Indemnity Claim Amount") is available to indemnify Purchasers for items (i) - (iii) above. Any payments that the Debtors are obligated to make to Purchasers for indemnification are to be made solely from the General Indemnity Claim Amount and the Debtors have no indemnity liability to the Purchasers above the \$1,000,000 General Indemnity Claim Amount. The remaining \$500,000 in the Indemnity Escrow Account was held solely in connection with the post-Closing adjustments.

Following the Closing, various disputes arose between the Debtors and Ideasphere in connection with the Purchase Agreement, including issues related to post-Closing adjustments, pre-Closing inventory financing by the Purchaser, payment of liabilities assumed by the Purchaser, and breaches of representations (the "Purchase Agreement Claims"). On September 24, 2004, the Bankruptcy Court entered a stipulation and order resolving certain discrete issues between the Debtors and Ideasphere related to the Purchase Agreement. On November 17, 2004, the Bankruptcy Court entered another order approving a settlement agreement between the Debtors and Ideasphere that resolved the Purchase Agreement Claims. IdeaSphere paid the Debtors agreed upon amounts owed by Ideasphere to the Debtors, and the Debtors agreed to offset agreed upon amounts owed by the Debtors to IdeaSphere. The Purchase Agreement Claims settlement provided the Debtors' Estates with a net payment from Ideasphere of \$806,343.42 plus the \$500,000 post-Closing adjustments reserve from the Indemnity Escrow Account. Further, the parties discharged and released each other with respect to any and all claims in connection with, concerning, or arising out of, the Purchase Agreement, subject, however, to Ideasphere retaining its remaining indemnity rights against the \$1,000,000 General Indemnity Claim Amount.

Ideasphere has asserted certain claims against the General Indemnity Claim Amount, alleging that the losses that Ideasphere has and will suffer equal or will be in excess of the balance of escrowed funds. Ideasphere's claims relate to ephedra-related actions against Ideasphere and certain intellectual property rights transferred by the Debtors. The Debtors are continuing to work with Ideasphere to analyze issues relating to the indemnity claims and hope to recover all or most of the General Indemnity Claim Amount for the benefit of the Debtors' Estates.

10. Transfer of Ephedra Personal Injury Claims and Other Participating Ephedra Claims to the District Court. Over 440 of the 800 proofs of claim filed against the Debtors were Ephedra Personal Injury Claims and other potential ephedra-related tort actions.

In addition to the Ephedra Personal Injury Claims filed against the Debtors, a number of claims have been filed against the Settling Third Parties also seeking damages for wrongful death or personal injury by the ingestion of the Debtors' ephedra or ephedra-containing products. Certain of the Settling Third Party defendants in these Other Participating Ephedra Claims have filed Ephedra Indemnity Claims against the Debtors because the Debtors are obligated by contract or applicable state law to indemnify them in connection with these Other Participating Ephedra Claims.

Based on their determination that the Ephedra Personal Injury Claims and Other Participating Ephedra Claims could be resolved more efficiently in a single forum, the Debtors have several times moved before the District Court, pursuant to 28 U.S.C. § 157(b)(5), to transfer numerous ephedra-related personal injury litigations from state and other federal courts into the District Court. By various orders entered by Judge Rakoff, more than 80 ephedra-related actions (the "TL Plaintiff Claims") were transferred to the District Court. (In addition, the Debtors transferred two non-ephedra related cases to the District Court.) The transferred cases are being administered in the MDL.

By Order dated March 4, 2004, the District Court withdrew the underlying reference of the Debtors' chapter 11 proceedings to the extent necessary to avoid interference with the expeditious conduct and trial of the TL Plaintiff Claims. Additionally, pursuant to Case Management Order No. 1 ("CMO No. 1") dated April 26, 2004, the District Court withdrew the underlying reference of the Debtors' chapter 11 proceedings with respect to ephedra-related personal-injury and wrongful-death claims filed in the Chapter 11 Cases and as to which the claimant was not then a plaintiff before the District Court (the "TL Non-Plaintiff Claims"), to the extent necessary to avoid any interference with the implementation of CMO No. 1 or any proceedings arising therefrom. The District Court further ordered the transfer of the TL Non-Plaintiff Claims to the District Court for the limited purpose of implementing the claim-determination procedures set forth in CMO No. 1.

CMO No. 1 further required that any TL Non-Plaintiff Claimant intending to prosecute a transferred claim convert its Claims into a civil action by filing a complaint and a verified fact sheet as provided in CMO No. 1 by July 19, 2004. Approximately 44 TL Non-Plaintiff Claims were timely converted pursuant to CMO No. 1. Pursuant to CMO No. 1, all TL Non-Plaintiff Claims that were not converted by July 19, 2004 were deemed waived and are

expunged, invalid and/or disallowed. To facilitate the records-keeping administration of the Claims process and aid the Debtors' claims agent and financial advisors, on October 19, 2004, the Debtors filed a motion in the Bankruptcy Court for an order identifying Claims expunged pursuant to CMO No. 1 and directing the Debtors' claims agent to expunge these Claims. The Bankruptcy Court entered an order granting the relief requested on November 3, 2004.

11. **Adversary Proceeding to Extend the Automatic Stay to Third Party Defendants.** On October 7, 2003, the Debtors filed an Amended Complaint (the "Injunction Complaint") for a Temporary Restraining Order and for Declaratory and Injunctive Relief in their Chapter 11 Cases (Adv. Pro. No. 03-90776). The Injunction Complaint sought, among other things, to enjoin plaintiffs in a large number of ephedra and other personal injury actions (the "Ephedra Personal Injury Actions") from continuing prosecution of those actions against certain additional defendants (such as retailers of the Debtors' products) whom the Debtors were obligated to indemnify by contract or applicable state law (the "Indemnified Defendants"). On October 10, 2003, the Bankruptcy Court issued a temporary restraining order prohibiting further prosecution of the Ephedra Personal Injury Actions against the Indemnified Defendants. On October 23, 2003, the Bankruptcy Court issued a preliminary injunction (the "Preliminary Injunction") enjoining the continued prosecution or defense of the Ephedra Personal Injury Actions, and further restraining the filing of any other lawsuit against the Indemnified Defendants in the same or any other courts based on the same or similar factual allegations or occurrences alleged in the Ephedra Personal Injury Actions. The Bankruptcy Court extended the Preliminary Injunction and enjoined additional Indemnified Defendants by order dated November 6, 2003, and further extended the Preliminary Injunction by orders dated February 19, 2004, March 10, 2004, April 28, 2004, and January 14, 2005. The Preliminary Injunction expired on April 21, 2005.

12. **Resolution of Ephedra Personal Injury Claims.** Approximately 105 cases related to the Ephedra Personal Injury Claims remain before the District Court. These cases fall into two categories: approximately 30 cases covered by the Debtors' pre-2002 insurance policy years (the "Pre-2002 Cases"), and the remaining cases (the "2002-2004 Cases") where there is no insurance or limited insurance with a \$1,000,000 per-claim self-insured retention. The Debtors maintained various insurance policies that provide substantial and adequate coverage for the Pre-2002 Cases, and the Debtors estimate their total uninsured exposure for the Pre-2002 Cases is approximately \$6,600. The Pre-2002 Cases are classified in the Plan as Class 3 and the 2002-2004 Cases are classified in the Plan as Class 4.

The following chart details the Debtors' insurance coverage for the Pre-2002 Cases. The amounts reflected herein represent the Debtors' best effort calculations of remaining insurance coverage. Nothing herein shall prejudice the Debtors if the amounts are inaccurate or if the Debtors determine that more insurance coverage is available.

<u>Pre-2002 Cases</u>		
<u>Policy Year</u>	<u>Number of Ephedra Personal Injury Claims</u>	<u>Remaining Insurance Availability</u>
1/1/97-1/1/98	6	\$48 million
12/31/97-12/31/98	1	\$90 million
12/31/98-12/31/99	6	\$155 million
12/31/99-12/31/00	14	\$199 million
12/31/00-12/31/01	4	\$76 million

On June 21, 2004, the District Court entered Status Order (Including Case Management Order No. 3) (“CMO No. 3”). In accordance with CMO No. 3, the Debtors filed a motion to obtain an order from the District Court authorizing the Debtors pursuant to Bankruptcy Rule 9019(b) and section 363 of the Bankruptcy Code to settle Pre-2002 Cases using insurance proceeds and without the notice and hearing otherwise required by Bankruptcy Rule 9019(a). On September 19, 2004, the District Court entered Status Order (Including Case Management Order No. 5) to govern procedures for the approval of settlements for Pre-2002 Cases upon five days’ notice and without further court approval (the “Settlement Procedures Order”). Payments pursuant to the Settlement Procedures Order do not affect the interests of the Debtors’ other creditors because such payments are made exclusively out of insurance proceeds not otherwise available to general creditors of the Debtors’ Estates. Moreover, the settlement procedures are fair and equitable to the holders of the Pre-2002 Cases because the ceiling placed on settlements represents an amount less than the amount of the insurance proceeds each holder of a Pre-2002 Case would receive if it were entitled to an equal share of the insurance proceeds for the applicable policy year. Eight Pre-2002 Cases have been settled pursuant to the Settlement Procedures Order. The procedures reduce postpetition costs incurred in resolving such claims, thereby preserving Estate assets and increasing recoveries to all unsecured Creditors.

On October 8, 2004, the Bankruptcy Court entered the Order Regarding Mediation of 2002-2004 Cases (the “Mediation Order”). The Mediation Order was negotiated in accordance with the directives of the Bankruptcy Court and the District Court among the Debtors, the Creditors Committee, certain retailer co-defendants, the Ephedra Claimants Committee, and representatives of the Plaintiffs’ Coordinating Counsel. The Mediation Order appointed the Honorable John K. Trotter (California State Supreme Court Justice, retired) of JAMS as facilitator/mediator to assist with the negotiation of a global settlement of the 2002-2004 Cases and ordered all parties in the 2002-2004 Cases to appear before Justice Trotter to negotiate a global settlement. The parties convened without Justice Trotter on November 18 and 19, 2004, and mediation sessions were conducted on January 5 and 6, and February 16, 2005. Justice Trotter also met from time to time with one or more, but fewer than all, representatives.

The parties continued their discussions and negotiations, and on March 23, 2005, the Debtors, the Ephedra Claimants Committee and the Plaintiffs Coordinating Counsel reached an agreement in principle to resolve the 2002-2004 Cases. The agreement was subsequently memorialized in the 2002-2004 Ephedra PI Settlement Agreement and incorporated into the Plan, as described in more detail below. (See Section III.C. below.)

While the 2002-2004 Cases were being mediated, litigation in the MDL proceeded. In January and February 2005, the District Court held a hearing on a motion filed by the Defendants' Coordinating Counsel appointed in the MDL to exclude all generic expert witnesses disclosed by the Plaintiffs' Coordinating Counsel. Under various orders of the District Court, the Plaintiffs' Coordinating Counsel were required to disclose generic expert witnesses on a number of injury categories including ischemic stroke, hemorrhagic stroke, seizures, cardiac injury, and heat-related illness. Following discovery, the Defendants' Coordinating Counsel sought to exclude the testimony of all of the Plaintiffs' Coordinating Counsel's designated witnesses on the grounds that their opinions do not meet the reliability requirements set forth by the United States Supreme Court in Daubert v. Merrill Dow Pharmaceuticals, Inc. and its progeny, and an extensive evidentiary hearing was held in the District Court. As of the date hereof, the District Court has not issued a ruling on the admissibility of the Plaintiffs' Coordinating Counsel's generic expert witnesses. A ruling is expected within several months.

13. Litigation Relating to the Former Officers and Directors. On December 1, 2003, the Creditors Committee filed a Motion for Order Authorizing the Creditors Committee to Commence Adversary Proceeding Against the Subordinated Debt Holders and Other Parties (the "Delegation Motion"). The Delegation Motion sought the authority to commence an adversary proceeding (the "Committee Adversary Proceeding") against, among others, certain of the Debtors' former officers and directors (the "Potential Defendants") alleging, among other things, mismanagement, breach of fiduciary duty, and corporate waste. In addition, the Committee Adversary Proceeding sought to recharacterize the Debtors' reimbursement obligations to certain of the Potential Defendants relating to the L/C.

Objections to the Delegation Motion (the "Objections") were filed by the (i) Debtors, (ii) Ross Blechman, and (iii) Brian Blechman, Dean Blechman, Neil Blechman and Steven Blechman. On February 18, 2004, the Bankruptcy Court granted the Delegation Motion and entered an Order (the "Delegation Order") authorizing the Creditors Committee to commence an adversary proceeding against the Potential Defendants.

On February 6, 2004, the Blechmans filed a complaint in the Bankruptcy Court (Adv. Pro. No. 04-02323 (CB)) against the Debtors seeking a declaratory judgment (the "Declaratory Judgment Action") that (i) the Blechmans held an allowed secured claim for \$15 million (plus interest, costs and expenses) arising under the Reimbursement Agreement, and/or under section 509(a) of the Bankruptcy Code and common law principles of subrogation, and (ii) the secured claim was legal, valid, binding, perfected, not subject to recharacterization, subordination, avoidance or otherwise subject to disallowance or disgorgement, in whole or in part.

Pursuant to the authority granted under the Delegation Order, on February 13, 2004, the Creditors Committee filed a complaint and commenced an adversary proceeding to prosecute certain of the Debtors' Estates' claims against the Blechmans, and John Danhagl, Jonathan Sokoloff, Leonard Schutzman, and William Westerfield (collectively, the "Other Directors") (Adv. Pro. No 04-02334 (CB)). The complaint was amended on May 7, 2004 (as amended, the "Committee Action") in response to motions to dismiss filed by the defendants. The Committee Action alleged claims against the Blechmans and the Other Directors for, among

other things, equitable subordination, recharacterization, breach of fiduciary duty, preference, fraudulent transfer and deepening insolvency. The Indenture Trustee joined as a co-plaintiff in the Committee Action. On March 26, 2004, the Declaratory Judgment Action and the Committee Action were consolidated by stipulation by and among the parties to the Declaratory Judgment Action and Committee Action (collectively, the “Blechman Adversary Proceeding”).

In a mutual effort to avoid the substantial costs and uncertainties associated with litigation of the Blechman Adversary Proceeding, the Debtors and the parties thereto agreed to submit their respective disputes to mediation. On September 8 and 9, 2004, the Debtors, National Union, and the parties to the Blechman Adversary Proceeding participated in mediation sessions with the Honorable Nicholas Politan, a former United States District Court Judge for the District of New Jersey. As a result of the mediation and of continuing arms-length, good faith negotiations by and among the parties, the parties agreed to compromise their claims and defenses and to enter into the Blechman Agreement. By Order dated January 7, 2005, the Bankruptcy Court approved the Blechman Agreement. The Blechman Agreement specifically provides for:

- An Allowed Secured Claim for the Blechmans to be paid by the Debtors in cash in the amount of \$8.5 million, together with all interest actually earned on the full amount of the proceeds of the L/C.
- Withdrawal with prejudice of the Blechmans’ Claims against the Debtors, including the Reimbursement Claim and their unsecured Claims for compensation, severance, interest, and attorneys’ and consultants’ fees.
- Payment by National Union of \$3.5 million to the Debtors’ Estates, reasonable legal fees and expenses for the Other Directors, and 50% of reasonable legal fees and expenses for the Blechmans.
- In connection with (i) any and all claims asserted or that might have been asserted in the Committee Action or Declaratory Judgment Action; (ii) any and all claims arising out of the facts alleged in the Committee Action or Declaratory Judgment Action; and (iii) any and all claims arising from all alleged acts or omissions by the Blechmans and/or the Other Directors:
 - A release by the Debtors, the Creditors Committee, National Union and the Indenture Trustee of the Blechmans, the Other Directors, and Jennifer Holden Dunbar, Robert S. Apatoff and Stephen Welling (collectively, the “Former Directors”), and each of their respective legal representatives, employees, agents, attorneys, heirs, executors, administrators, trustees, affiliates, successors and assigns (including, without limitation, Leonard Green & Partners, L.P. and Green Equity Investors II, L.P.).
 - A release by the Blechmans, the Other Directors, the Former Directors, and each of their respective legal representatives, employees, agents, attorneys, heirs, executors, administrators, trustees, affiliates, successors and assigns (including, without limitation, Leonard Green & Partners, L.P. and Green Equity Investors II, L.P.) of the Debtors, the Creditors Committee, National Union, and the Indenture Trustee.

- A release by the Blechmans of the Other Directors and the Former Directors, and a release by the Other Directors and the Former Directors of the Blechmans.
- The Debtors', the Creditors Committee's and the Indenture Trustee's agreement to use their reasonable best efforts to obtain an order from the Bankruptcy Court confirming a plan for the Debtors releasing the Blechmans from any and all claims of third-party creditors or shareholders of the Debtors related to (i) any and all claims asserted or that might have been asserted in the Committee Action or Declaratory Judgment Action; (ii) any and all claims arising out of the facts alleged in the Committee Action or Declaratory Judgment Action; (iii) any and all claims arising from all alleged acts or omissions by the Blechmans; and (iv) any and all products liability and personal injury claims.

The settlement became effective on January 21, 2005 and on January 21, 2005, National Union paid the Debtors \$3.5 million and the Debtors paid the Blechmans approximately \$8.6 million, including \$8.5 million in principal and \$124,828 in interest. The settlement resulted in net cash proceeds to the Debtors' Estates of \$10 million.

14. Settlement of Prepetition Securities Litigation and Shareholders

Derivative Suit. The Debtors are involved in two prepetition actions relating to allegations of breaches of fiduciary duties and violations of securities laws by certain of their former officers and directors. The Debtors are defendants in an action captioned In re Twinlab Corp. Securities Litigation, No. 00-CV-6975 (DRH), in the United States District Court for the Eastern District of New York (the "Securities Litigation"), and they are nominal defendants in an action brought on their behalf and captioned Thomas Emmick, IRA, derivatively on behalf of Nominal Defendant Twinlab Corporation v. Ross Blechman, et al. and Twinlab Corporation, No. 01-CV-4320 (DRH), also in the United States District Court for the Eastern District of New York (the "Shareholders Derivative Suit").

The Consolidated Amended Class Action Complaint (the "Securities Litigation Complaint") in the Securities Litigation alleges, among other things, violations of federal securities laws by Holdings and by Ross Blechman, Brian Blechman, and John H. Bolt, as officers and directors of Holdings, through dissemination of materially false and misleading financial statements and press releases concerning Holdings' financial condition and prospects. The Securities Litigation Complaint was filed on behalf of a putative class of similarly situated persons who purchased securities of Holdings between April 27, 1999 and November 15, 2000, and seeks the recovery of monetary damages.

The complaint (the "Shareholders Derivative Complaint") filed in the Shareholders Derivative Suit alleges, among other things, violations of fiduciary duty owing to Holdings by Ross Blechman, Brian Blechman, Neil Blechman, Steve Blechman, Dean Blechman, Stephen L. Welling, Jonathan D. Sokoloff, John G. Danhaki, and William U. Westerfield, as directors of Holdings. The Shareholders Derivative Complaint alleges that the named directors breached their fiduciary duties and grossly mismanaged Holdings by, among other things, failing to properly recognize revenues on sales and failing to monitor, investigate and oversee Holdings' accounting and inventory management practices to ensure that Holdings'

financial reporting was accurate. Although, prior to bankruptcy, claims based upon breach of a fiduciary duty by directors and officers may be brought by shareholders derivatively on behalf of a corporation, once bankruptcy is filed these claims are enforceable only by the debtor in possession. Accordingly, the Shareholders Derivative Suit is property of the Estates and can be prosecuted and settled only by the Debtors. Recoveries from the Shareholders Derivative Suit would inure to the Estates.

Prior to the Commencement Date, the plaintiffs in the Securities Litigation and the Shareholders Derivative Suit reached a settlement in principle with the defendants in both suits, although the terms of the settlement were never formalized in writing or approved by a court. On December 1, 2004, the Bankruptcy Court authorized the Debtors to settle the Securities Litigation and Shareholders Derivative Suit according to those terms. The salient terms of the settlement are as follows:

- To settle the Shareholders Derivative Suit, National Union will pay \$1,125,000 to Holdings. Holdings will pay \$125,000 of the recovery and an additional \$125,000 of the Estate's money to the Shareholder Derivative Suit's plaintiffs' attorneys.
- To settle the Securities Litigation, National Union will pay \$2,000,000 and Holdings will pass through the remaining \$1,000,000 recovery from the Shareholders Derivative Suit to the Securities Litigation plaintiffs.
- The Debtors will not retain any of the settlement proceeds of the Shareholders Derivative Suit. Their total out-of-pocket expense in settling both cases will be only \$125,000.
- Mutual releases by the parties and a claim release of National Union upon consummation and funding.

National Union had previously denied coverage of the defendants in the Shareholders Derivative Suit, but the structure of the settlement will protect the Debtors from additional liability in both causes of action (i.e., potential liability to directors for uninsured indemnity claims in the Shareholders Derivative Suit, additional diminution of insurance policy proceeds in both litigations for insured indemnity claims, and potential uninsured indemnity claims in both litigations and other suits if the Debtors' insurance policies' proceeds were further exhausted by result of potential higher judgments or settlements at a later time).

The Debtors are currently working to document the above-described settlements and anticipate that the settlements will be consummated prior to the Effective Date. The primary reason for delay of the actual closing of the settlements is the necessity to obtain separate court approval of the Securities Litigation settlement from the United States District Court for the Eastern District of New York. The Plan does not address what happens if the settlements are not approved or consummated.

15. Consumer Class Action Cases and Adversary Proceeding. Three prepetition state court actions (the "Cirak State Court Actions") were filed against the Debtors seeking to recover damages and to enjoin certain of Laboratories' alleged practices in connection with its manufacture and distribution of certain products containing androstenedione. One lawsuit was filed in New Jersey, one in Florida, and one in New York. The Cirak State Court

Actions were stayed upon the Commencement Date, and thereafter the parties jointly removed the Cirak State Court Actions to the federal district court in the districts where the state court suits were pending and then successfully moved to transfer them to the District Court. The following are the case index numbers for these cases: Everett Abrams, et al. v. Twin Laboratories, Inc., Case No. 04-CV-09103 (JSD), Bryan Barnes, et al. v. Twin Laboratories, Inc., Case No. 04-CV-09105 (JSD), and Everett Abrams, et al. v. Twin Laboratories, Inc., Case No. 04-CV-06194 (JSD).

In addition, on or about March 9, 2004, sixteen plaintiffs (the “Cirak Plaintiffs”), each individually and on behalf of all others similarly situated, filed a similar Class Action Complaint and commenced an adversary proceeding in the Chapter 11 Cases against Laboratories captioned Cirak v. Twinlab Corp. (Adv. Pro. No. 04-02770 (RDD)), alleging unjust enrichment, deceptive acts and practices, and a violation of the federal Racketeer Influenced and Corrupt Organization Act (“RICO”) in connection with Laboratories’ sale of products that allegedly contain certain steroid hormones.

On April 9, 2004, the Debtors filed a Motion to Dismiss the Class Action Complaint, arguing, among other things, that the Class Action Complaint circumvented the claims administration process, that the Cirak Plaintiffs had failed to plead with particularity any allegations upon which relief could be granted, and that the Cirak Plaintiffs had failed to properly plead the elements of a RICO claim. The Creditors Committee filed a Joinder to the Debtors’ Motion to Dismiss. On June 18, 2004, the Bankruptcy Court denied the Debtors’ Motion to Dismiss, but ordered that the Cirak Plaintiffs file and serve an amended Class Action Complaint and that the adversary proceeding be administratively consolidated with a proof of claim filed on behalf of the Cirak Plaintiffs on March 2, 2004. The Cirak Plaintiffs filed a First Amended Class Action Complaint on July 27, 2004. The Debtors filed a Motion to Dismiss the RICO count in the First Amended Class Action Complaint on August 25, 2004.

On October 25, 2004, the Debtors and the Cirak Plaintiffs filed a joint motion with the District Court to withdraw the reference (i.e., transfer proceedings with respect to the First Amended Class Action Complaint from the Bankruptcy Court to the District Court) pursuant to 28 U.S.C. § 157. By Order dated March 22, 2005 (the “Reference Order”), the District Court withdrew the bankruptcy reference and assumed direct jurisdiction over most aspects of the Chapter 11 Cases (see Section II.D.18. below), including the First Amended Class Action Complaint.

Five additional cases (the “Ephedra Class Action Cases”) were filed against the Debtors asserting claims under various state consumer protection statutes and common law remedies. The plaintiffs in each of the Ephedra Class Action Cases have filed proofs of claim (the “Ephedra Class Action Claims”) in the Chapter 11 Cases. Generally, the Ephedra Class Action Cases assert claims arising from the Debtors’ advertising for and labeling of ephedra-containing dietary supplements. Pursuant to Status Order (Including Case Management Order No. 7), dated November 29, 2004, the District Court granted the Debtors’ motion, pursuant to 28 U.S.C. § 157(b)(5), to transfer to the District Court for trial the following four cases: Christine Felts v. Twinlab Corp., et al., Case No. 04-CV-10309 (JSR), Clarence Lackowski v. Twinlab Corp., et al., Case No. 04-CV-10308 (JSR), Lydia McMorris v. Twinlab Corp., et al., Case No.

05-CV-00427 (JSR), and James Nagel v. Twinlab Corp., et al., Case No. 04-CV-09802 (JSR). The fifth case, Melissa Barr v. Twinlab Corp., et al., Case No. 02-CC-00244 (the “Barr Action”), was filed on August 23, 2002 and remains stayed pursuant to the automatic stay in the Superior Court of the State of California, County of Orange. The plaintiff in the Barr Action filed a motion (the “Barr Stay Relief Motion”) in the Bankruptcy Court for relief from the automatic stay to complete the process of class certification in the state court action, to which the Debtors and the Committees objected. The District Court subsequently withdrew the bankruptcy reference of the Barr Stay Relief Motion pursuant to the Status Order (Including Case Management Order No. 7) dated November 29, 2004. The Debtors filed a motion in the District Court to withdraw the bankruptcy reference for the Ephedra Class Action Claim filed by the plaintiff in the Barr Action (the “Barr Claim”).

On January 14, 2005, the District Court entered a Status Order (Including Case Management Order No 9) reserving judgment on the Barr Stay Relief Motion and the Debtors’ motion to withdraw the reference to the Barr Claim, and providing an opportunity for all parties with an interest in the Ephedra Class Action Cases to file a stipulation on or before January 21, 2005 agreeing to participate in a mediation of the Ephedra Class Action Cases within three months. On January 21, 2005, the Debtors, the plaintiffs in the Ephedra Class Action Cases, and the Creditors Committee entered a stipulation to mediate the Ephedra Class Action Cases before Justice Trotter, and on March 8, 2005, the parties met in California. Although no settlement was reached, the parties continued to pursue discussions to resolve the Ephedra Class Action Cases.

The reference with respect to the Barr Claim was withdrawn pursuant to the Reference Order. On May 18, 2005, in response to a request from the District Court, the Debtors and the Creditors Committee filed a joint supplemental brief in opposition to the Barr Stay Relief Motion, and as of the date hereof, the Barr Stay Relief Motion remains pending. On May 20, 2005, the Debtors and the Creditors Committee filed a joint (i) objection to disallow the Ephedra Class Action Claims and, in the alternative, (ii) motion to estimate the Ephedra Class Action Claims (the “Class Action Objection”) In the Class Action Objection, the Debtors and the Creditors Committee asked the District Court to disallow the Ephedra Class Action Claims because, among other things, (i) the Ephedra Class Action Claims fail to satisfy the class action requirements of the Federal Rules of Civil Procedure and (ii) the benefits that generally support class certification in civil litigation would not be realized in the Chapter 11 Cases. Alternatively, if the Court were to allow any or all of the Ephedra Class Action Claims to proceed, in whole or in part, as class claims, in the Class Action Objection, the Debtors and the Creditors Committee requested that the District Court estimate such claims pursuant to Bankruptcy Code section 502(c). These Claims, if Allowed, will be treated as Class 5 Claims. A hearing on the Class Action Objection is scheduled for June 28, 2005.

16. Substantive Consolidation of Twinlab Catalog Corporation. On or about April 4, 1998, Holdings purchased the Bronson Division of Jones Medical Industries, Inc., a manufacturer and marketer of vitamins, herbs, beauty aids, and nutritional supplements that operated primarily through the use of catalogs and direct mailings. The purchase price was approximately \$56.1 million. After the purchase, the Bronson Division was incorporated and renamed Bronson Laboratories, Inc. (“Bronson”) as a wholly owned subsidiary of Laboratories. On January 17, 2003, Laboratories sold Bronson to Bronson Nutritionals, LLC and Kabco

Pharmaceuticals, Inc. (“Kabco”) for approximately \$8 million. After the sale, Bronson changed its name to Twinlab Catalog Corporation (“TCC”) and on July 1, 2003, voluntarily dissolved the company. TCC has no current operations, no existing liabilities, and no creditors.

On May 12, 2004, the Bankruptcy Court approved a Stipulation and Order Between the Debtors and the Creditors Committee authorizing the Creditors Committee to commence a Fraudulent Transfer Action on behalf of the Debtors. On August 17, 2004, the Creditors Committee commenced an adversary proceeding on behalf of the Debtors by filing a Complaint (the “Bronson Complaint”) against Bronson Nutritionals, LLC and Kabco (Adv. Pro. No. 04-04199 (CB)) (the “Bronson Adversary”). The Bronson Complaint alleged that the fair market value for Bronson at the time the Debtors sold it was approximately \$16 million and that at the time of the sale the Debtors were insolvent or were rendered insolvent thereby. The Bronson Complaint alleged a fraudulent conveyance under sections 548(a)(1)(B) and 544(b)(1) of the Bankruptcy Code. On October 4, 2004, the Creditors Committee filed a Notice of Dismissal of the Bronson Adversary without prejudice.

On February 22, 2005, the Creditors Committee filed a motion (the “Sub-Con Motion”) to substantively consolidate TCC and Laboratories, nunc pro tunc to the Commencement Date. A key purpose of substantive consolidation is to ensure equitable treatment of all creditors. The Sub-Con Motion asserts that TCC and Laboratories should be consolidated because Kabco dealt with Laboratories and TCC as a single economic unit, because Kabco did not rely on the separate identities of Laboratories and TCC, and because the business functions of Laboratories and TCC were sufficiently entangled. The Creditors Committee stated that if the Sub-Con Motion is granted, the Creditors Committee intends to re-file a complaint to avoid the Bronson sale. The Creditors Committee believes that substantive consolidation nunc pro tunc to the Commencement Date would permit the Creditors Committee to reach back to the date of the Bronson sale, avoid the transaction as a fraudulent transfer, and recover for the benefit of the Debtors’ Estates substantial value attributable to the sale. The Creditors Committee believes that TCC has no creditors other than the creditors of the Debtors.

On April 20, 2005, Bronson Nutritionals, LLC and Kabco filed an Opposition to the Sub-Con Motion arguing, among other things, that the Sub-Con Motion should be denied because (a) neither the Debtors nor TCC has or will have a fraudulent conveyance cause of action against Bronson Nutritionals, LLC or Kabco if the Sub-Con Motion is granted, and (b) substantive consolidation would serve no purpose because the Debtors and TCC are jointly and severally liable to Bronson Nutritionals, LLC and Kabco to indemnify and hold harmless against any damages and costs, including legal fees arising from an alleged breach of any fraudulent conveyance law, and as a result, Bronson Nutritionals, LLC and Kabco would have a recoupment counterclaim against the Debtors and TCC.

The hearing on the Sub-Con Motion has been adjourned to a later date to be determined.

17. Claims Process. By order dated January 7, 2004 (the “Bar Date Order”), the Bankruptcy Court set March 2, 2004 as the deadline by which proofs of claim were required to be filed in the Chapter 11 Cases (the “Bar Date”). In accordance with the Bar Date Order,

written notice of the Bar Date was mailed to all known creditors and the Debtors published notice of the Bar Date in *The Wall Street Journal* (National Edition) and *Newsday*. The time within which to file claims against the Debtors has expired. Approximately 800 proofs of claim were filed against the Debtors.

The Debtors have begun the process of reviewing the numerous Non-Ephedra Claims filed. On August 16, 2004, the Debtors filed their First Omnibus Objection to Proofs of Claim in the Bankruptcy Court with respect to 137 proofs of claim. At a hearing on October 20, 2004, the Bankruptcy Court ordered that duplicate claims against the same Debtor, claims based on the same underlying obligation against multiple Debtors, claims amended and superceded by subsequent claims, and claims filed after the Bar Date all be disallowed and expunged in their entirety. The Bankruptcy Court further reclassified certain claims that were filed against the wrong Debtor entity, reclassified certain claims that were filed as priority or secured as general unsecured claims, and reduced and disallowed certain claims that were inconsistent with the Debtors' books and records.

In light of the magnitude of the claims and potential objections, the Debtors obtained authority pursuant to Bankruptcy Rule 9019(b) and section 363 of the Bankruptcy Code to settle Non-Ephedra Claims asserted against the Estates without the notice and hearing otherwise required by Bankruptcy Rule 9019(a). On November 17, 2004, the Bankruptcy Court approved a tiered settlement process based upon the amount of the allowed claim involved in the settlement (the "Settlement Amount") and/or the difference between the Debtors' estimate of the allowed claim compared to the claimant's estimate of the allowed claim (the "Claim Difference"). If (i) the Settlement Amount results in the allowance of a claim of \$15,000 or less or (ii) the Claim Difference is \$15,000 or less, the Debtors are authorized to settle the claim without prior notice or further approval of the Court. If (i) the Settlement Amount calls for the allowance of a claim of greater than \$15,000, but less than \$60,000, and the Claim Difference is greater than \$15,000, or (ii) the Claim Difference is greater than or equal to \$15,000, but less than \$60,000, the Debtors are required to provide notification of the terms of the settlement to the attorneys for the Creditors Committee, the attorneys for the Ephedra Claimants Committee, and the U.S. Trustee (together, the "Notice Parties"). If a Notice Party objects within five (5) business days of the notification, the Debtors may either (i) renegotiate the settlement and re-submit a revised notification of Settlement Summary to the Notice Parties with the new terms; or (ii) file a Rule 9019 motion with the Court seeking approval of the existing settlement on no less than ten (10) days' notice. In the absence of an objection, the Debtors are authorized to settle the claim without further Court approval. If the Settlement Amount and the Claim Difference are greater than or equal to \$60,000 but less than \$200,000, the Debtors are required to file a notice of presentment with the Court of proposed settlement on not less than five (5) days' notice, but will not be required to file a Rule 9019 motion. If the Settlement Amount and Claim Difference are each equal to or greater than \$200,000, the Debtors are required to seek the approval of the Court by way of a Rule 9019 motion on no less than twenty (20) days' notice. These procedures will reduce postpetition costs incurred in resolving such claims, preserving estate assets and increasing recoveries to creditors. The Debtors have already begun to consummate settlements using this authority.

18. District Court Withdrawal of Reference. Judge Blackshear retired from the bench on March 17, 2005, and the Chapter 11 Cases were reassigned to the Honorable Judge Robert D. Drain. After consultation with Judge Blackshear, Judge Drain, the Honorable Chief Bankruptcy Judge Stuart M. Bernstein, and counsel to the parties in the MDL, by Order dated March 22, 2005 (as amended by Status Order (Including Case Management Order No. 12) dated April 15, 2005), the Honorable District Court Judge Jed S. Rakoff withdrew the bankruptcy reference and assumed direct jurisdiction over all aspects of the Chapter 11 Cases except:

- those matters relating to operations of the business or the debtor outside the ordinary course;
- those matters relating to executory contracts, including assumption and rejection of such contracts;
- those matters relating to financing, cash collateral, and adequate protection;
- those matters pertaining to professional retention and application for allowance of compensation and reimbursement of expenses;
- all claims objections other than personal injury and wrongful death claims and other ephedra-related matters; and
- such referrals as the District Court may order in the future.

Additionally, the District Court ordered that the District Court and Judge Drain jointly retain jurisdiction over, and jointly hear:

- all requests for an extension of the Debtors' exclusive period to propose and solicit votes on a chapter 11 plan; and
- all hearings on the disclosure statement relating to and confirmation of a chapter 11 plan.

III. OVERVIEW OF THE PLAN

A. Chapter 11 Generally

This Section of the Disclosure Statement summarizes the Plan, which is set forth in its entirety as Exhibit A hereto. This summary is qualified in its entirety by reference to the Plan.

YOU SHOULD READ THE PLAN IN ITS ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

In general, a chapter 11 plan of liquidation (i) divides claims and equity interests into separate classes, (ii) specifies the property that each class is to receive under the plan, and (iii) contains other provisions necessary to implement the plan. Under the Bankruptcy Code, "claims" and "equity interests," rather than "creditors" and "shareholders," are classified because creditors and shareholders may hold claims and equity interests in more than one class. Under section 1124 of the Bankruptcy Code, a class of claims is "impaired" under a plan unless the plan (i) leaves unaltered the legal, equitable, and contractual rights of each holder of a claim in such class, or (ii) to the extent defaults exist, provides for the cure of existing defaults, reinstatement

of the maturity of claims in such class, compensates each holder of a claim in such class for any damages incurred as a result of reasonable reliance, and does not otherwise alter the legal, equitable, or contractual rights of each holder of a claim in such class.

Classes 4 and 5 are impaired under the Plan. Holders of Claims in such Classes are entitled to vote to accept or reject the Plan to the extent and in the manner provided in the Voting Procedures Order or in any other order or orders of the Bankruptcy Court. Ballots are being furnished herewith to all holders of Claims in Classes 4 and 5 that are entitled to vote to facilitate their voting to accept or reject the Plan.

A chapter 11 plan of liquidation may also specify that certain classes of Claims or Equity Interests are to have their Claims or Equity Interests remain unaltered by the plan. Such classes are referred to as “unimpaired” and, because of the favorable treatment accorded to such classes, section 1126(f) of the Bankruptcy Code provides they are conclusively deemed to have accepted the plan and, therefore, need not be solicited to vote to accept or reject the plan. Classes 1, 2, and 3 are unimpaired under the Plan, and holders of Claims in such Classes are deemed to have accepted the Plan. Accordingly, ballots are not being furnished to holders of claims in Classes 1, 2, or 3.

A chapter 11 plan of liquidation may also specify that certain classes will not receive any distribution under the plan. Under section 1126(g) of the Bankruptcy Code, such classes are conclusively deemed to have rejected the plan and, therefore, need not be solicited to accept or reject the plan. Holders of Punitive Damage Claims in Class 6 and Equity Interests in Class 7 will not receive any recovery under the Plan on account of such Claims or Equity Interests, and such Classes are, therefore, conclusively deemed to reject the Plan. No ballot is enclosed for holders of Class 6 Punitive Damage Claims or Class 7 Equity Interests.

The Effective Date of the Plan is the date holders of Allowed Claims can expect a first distribution under the Plan.

B. Assets for Distribution Under the Plan

The following chart summarizes the Debtors’ estimates of the Estates’ assets available for distribution under the Plan.

	<u>High</u>	<u>Low</u>
Net Cash after Ideasphere Sale and certain contingent asset recoveries (net of payment of outstanding loan under the DIP Loan Agreement)	\$ 20,393,000 ²	\$ 19,680,000
Payments for Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Secured Claims, and Allowed Priority Non-Tax Claims	(3,837,000)	(3,837,000)
Assets Available for Distribution Before 2002-2004 Ephedra PI Claim Payment	16,556,000	15,843,000
Debtors' contribution to Ephedra Personal Injury Trust	(3,550,000)	(3,550,000)
Net Assets Available for Distribution to holders of General Unsecured Creditors	<u>\$ 13,006,000</u>	<u>\$ 12,293,000</u>

C. Global Settlement of 2002-2004 Ephedra PI Claims and Other Participating Ephedra Claims

The Debtors have reached an agreement to fully, finally, and fairly resolve all of the 2002-2004 Ephedra PI Claims and Other Participating Ephedra Claims. The Debtors, retailer third-party defendants, the Debtors' and third-party defendants' various insurers, the Ephedra Claimants Committee, representatives of the Plaintiffs' Coordinating Counsel, and individual holders of 2002-2004 Ephedra PI Claims and Other Participating Ephedra Claims discussed, mediated and negotiated for months to reach a resolution of these claims. The 2002-2004 Ephedra PI Settlement Agreement that is incorporated in the Plan is supported by the Debtors and their insurers, the Settling Third Parties, the Ephedra Claimants Committee, and individual holders of 2002-2004 Ephedra PI Claims and Other Participating Ephedra Claims.

As part of the 2002-2004 Ephedra PI Settlement Agreement, on the Effective Date, the Debtors will contribute \$3,550,000 and the benefits of its Ephedra Insurance Policies to the Ephedra Personal Injury Trust (described in Section III.D.1. below). In addition, the Settling Third Parties will contribute an aggregate of \$16,160,000 to fund the Ephedra Personal Injury Trust.

In return for their respective contributions, the Debtors and the Released Parties will be released from any and all Claims or Causes of Action relating to 2002-2004 Ephedra PI Claims and Other Participating Ephedra Claims.

In reaching the 2002-2004 Ephedra PI Settlement Agreement, the Debtors considered the probability of success and risk of loss of litigating each of the 2002-2004 Ephedra PI Claims and indemnification claims related to the Other Participating Ephedra Claims, the complexity of the litigations, and the attendant expense, inconvenience and delay of litigation. The Debtors believe that their contribution and the settlement as a whole are fair and equitable

² Net Cash after Ideasphere Sale and certain contingent asset recoveries (net of payment of outstanding loan under the DIP Loan Agreement) does not include an estimate of recovery from a fraudulent transfer action to avoid the Bronson sale (see Section II.D.16. above).

and in the best interests of all Creditors. The holders of the Other Participating Ephedra Claims are participating in the settlement and will receive distributions from the Ephedra Personal Injury Trust on account of such Claims because, without their inclusion, the Debtors could be liable for Ephedra Indemnification Claims of the Settling Third Parties that are defendants in the Other Participating Ephedra Claims. The respective contributions to the Ephedra Personal Injury Trust from the Settling Third Party defendants in the Other Participating Ephedra Claims were adjusted to account for the inclusion of the Other Participating Ephedra Claims.

The 2002-2004 Ephedra PI Settlement Agreement allows the Debtors to fairly and efficiently liquidate their Estates by resolving the largest outstanding contingencies. Without the settlement, the Debtors would be faced with a large number of contingent, unliquidated, Disputed Claims (i.e., the 2002-2004 Ephedra Personal Injury Claims and the Ephedra Indemnification Claims related to the Other Participating Ephedra Claims). To make any distribution to unsecured creditors the Debtors would first have to litigate or have the District Court estimate such Claims. In the absence of estimation or a final determination of the claims, it would simply be impossible for the Debtors to establish an appropriate pro rata distribution for unsecured Claims. Section 502(c) of the Bankruptcy Code provides, in pertinent part, for estimation of the Allowed amount of Claims that would otherwise unduly delay the administration of the Chapter 11 Cases. Although a court has wide discretion to authorize the estimation and approximation of the value of a claim using whatever method is best suited to the circumstances at issue, any estimation method would likely entail a higher cost and longer delay than will the global settlement.

D. The Ephedra Personal Injury Trust

To effectuate the settlement and claims resolution process described above, the Plan establishes an Ephedra Personal Injury Trust which will assume full responsibility for determining and paying the Allowed amount of all 2002-2004 Ephedra PI Claims and Other Participating Ephedra Claims. All Allowed 2002-2004 Ephedra PI Claims will be paid solely out of the Ephedra Personal Injury Trust. The Allowed amount of each 2002-2004 Ephedra PI Claim will be determined in accordance with the Ephedra Personal Injury Trust distribution procedures.

1. Transfer of Property to the Ephedra Personal Injury Trust. In full satisfaction and discharge of all 2002-2004 Ephedra PI Claims, on the Effective Date or as soon thereafter as is reasonably practicable:

a. the Debtors and the Ephedra Personal Injury Trustee shall establish the Ephedra Personal Injury Trust by executing and delivering the Ephedra Personal Injury Trust Agreement;

b. the Debtors shall pay \$3,550,000 to the Ephedra Personal Injury Trust;

c. the Settlement Escrow Agent shall pay the Aggregate Third Party Settlement Amount to the Ephedra Personal Injury Trust; and

d. the Debtors shall transfer to the Ephedra Personal Injury Trust, for the benefit of the Ephedra Personal Injury Trust as an insured party thereunder, any of the Ephedra Insurance Policies³ which are assignable without cancellation or reduction of coverage and which the Debtors elect to so transfer, assign, and deliver; and in respect of such Ephedra Insurance Policies which the Debtors do not elect to so transfer, assign, and deliver, the Debtors shall take all such actions as are necessary or desirable to enable the Ephedra Personal Injury Trust, at its expense, to obtain and enjoy the benefits of coverage thereunder.

2. Appointment of Ephedra Personal Injury Trustee. Prior to the Effective Date, the Ephedra Claimants Committee shall appoint the individual to serve as the Ephedra Personal Injury Trustee for the Ephedra Personal Injury Trust; provided that no individual shall be appointed as the Ephedra Personal Injury Trustee if such individual would be treated as, or would cause the Ephedra Personal Injury Trust to be treated as, a “related person” (within the meaning of Treasury Regulation section 1.468B-1(d)(2)) to any of the Debtors.

3. Settlement and Allocation Procedures. The Claims Resolution Facility (the “CRF”) annexed to the Ephedra Personal Injury Trust Agreement sets forth the mechanisms, procedures and processes by which the holders of the 2002-2004 Ephedra PI Claims and the Other Participating Ephedra Claims (the “Settled Claims”) will be resolved, disposed of, and satisfied from the monies deposited into the Ephedra Personal Injury Trust by the Debtors and the Settling Third Parties (the “Trust Funds”) in accordance with the 2002-2004 Ephedra PI Settlement Agreement.

The CRF establishes efficient, fair and economical mechanisms, processes, and procedures for evaluating each of the Settled Claims and expeditiously distributing the Trust Funds to the holders of valid Settled Claims (each a “Beneficiary” and collectively, the “Beneficiaries”), with a minimum cost to the Trust and in accordance with section 5.02 of the Ephedra Personal Injury Trust Agreement.

To facilitate, effectuate, and implement the purposes of the CRF, Justice Trotter (the “CRF Referee”) (see Section II.D.12. above) will be retained and appointed pursuant to the Trust Agreement, to evaluate each of the Settled Claims in accordance with the guidelines and procedures contained in the CRF. After considering the materials and information made available to him, and after affording any Beneficiary who so elects sufficient and reasonable time to present his position and supporting proofs in person or via audio- or video-conference to the CRF Referee, the CRF Referee shall determine and render a final allocation of the available

³ AISLIC is a Settling Third Party that will contribute its respective Third Party Settlement Amount for distribution through the Ephedra Personal Injury Trust in return for a release from any and all claims or Causes of Action relating to 2002-2004 Ephedra PI Claims. For that reason, the policies written by AISLIC are not included in the Ephedra Insurance Policies. Other than AISLIC, the Debtors do not believe there are any insurance policies that cover the Debtors in respect of the 2002-2004 Ephedra Personal Injury Claims. In other words, the Debtors do not believe there are any Ephedra Insurance Policies. Nonetheless, the provision relating to Ephedra Insurance Policies is included as a precautionary measure.

Trust Funds on a schedule certified by him (the “Certified Allocation Schedule”), all as provided for in the CRF. The Certified Allocation Schedule shall be delivered to the Ephedra Personal Injury Trustee and thereafter annexed as Schedule B to the CRF for inclusion in the Plan and the Ephedra Personal Injury Trust Agreement for the purpose of enabling the Ephedra Personal Injury Trustee to make distributions to the Beneficiaries in accordance with Section 5.02 of the Ephedra Personal Injury Trust Agreement.

Prior to any distribution to the Beneficiaries, the Ephedra Personal Injury Trustee shall segregate and reserve from the Trust Funds sufficient monies to make the following payments, which payments shall be made, to the extent practical, contemporaneous with the distribution to the Beneficiaries:

- a. the fees and expenses of the CRF Referee;
- b. the expenses of the Ephedra Personal Injury Trust, including the fees and expenses of the Ephedra Personal Injury Trustee; and
- c. \$254,368.85 of outstanding fees and expenses incurred by Buchanan Ingersall PC (“BIPC”) from October 2003 to January 2003, prior to the January 15, 2004 formation of the Ephedra Claimants Committee and the Ephedra Claimants Committee’s retention of BIPC as its counsel, in connection with BIPC’s representation of an Unofficial Ad Hoc Committee of Ephedra Claimants and said committee’s efforts in connection with the Chapter 11 Cases to, inter alia, protect the interests of all ephedra claimants of the Debtors and seek the formation of an official committee of such ephedra claimants; and
- d. the following expenses incurred for the benefit of the Beneficiaries in the course of the Chapter 11 Cases, mediation, and negotiation that led to and resulted in the 2002-2004 Ephedra PI Settlement Agreement:
 - i. the Beneficiaries’ portion of the cost of the mediator (Justice Trotter) cost in accordance with the Bankruptcy Court’s October 8, 2004 Order Regarding Mediation of the 2002-2004 Cases;
 - ii. travel and lodging expenses of the representative members of the Special Mediation Subcommittee of the Ephedra Claimants Committee incurred in connection with said members’ travel to and attendance at mediation sessions; and
 - iii. the cost of experts retained, including legal ethics experts, insurance experts, and physician consultants.

4. Resolution of Minors’ Claims by the Ephedra Personal Injury Trust.

In connection with any 2002-2004 Ephedra PI Claim or Other Participating Ephedra Claim in which the plaintiff is a minor, the proposed distribution to the plaintiff shall be submitted to the District Court for approval in accordance with Rule 83.2 of the Local Civil Rules of the Southern and Eastern Districts of New York and Rule 1208 of the Civil Practice Law and Rules of New York (the “CPLR”). The parent, guardian, guardian ad litem, adult spouse, next friend, or other representative of the minor shall move for approval of the proposed distribution and shall file,

with such motion (a) an affidavit of the representative that complies in all respects with the requirements set forth in CPLR 1208(a); (b) an affidavit of the minor's or the representative's attorney, which complies in all respects with the requirements set forth in CPLR 1208(b); and (c) a copy of relevant medical or hospital records, as required by CPLR 1208(c). The District Court shall hold a hearing on the motion, and the movant, the minor plaintiff, and the attorney shall attend such hearing. The District Court shall determine whether the proposed distribution is in the minor plaintiff's best interests and, if the proposed distribution is approved, that determination shall be embodied in an order which shall have the effect of a judgment. Upon approval of the proposed distribution to a minor plaintiff, the District Court shall authorize payment to the minor's counsel of fees and disbursements to be paid from the distribution and further shall order that the remainder of the distribution be distributed in a manner that will best protect the interest of the minor.

5. Tax Treatment of The Ephedra Personal Injury Trust. The Ephedra Personal Injury Trust shall be treated as a "qualified settlement fund" within the meaning of Treasury Regulation section 1.468B, and all parties (including the Debtors, the Ephedra Personal Injury Trustee, and the holders of 2002-2004 Ephedra PI Claims) shall report consistent therewith, unless the Internal Revenue Service or a court of competent jurisdiction determines otherwise.

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

Claims and Equity Interests are classified into 7 Classes under the Plan and the proposed treatment of Claims and Equity Interests in each Class is described in the Plan and in the discussion below. The classification takes into account the different nature and priority of the Claims and Equity Interests.

A significant number of the Ephedra Personal Injury Claims assert Punitive Damages in specified or unspecified amounts, and in some cases for as much as \$30 million. Any Claim, including without limitation Ephedra Personal Injury Claims, which asserts, alleges, or includes a claim for Punitive Damages will be bifurcated into two Claims: a Claim for the amount asserted or alleged exclusive of Punitive Damages, and a Punitive Damage Claim for the amount asserted or alleged as Punitive Damages, whether or not asserted or alleged in a fixed or unfixed amount.

Unless otherwise indicated, the characteristics and amount of the Claims or Equity Interests in the following Classes are based on the books and records of the Debtors or, to the extent not reflected in the books and records, they are based on the Debtors' best estimates.

1. Class 1 – Secured Claims. Secured Claims are Claims (i) secured by any property or interest in property of the estate, to the extent of the value of such property or interest (a) as set forth in the Plan, (b) as agreed to by the holder of such Claim and the Debtors, or (c) as determined by a Final Order in accordance with section 506(a) of the Bankruptcy Code, or (ii) secured by the amount of any rights of setoff of the holder thereof under section 553 of the Bankruptcy Code.

Except to the extent that the holder of an Allowed Secured Claim agrees to less favorable treatment and to the extent that such Allowed Secured Claim has previously been satisfied by the Debtors, on the Effective Date, or as soon thereafter as is reasonably practicable, each holder of an Allowed Secured Claim shall receive, at the option of the Debtors, and in full satisfaction of such Claim, either (i) Cash in an amount equal to one hundred percent (100%) of the unpaid amount of such Allowed Secured Claim, (ii) the proceeds of the sale or disposition of the collateral securing such Allowed Secured Claim to the extent of the value of the holder's secured interest in the Allowed Secured Claim, net of the costs of disposition of such collateral, (iii) the collateral securing such Allowed Secured Claim, (iv) treatment that leaves unaltered the legal, equitable, and contractual rights to which the holder of such Allowed Secured Claim is entitled, or (v) such other distribution and/or treatment as necessary to satisfy the requirements of the Bankruptcy Code for classifying a Class of Secured Claims as unimpaired. In the event the Debtors treat a Claim under clause (i) or (ii) of this Section, the liens securing such Secured Claim shall be deemed released.

Class 1 is unimpaired by the Plan. Each holder of a Secured Claim in Class 1 is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan. The Debtors estimate that the aggregate Allowed Secured Claims will be nominal in amount.

2. Class 2 – Priority Non-Tax Claims. Priority Non-Tax Claims means any Claim, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in payment as specified in section 507(a)(3), (4), (5), (6), (7), or (9) of the Bankruptcy Code.

Except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to a different treatment of such Claim, on the Effective Date, or as soon thereafter as is reasonably practicable, each holder of an Allowed Priority Non-Tax Claim shall receive, in full satisfaction of such Claim, an amount in Cash equal to the Allowed amount of such Priority Non-Tax Claim.

Class 2 is unimpaired by the Plan. Each holder of a Priority Non-Tax Claim in Class 2 is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan. The Debtors estimate that the aggregate Allowed Priority Non-Tax Claims will be nominal.

3. Class 3 – Pre-2002 Ephedra PI Claims. Pre-2002 Ephedra PI Claims are those Ephedra PI Claim listed in Exhibit E of the Plan and any Ephedra Indemnification Claim in connection with a Pre-2002 Ephedra PI Claim. These claims are adequately covered by the Debtors' various insurance policies.

a. Liquidation of Pre-2002 Ephedra PI Claims. All Pre-2002 Ephedra PI Claims are Disputed Claims and will be determined, resolved, or adjudicated, as the case may be, in a manner as if the Chapter 11 Cases had not been commenced and will survive the Effective Date as if the Chapter 11 Cases had not been commenced. Upon the determination, resolution or adjudication of any such Claim as provided for in the Plan, such Claim will be deemed to be an Allowed Pre-2002 Ephedra PI Claim, in the amount or in the manner determined by a Final Order or by a binding award, agreement or settlement; provided, however,

that in addition to the Debtor's preservation of all rights and defenses respecting any Pre-2002 Ephedra PI Claim that exist under applicable non-bankruptcy law:

i. any rejection, avoidance, recovery, or other power or defense available to the Debtors under sections 365, 510 (except subordination), 542, 543, 544, 545, 547, 548, 549, 550, 533 or 724 of the Bankruptcy Code is preserved; and

ii. the Debtors may object under section 502 of the Bankruptcy Code to any Pre-2002 Ephedra PI Claim on the ground that

(A) such Pre-2002 Ephedra PI Claim was not timely asserted in the Chapter 11 Cases;

(B) such Pre-2002 Ephedra PI Claim is subject to any power or defense reserved in clause (i) of this sentence and/or is disallowable under section 502(d) of the Bankruptcy Code; or

(C) such Pre-2002 Ephedra PI Claim is disallowable under section 502(e) of the Bankruptcy Code, to the extent that such section is relied on to ensure that there is no duplication in the Claim of an allegedly subrogated claim, on the one hand, and the underlying claimant whose Claim allegedly gave rise to the subrogated claim, on the other.

All Pre-2002 Ephedra PI Claims will be determined and liquidated under applicable non-bankruptcy law in the tribunal in which they are pending as of the Effective Date. If no such action is pending on the Effective Date, Pre-2002 Ephedra PI Claims will be determined in any tribunal of appropriate jurisdiction. To effectuate the foregoing, the entry of the Confirmation Order shall, effective as of the Effective Date, constitute a modification of any stay or injunction under the Bankruptcy Code that would otherwise preclude the determination, resolution or adjudication of any Pre-2002 Ephedra PI Claim.

Nothing in the Plan will constitute or be deemed to constitute a waiver or release of any (i) claim, right or Cause of Action that the Debtors may have against any Entity in connection with or arising out of any Pre-2002 Ephedra PI Claim, including, but not limited to, any rights under section 157(b) of title 28, United States Code, or (ii) defense in any action or proceeding in any administrative or judicial tribunal, including, but not limited to, with respect to the jurisdiction of such administrative or judicial tribunal, except a defense to a Claim that was timely asserted in the Chapter 11 Cases and that constitutes a Pre-2002 Ephedra PI Claim where such defense is based on the discharge of section 1141(d) of the Bankruptcy Code or any release, discharge, or injunction contained in this Plan or the Confirmation Order. Further, nothing contained in the Plan shall affect the rights of any Settling Third Party to coverage under the Debtors' applicable insurance policy or policies with respect to the Pre-2002 Ephedra PI Claims.

b. **Distributions.** Each Pre-2002 Ephedra PI Claim shall be satisfied in full in the ordinary course of business from the proceeds of the Debtors' applicable insurance policy or policies, as the case may be, at such time as such Pre-2002 Ephedra PI Claim becomes an Allowed Claim.

Class 3 is unimpaired by the Plan. Holders of Pre-2002 Ephedra PI Claims in Class 3 are not entitled to vote to accept or reject the Plan and shall be deemed to have accepted the Plan.

4. Class 4 – 2002-2004 Ephedra PI Claims. All 2002-2004 Ephedra PI Claims shall be determined and paid pursuant to the terms, provisions, and procedures of the Ephedra Personal Injury Trust Agreement (discussed in Section III.D.3. above).

All 2002-2004 Ephedra PI Claims are Disputed Claims. The Ephedra Personal Injury Trust shall assume full responsibility for determining the Allowed amount of all 2002-2004 Ephedra PI Claims pursuant to the Ephedra Personal Injury Trust Agreement and for making payments on account of 2002-2004 Ephedra Claims that become Allowed 2002-2004 Ephedra PI Claims under the conditions set forth in the Ephedra Personal Injury Trust Agreement. Distributions to holders of 2002-2004 Ephedra PI Claims are limited to such payments by the Ephedra Personal Injury Trust.

Class 4 is impaired by the Plan and each holder of a 2002-2004 Ephedra PI Claim is entitled to vote to accept or reject the Plan.

5. Class 5 – General Unsecured Claims. General Unsecured Claims are any Claims against the Debtors that are not an Administrative Expense Claim, Priority Tax Claim, Secured Claim, Priority Non-Tax Claim, Ephedra Personal Injury Claim, or Punitive Damage Claim. The Claims in Class 5 include Claims of the noteholders under the Indenture, suppliers and other vendors, Claims based on rejection of executory contracts and unexpired leases, and prepetition non-ephedra related litigation Claims (including the Consumer Class Action Claims).

The aggregate amount of General Unsecured Claims filed against and/or listed by the Debtors on the Schedules as of January 7, 2005 exceeds \$570,180,000. Based on prior orders of the Bankruptcy Court, payment of certain claims, and agreements with certain parties, the Debtors have reduced those Claims to approximately \$170 million. The Debtors estimate that on completion of the claims resolution process, the aggregate amount of Allowed General Unsecured Claims will be further reduced to approximately \$68.3 million or less. Among other things, Section 9.1 of the Plan provides as a condition precedent to confirmation of the Plan, the Aggregate Allowed amount of Class 5 Claims shall be no greater than \$68.3 million.

Each holder of an Allowed General Unsecured Claim shall receive its Pro Rata Share of Available Cash until such Claim has been paid or otherwise satisfied in full. Class 5 is impaired by the Plan and each holder of a General Unsecured Claim is entitled to vote to accept or reject the Plan.

6. Class 6 – Punitive Damage Claims. Class 6 consists of any Claim against any of the Debtors for any fine, penalty, forfeiture, or attorneys' fees (but only to the extent such attorneys' fees are punitive in nature), or for multiple, exemplary, or punitive damages, to the extent that such fine, penalty, forfeiture, attorneys' fees or damages is not compensation for actual pecuniary loss suffered by the holder of such Claim. A significant

number of the Claims filed against the Debtors, especially the Ephedra Personal Injury Claims, assert unsecured claims for compensatory and punitive damages in specified and unspecified amounts. The specified Punitive Damage Claims in some of the Claims are alleged to be as much as \$30 million.

In general, punitive or exemplary damage claims are intended to punish or make an example of a wrongdoer. However, in the context of insolvent, liquidating entities, such as the Debtors, the enforcement of punitive damages would have the effect of punishing unsecured creditors by diluting the ultimate recovery to all unsecured creditors. Moreover, punitive and exemplary damage claims differ significantly from other Claims which are based on pecuniary losses. For those reasons, Punitive Damage Claims have been classified separately from other Claims.

To the extent there are any Allowed Claims in Class 6, such Allowed Claims shall (i) be subordinated in full to the Claims in Class 1, Class 2, Class 3, Class 4, and Class 5 and (ii) receive no distribution under the Plan.

Holders of Punitive Damage Claims are impaired, not entitled to vote on the Plan, and shall be conclusively deemed to have rejected the Plan.

7. Class 7 – Equity Interests. On the Effective Date, or as soon thereafter as is reasonably practicable, all Equity Interests shall be canceled, at which time one new share of Holdings common stock shall be issued to the Plan Administrator who shall hold such share as custodian for the benefit of holders of Equity Interests consistent with their former economic entitlement. Such holders' beneficial interests in such share of new common stock shall be non-certified and nontransferable.

Holders of Class 7 Equity Interests are impaired, not entitled to vote on the Plan, and shall be conclusively deemed to have rejected the Plan.

F. Administrative Expense Claims and Priority Tax Claims

To confirm the Plan, Allowed Administrative Expense Claims and Allowed Priority Tax Claims must be paid in full or in a manner otherwise agreeable to the holders of those Claims.

1. Administrative Expense Claims. Administrative Expense are the actual and necessary costs and expenses of the Chapter 11 Cases. Those expenses include, but are not limited to, postpetition salaries and other benefits for employees, postpetition rent, amounts owed to vendors providing goods and services during the Chapter 11 Cases, tax obligations incurred after the commencement of the Chapter 11 Cases, bankers' fees, reclamation claims, management costs, and certain statutory fees and expenses. Other administrative expenses include the actual, reasonable, necessary, and unpaid fees and expenses of the professionals retained by the Debtors and the Committees.

The Debtors estimate that, as of the Effective Date, the unpaid amount of Allowed Administrative Expense Claims (other than unpaid fees and expenses of professionals) will

aggregate approximately \$270,000. The Debtors believe that Administrative Expense Claims will be limited to claims for retained professionals' holdbacks, litigation settlement, taxes, and other miscellaneous postpetition claims, and that there will not be any Administrative Expense Claims for postpetition rent, postpetition purchases of goods and services (other than professional fees), brokers' fees, or reclamation claims. The Debtors propose to request a bar date for the filing of Administrative Claims (including professional fees) at the Confirmation Hearing and to include notice of such bar date in the Confirmation Order.

Except to the extent that a holder of an Allowed Administrative Expense Claim agrees to a different treatment, on the Effective Date, or as soon thereafter as is reasonably practicable, the Debtors shall pay to each holder of an Allowed Administrative Expense Claim, in full satisfaction of such Claim, an amount in Cash equal to the Allowed amount of such Claim.

Administrative Expense Claims relating to compensation of the professionals retained by the Debtors and the Committees, or for the reimbursement of expenses for certain members of the Committees will, unless otherwise agreed by the claimant, be paid following entry of an order allowing such Administrative Expense Claim. The Debtors estimate that, as of the Effective Date, unpaid professionals fees and expenses will aggregate approximately \$1.1 million on the Debtors' books and records as a hold-back for services already performed.

2. Priority Tax Claims. Priority Tax Claims are any Claim of a governmental unit of the kind entitled to priority in payment as specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

The Debtors do not believe there will be any material unpaid Allowed Priority Tax Claims as of the Effective Date.

Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a different treatment, on the Effective Date, or as soon thereafter as is reasonably practicable, the Debtors shall pay to each holder of an Allowed Priority Tax Claim, in full satisfaction of such Claim, an amount in Cash equal to the Allowed amount of such Claim.

G. Means for Implementation and Execution of the Plan

1. Deemed Consolidation of Debtors for Plan Purposes Only. On the Effective Date, the Debtors shall be deemed consolidated for voting and distribution purposes under the Plan. Accordingly, for such purposes:

a. all guaranties of any Debtor of the payment, performance, or collection of obligations of another Debtor will be eliminated and canceled;

b. any obligation of any Debtor and all guaranties thereof executed by one or more of the other Debtors will be treated as a single obligation, and such guaranties will be deemed a single Claim against the deemed consolidated Debtors;

c. all joint obligations of two or more Debtors and all multiple Claims against such entities on account of such joint obligations will be treated and allowed only as a single Claim against the deemed consolidated Debtors;

d. all Claims between or among the Debtors will be canceled; and

e. each Claim filed in the Chapter 11 Case of any Debtor shall be deemed filed against the deemed consolidated Debtors and a single obligation of the deemed consolidated Debtors on and after the Effective Date.

Such deemed consolidation, however, shall not affect the legal and organizational structure of the Debtors and each of Laboratories and TL (UK) shall continue to be governed by their respective certificate of incorporation and by-laws.

2. The Plan Administrator. The Debtors, in consultation with the Creditors Committee, shall designate the Plan Administrator who shall implement or cause the terms of the Plan with respect to the consolidated Debtors to be implemented. The Confirmation Order shall name the Plan Administrator.

The duties and powers of the Plan Administrator shall include all powers necessary to implement the Plan and administer and liquidate the assets of the Debtors, including, without limitation, the duties and powers set forth in the Plan. The Plan Administrator may object to, seek to subordinate, compromise, or settle any or all Claims against the Debtors except such Claims that are the responsibility of the Ephedra Personal Injury Trust; provided, however, that the Creditors Committee shall have the exclusive right to continue to litigate, compromise, or settle any litigation commenced by the Creditors Committee on behalf of the Debtors prior to the Effective Date.

The Debtors estimate that the Plan Administrator's post-Effective Date administrative expenses will be approximately \$265,000.

3. Directors/Officers/Assets of the Debtors on the Effective Date. On the Effective Date, the authority, power and incumbency of the persons then acting as directors and officers of the Debtors shall be terminated and such directors and officers shall be deemed to have resigned or to have been removed without cause. The Plan Administrator shall be appointed as, become, and succeed to such powers as would have been applicable to Holdings' officers and directors. In addition, the Plan Administrator shall be appointed as the initial director and officer of Laboratories and TL UK, to serve in accordance with the respective certificates of incorporation and by-laws of such companies.

All assets of the Debtors shall remain assets of the respective Debtor until they are transferred or distributed, or caused to be transferred or distributed, by the Plan Administrator pursuant to the terms of this Plan.

After the Effective Date, the Plan Administrator may decide, in its sole discretion, to maintain, or cause to be maintained, any or all of the Debtors as corporations in good standing until such time as all aspects of the Plan (other than those aspects that are the responsibility of

the Ephedra Personal Injury Trust) have been completed (provided, however, that the Debtors shall conduct no business except as necessary or appropriate to implement the Plan) or, at such time as the Plan Administrator considers appropriate and consistent with the implementation of the Plan, may dissolve, or cause to be dissolved, the Debtors and complete the winding up of the Debtors in accordance with applicable law. In connection with the liquidation of the Debtors, the Plan Administrator may transfer, or caused to be transferred, all assets of the Debtors to a trust or other entity created to make distributions in accordance with the Plan to holders of Allowed Claims and the Ephedra Personal Injury Trust. The Plan Administrator may act as trustee of such a trust if and as permitted by law or in the capacity of management of any other entity created to make such distributions. As soon as practicable after all aspects of the Plan (other than those aspects that are the responsibility of the Ephedra Personal Injury Trust) have been completed, the Debtors shall be dissolved and wound up in accordance with applicable law.

As of the Effective Date, the certificate of incorporation and by-laws of each of the Debtors shall be amended to the extent necessary to carry out the provisions of the Plan. The amended certificates and by-laws, if any, of each of the Debtors shall be included in the Plan Supplement.

4. Method of Distributions Under the Plan. Distributions to the Ephedra Personal Injury Trust and holders of Allowed Non-Ephedra Claims shall be made by the Plan Administrator as Disbursing Agent or such other Entity designated by the Plan Administrator as Disbursing Agent in accordance with the terms of the Plan.

a. **Effective Date Payments and Transfers.** On the Effective Date, or as soon thereafter as reasonably practicable, the Plan Administrator shall (i) pay and transfer to the Ephedra Personal Injury Trust the Class 4 Distribution (see Section III.D.1. above); and (ii) remit to each holder of an Allowed Non-Ephedra Claim (as of the Distribution Record Date) against the Debtors the distribution provided for such Claim under the Plan.

b. **Retention of Cash.** The Debtors shall at all times retain sufficient Cash and/or beneficial assets as reasonably necessary to (i) satisfy Administrative Expense Claims, Priority Tax Claims, Priority Non-Tax Claims, and, if applicable, Secured Claims, to the extent such claims are not paid on or prior to the Effective Date, (ii) meet the reasonably necessary administrative expenses of the Debtors after the Effective Date, including contingent liabilities and the cost of continuation of litigation commenced by the Creditors Committee on behalf of the Debtors prior to the Effective Date, (iii) pay reasonable administrative expenses of the Estate that have not been paid (including the Debtors' professional fees and expenses and the fees of the U.S. Trustee) or have not been Allowed as of the Effective Date but which are subsequently Allowed, (iv) satisfy all Disputed Claims (including, without limitation and as applicable, Consumer Class Action Claims, but not including Disputed Ephedra Personal Injury Claims) estimated by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code in the amount so estimated, (v) satisfy all Disputed Claims (but not including Disputed Ephedra Personal Injury Claims or Disputed Claims estimated by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code) in the event that all such Claims were to become Allowed Claims, (vi) satisfy other liabilities incurred by the Debtors in accordance with the Plan, and (vii) otherwise perform the functions and take the actions provided for or permitted by the

Plan or in any other agreement executed by the Plan Administrator pursuant to the Plan. The Debtors shall not segregate these retained amounts from the Debtors' other assets.

c. **Final Distributions and Transfers.** As soon as reasonably practicable after the resolution of all Disputed Non-Ephedra Claims and after all assets of the consolidated Debtors have been liquidated and the resolution of all Causes of Action, the Plan Administrator shall:

i. to the extent not paid, pay all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, and wind down costs and expenses including the fees of the U.S. Trustee;

ii. to the extent the Debtors have remaining Cash after the payments made in accordance with (i) above, distribute to each holder of an Allowed General Unsecured Claim its Pro Rata share of such remaining Cash; but in no event shall the amount of such distribution, when added to the amount of prior distributions received by such holder, exceed the amount of such Allowed Claim; and

iii. complete the wind up of the affairs of the Debtors (or the successor to the Debtors).

H. Provisions Governing Distributions Under the Plan

1. **Distribution Record Date.** Subject to Section 6.3 of the Plan, (i) as of the close of business on the Distribution Record Date, the various transfer registers for each of the Classes of Claims or Equity Interests as maintained by the Debtors, or their claims agent, shall be deemed closed, and there shall be no further changes in the record holders of any of the Claims or Equity Interests; (ii) the Debtors and the Ephedra Personal Injury Trustee, as the case may be, shall have no obligation to recognize any transfer of Claims or Equity Interests entered on the docket of the Bankruptcy Court on or after the Distribution Record Date; and (iii) the Debtors and the Ephedra Personal Injury Trustee, as the case may be, shall be entitled to recognize and deal for all purposes hereunder only with those record holders stated on the transfer ledgers as of the close of business on the Distribution Record Date, to the extent applicable. Distributions to holders of General Unsecured Claims under the Indenture will be made pursuant to the surrender of securities as described in Section 6.3 of the Plan

2. **Surrender of Instruments.** As a condition to receiving any distribution under the Plan, each holder of a note under the Indenture must surrender such note held by it to the Indenture Trustee or its designee. Any holder of such note that fails to (i) surrender such note, or (ii) execute and deliver an affidavit of loss and/or indemnity reasonably satisfactory to the Indenture Trustee and furnish a bond in form, substance, and amount reasonably satisfactory to the Indenture Trustee before the first anniversary of the Effective Date shall be deemed to have forfeited all rights and Claims and may not participate in any distribution under the Plan. Any distribution so forfeited shall become property of the Debtors.

3. **Effective Date Payments and Transfers by the Debtors.** On the Effective Date, or as soon thereafter as is reasonably practicable, the Debtors shall remit to

holders of Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, and, if applicable, Allowed Secured Claims an amount in Cash equal to the Allowed amount of such Claims.

4. **Distributions of Cash.** At the option of the Debtors or the Ephedra Personal Injury Trustee, as the case may be, any Cash payment to be made hereunder may be made by check or wire transfer or as otherwise required or provided in applicable agreements.

5. **Withholding and Reporting Requirements.** The Plan Administrator shall comply with all applicable withholding and reporting requirements imposed by any federal, state, local, or foreign tax authority, and all distributions under the Plan shall be subject to any such withholding and reporting requirements. Notwithstanding the above, each holder of an Allowed Claim that is to receive a distribution shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of such distribution.

I. Procedures for Treating and Resolving Disputed Claims

1. **Objections to Claims.** Any objections to Non-Ephedra Claims must be served and filed on or before the later of (a) 120 days after the Effective Date and (b) such later date as may be fixed by the Bankruptcy Court.

2. **No Distribution Pending Allowance.** If any portion of a Non-Ephedra Claim is a Disputed Claim, no payment or distribution will be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

3. **Estimation of Claims.** The Plan Administrator may at any time request that the Bankruptcy Court estimate any contingent, unliquidated, or Disputed Non-Ephedra Claim including, without limitation, any Consumer Class Action Claim, pursuant to section 502(c) of the Bankruptcy Code or otherwise regardless of whether the Debtors previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court shall retain exclusive jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim. In the event that the Bankruptcy Court estimates any contingent, unliquidated, or Disputed Non-Ephedra Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Plan Administrator may pursue supplementary proceedings to object to the allowance of such Claim.

4. **Resolution of Disputed Claims.** Within sixty (60) days of a Disputed Non-Ephedra Claim becoming an Allowed Claim, the Plan Administrator shall remit to the holder of such Allowed Claim Cash equal to the amount such holder would have received as of that date under the Plan if the Allowed portion of the Disputed Claim had been an Allowed Claim as of the Effective Date. To the extent that a Disputed Non-Ephedra Claim is not Allowed or becomes an Allowed Claim in an amount less than the amount of the Disputed Claim set forth in the proof of claim, or as previously estimated by the Bankruptcy Court, the excess of the

amount of Cash that would have been distributed to the holder of the Disputed Claim if the Claim had been Allowed in full over the amount of Cash actually distributed on account of such Disputed Claim shall be Available Cash. Holders of Disputed Non-Ephedra Claims shall not be entitled to interest if such Disputed Claim becomes an Allowed Claim except to the extent such holder is entitled to interest under the Plan as a holder of an Allowed Claim.

J. Closing of the Chapter 11 Cases. When all Disputed Non-Ephedra Claims filed against the Debtors have become Allowed Claims or have been disallowed by Final Order and all remaining assets of the consolidated Debtors have been liquidated and converted into Cash or abandoned and such Cash has been distributed in accordance with the Plan, the Plan Administrator shall seek authority from the Bankruptcy Court to close the Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules.

K. Cancellation of Existing Securities and Agreements. Except for purposes of evidencing a right to distributions under the Plan or otherwise provided in the Plan, on the Effective Date all the agreements and other documents evidencing the Claims or rights of any holder of a Claim against the Debtors, including the Indenture and any notes evidencing such Claims, will be canceled; provided, however, that the Indenture will continue in effect solely for the purposes of (i) allowing the Indenture Trustee to make any distributions on account of Allowed General Unsecured Claims of noteholders under the Indenture pursuant to the Plan and to perform such other necessary administrative functions with respect thereto, and (ii) permitting the Indenture Trustee to maintain any rights or liens they may have for fees, costs, and expenses under the Indenture.

L. Dissolution. Within thirty (30) days after completion of the acts required by the Plan, or as soon thereafter as is practicable, each Debtor shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of each Debtor; provided, however, that each Debtor shall file with the office of the Secretary of State or other appropriate office for the state of its organization a certificate of cancellation or dissolution.

M. Treatment of Executory Contracts and Unexpired Leases

1. Executory Contracts and Unexpired Leases. On the Effective Date, all executory contracts and unexpired leases to which any of the Debtors are parties shall be deemed rejected as of the Effective Date, except for an executory contract or unexpired lease that (i) has been assumed or rejected pursuant to Final Order of the Bankruptcy Court entered prior to the Effective Date or (ii) is the subject of a separate motion to assume or reject filed under section 365 of the Bankruptcy Code by the Debtors prior to the Effective Date.

2. Approval of Rejection of Executory Contracts and Unexpired Leases. Entry of the Confirmation Order shall constitute the approval, pursuant to section 365(a) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected as of the Effective Date pursuant to the Plan.

3. Claims Relating to Executory Contracts and Unexpired Leases

Rejected Pursuant to the Plan. In the event that the rejection of an executory contract or unexpired lease by any of the Debtors pursuant to the Plan results in damages to the other party or parties to such contract or lease, a Claim for such damages, if not heretofore evidenced by a filed proof of claim, shall be forever barred and shall not be enforceable against the Debtors, or any property to be distributed under the Plan unless a proof of claim is filed with the Bankruptcy Court and served upon the Plan Administrator on or before the date that is thirty (30) days after notice of the Confirmation Date and such bar date has been provided to the claimant. Claims arising out of the rejection of an executory contract or unexpired lease pursuant to the Plan shall be classified as Class 3 General Unsecured Claims.

N. Reservation of “Cram Down” Rights

The Bankruptcy Code permits the Bankruptcy Court to confirm a chapter 11 plan over the dissent of any class of claims or equity interests as long as the standards in section 1129(b) are met. (See Section VII.F. below). This power to confirm a plan over dissenting classes – often referred to as “cram down” – is an important part of the chapter 11 process. It assures that no single group (or multiple groups) of claims or interests can block a restructuring that otherwise meets the requirements of the Bankruptcy Code and is in the interests of the other constituents in the case.

The Debtors reserve the right to seek confirmation of the Plan, notwithstanding the rejection of the Plan by any Class entitled to vote. In the event a Class votes to reject the Plan, the Debtors shall request the Bankruptcy Court to rule that the Plan meets the requirements specified in section 1129(b) of the Bankruptcy Code with respect to such Class. The Debtors shall also seek such a ruling with respect to each Class that is deemed to reject the Plan.

O. Effectiveness of the Plan

1. Conditions Precedent To Confirmation. The following are conditions precedent to the confirmation of the Plan:

a. The Bankruptcy Court will have entered a Confirmation Order in form and substance satisfactory to the Debtors.

b. (i) The Aggregate Allowed Consumer Class Action Claims shall be no greater than such amount that will yield an aggregate distribution to all such class claimants of \$350,000 including attorney fees or (ii) the aggregate Allowed amount of all Class 5 Claims (General Unsecured Claims) shall be no greater than \$68.3 million.

c. The Bankruptcy Court shall have entered a Confirmation Order confirming the Plan which includes the Plan Release and Injunction in Favor of Settling Third Parties as provided in paragraph 4 of the 2002-2004 Ephedra PI Settlement Agreement.

2. Conditions Precedent To Effective Date. The following are conditions precedent to the Effective Date of the Plan:

- a. No stay of the Confirmation Order shall then be in effect;
- b. The Ephedra Personal Injury Trust Agreement shall have been executed and made effective;
- c. The Settlement Escrow Agent shall have paid to the Ephedra Personal Injury Trust the Third Party Settlement Amounts aggregating the Aggregate Third Party Settlement Amount;
- d. The Debtors shall have paid to the Ephedra Personal Injury Trust the amount of the Class 4 Distribution; and
- e. The Debtors shall have sufficient available Cash and/or beneficial assets to pay the sum of (i) satisfying Administrative Expense Claims, Priority Tax Claims, Priority Non-Tax Claims, and Secured Claims, if applicable and to the extent such claims have not been paid, (ii) the reasonably necessary administrative expenses of the Debtors after the Effective Date, including contingent liabilities and the cost of continuation of litigation commenced by the Creditors Committee on behalf of the Debtors prior to the Effective Date, (iii) the reasonable administrative expenses of the Estate that have not been paid (including the Debtors' professional fees and expenses and the fees of the U.S. Trustee), (iv) satisfying all Disputed Claims (including, without limitation and as applicable, Consumer Class Action Claims, but not including Disputed Ephedra Personal Injury Claims) estimated by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code in the amount so estimated, (v) satisfying all Disputed Claims (but not including Disputed Ephedra Personal Injury Claims or Disputed Claims estimated by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code) in the event that all such Claims were to become Allowed Claims, (vi) other liabilities incurred by the Debtors in accordance with the Plan, and (vii) the amount required to otherwise perform the functions and take the actions provided for or permitted in the Plan or in any other agreement executed by the Plan Administrator pursuant to the Plan.

3. Satisfaction of Conditions. If the Debtors decide, after consultation with the Creditors Committee and the Ephedra Claimants Committee, that one or more of the conditions precedent set forth above cannot be satisfied and the occurrence of such condition is not waived or cannot be waived, then the Debtors shall file a notice of the failure of the Effective Date with the Bankruptcy Court.

4. Effect of Nonoccurrence of Conditions to Consummation. If each of the conditions to consummation and the occurrence of the Effective Date has not been satisfied or duly waived on or before the first Business Day that is one hundred twenty (120) days after the Confirmation Date, or such later date as shall be agreed by the Debtors, the Creditors Committee, and the Ephedra Claimants Committee, the Confirmation Order may be vacated by the Bankruptcy Court. If the Confirmation Order is vacated pursuant to this Section, the Plan shall be null and void in all respects, and nothing contained in the Plan shall constitute a waiver or release of any Claims against any of the Debtors.

5. Waiver of Conditions. The Debtors, the Creditors Committee, and the Ephedra Claimants Committee may together (but not individually) waive by a writing signed by an authorized representative of the respective party and subsequently filed with the Bankruptcy Court, one or more of the conditions precedent set forth above, other than the conditions set forth in Sections 9.1(a), 9.2(a), 9.2(b), and 9.2(e) of the Plan. The Debtors and the Settling Third Parties may together (but not individually) waive by writing signed by an authorized representative of the respective party and subsequently filed with the Bankruptcy Court the condition set forth in Section 9.1(c) of the Plan.

P. Effects of Confirmation of the Plan

1. Vesting of Assets. As of the Effective Date, the property of the Estates shall vest in the Debtors or such other entity as provided in the Plan. From and after the Effective Date, the Plan Administrator and the Ephedra Personal Injury Trustee may dispose of or cause the assets of the Debtors and the Ephedra Personal Injury Trust respectively to be disposed, free of any restrictions of the Bankruptcy Code, but in accordance with the provisions of the Plan and the Ephedra Personal Injury Trust Agreement. As of the Effective Date, all assets of the Debtors and the Ephedra Personal Injury Trust shall be free and clear of all Claims, except as provided in the Plan or the Confirmation Order.

2. Binding Effect. Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against, or Equity Interest in, the Debtors and their respective successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

3. Retention of Causes of Action. Except as otherwise provided in the Plan, on and after the Effective Date, the Debtors will have the exclusive right to enforce any and all Causes of Action against any person. The Debtors may pursue, abandon, settle, or release any or all Causes of Action (other than Causes of Action released under the Plan), as they deem appropriate, without the need to obtain approval or any other or further relief from the Bankruptcy Court. The Plan Administrator may pursue, abandon, settle, or release any or all such Causes of Action as it deems appropriate, without the need to obtain approval or any other or further relief from the Bankruptcy Court. The Debtors may, in their sole discretion, offset any such claim held against a person against any payment due such person under the Plan; provided, however, that any claims of the Debtors arising before the Commencement Date shall first be offset against Claims against the Debtors arising before the Commencement Date.

4. Exculpations and Limitations of Liability. As of the Effective Date, none of (i) the Debtors and the Debtors' officers, directors, and employees, (ii) the Creditors Committee, (iii) the Ephedra Claimants Committee, and (iv) the members, representatives, accountants, financial advisors, investment bankers, consultants, and attorneys of the Entities described in (i) through (iii) of this paragraph shall have or incur any liability to any person for any act taken or omission, after the Commencement Date, in connection with or related to the Chapter 11 Cases or the operations of the Debtors' businesses during the Chapter 11 Cases, including but not limited to (i) formulating,

preparing, disseminating, implementing, confirming, consummating or administrating the Plan (including soliciting acceptances or rejections thereof); (ii) the Disclosure Statement or any contract, instrument, release or other agreement or document entered into or any action taken or omitted to be taken in connection with the Plan or the Disclosure Statement; or (iii) any distributions made pursuant to the Plan, except for acts constituting willful misconduct or gross negligence.

5. **Releases.** As described above, the Plan provides for releases of the Released Parties in return for their contribution of the Third Party Settlement Amounts to resolve the 2002-2004 Ephedra PI Claims. In addition, the Plan provides for certain releases of the Blechmans in connection with the settlement of the Blechman Adversary Proceeding.

a. **Releases of the Settling Third Parties.** In consideration of the 2002-2004 Ephedra PI Settlement Agreements and the Third Party Settlement Amounts, on the Effective Date, the Debtors, the Creditors Committee, the Ephedra Claimants Committee, and all Creditors, for themselves, their successors and assigns, and the Estates, shall fully, finally, and irrevocably release and forever discharge the Released Parties of and from any and all past, present, and future claims, rights, actions, demands, injuries, damages, compensation, or Causes of Action of whatsoever kind or nature, arising out of or otherwise relating to the manufacture, marketing, sale, distribution, fabrication, advertising, supply, production, use, or ingestion of ephedra or ephedra-containing products designed, manufactured, fabricated, sold, supplied, produced, or distributed by one or more of the Debtors, whether foreseen or unforeseen, known or unknown, contingent or actual, liquidated or unliquidated, whether in tort or contract, whether statutory or at common law (including, without limitation, claims under section 506(c) of the Bankruptcy Code) which they have or may have as of the Confirmation Date, arising from the beginning of the world up to the Confirmation Date, provided, however, that such release does not include claims against the Settling Third Parties in connection with the Pre-2002 Ephedra PI Claims; provided, further, that such release does limit the liability of GNC Oldco, Inc. (f/k/a General Nutrition Companies, Inc.) and its affiliates and assigns, and their insurer, Zurich American Insurance Company (collectively, “GNC”), in each of the Pre-2002 Ephedra PI Claims to the proceeds of the Debtors’ applicable insurance policy or policies and further limits the recovery of any holder of a Pre-2002 Ephedra PI Claim solely to such insurance proceeds in connection with any claim against GNC.

To induce GNC to enter into the 2002-2004 Ephedra PI Settlement Agreement and contribute its Third Party Settlement Amount, the Debtors agreed to use their reasonable best efforts to obtain an order of the Bankruptcy Court confirming the Plan that includes the above release of GNC (the “GNC Third Party Release”); provided, however, that (i) the inability to obtain an order of the Bankruptcy Court approving the GNC Third Party Release or, if obtained any subsequent determination by a court of competent jurisdiction that the GNC Third Party Release is invalid or unenforceable, in whole or in part, shall not affect the validity of the 2002-2004 Ephedra PI Settlement Agreement, and (ii) the inability to obtain an order of the Bankruptcy Court approving the GNC Third Party Release shall not affect the rights of the Debtors to seek confirmation of the Plan without the GNC Third Party Release.

b. **Releases of the Blechmans.** In consideration of the Blechman Agreement, on the Effective Date, the Debtors, the Creditors Committee, the Ephedra Claimants Committee, and all Creditors, for themselves, their successors and assigns, the Estates, and any person claiming by, through, or under any of the foregoing will fully, finally, and irrevocably release and forever discharge the Blechmans of and from any and all claims, rights, actions, demands, injuries, damages, compensation, or Causes of Action of every kind and nature, whether foreseen or unforeseen, known or unknown, contingent or actual, liquidated or unliquidated, whether in tort or contract, whether statutory or at common law (including, without limitation, claims under section 506(c) of the Bankruptcy Code and any and all claims of creditors or shareholders of the Debtors) (i) asserted or that might have been asserted in the Committee Action or the Declaratory Judgment Complaint, (ii) arising out of or related to the facts and circumstances alleged in the Committee or Declaratory Judgment Complaint, (iii) arising from all alleged acts or omissions of every kind, nature, and description by any of the Blechmans arising out of their management of the Debtors or related to any of the Debtors, or (iv) based on allegations of product liability, personal injury (whether physical, emotional, or otherwise), wrongful death, or other statutory claims relating to products manufactured, fabricated, supplied, advertised, marketed, distributed, and/or sold by the Debtors) which they have or may have as of the Confirmation Date relating to the Debtors, arising from the beginning of the world up to the Confirmation Date).

c. **Releases by the Settling Third Parties and the Blechmans.** On the Effective Date, except for the obligations arising under or in connection with this Plan, the Blechmans and the Released Parties, for themselves, their successors and assigns, and any person claiming by, through, or under any of the foregoing shall fully, finally, and irrevocably release and forever discharge the Debtors and the Estates of and from any and all claims, rights, actions, demands, injuries, damages, compensation, or Causes of Action which they have or may have as of the Confirmation Date relating to the Debtors, arising from the beginning of the world up to the Confirmation Date; provided, however, that such release does not include release of Ephedra Indemnification Claims in connection with Pre-2002 Ephedra PI Claims, which will be treated in accordance with Section 4.3 of the Plan.

d. **Injunction.** All Entities who have held, hold, or may hold Claims against or Equity Interests in any or all of the Debtors and other parties in interest, along with their respective present or former employees, agents, officers, directors, or principals, are permanently enjoined, on and after the Effective Date, with respect to all Claims against, and Equity Interests in, any of the Debtors from:

i. commencing, conducting, or continuing in any manner, directly or indirectly, any Cause of Action or other proceeding of any kind against or affecting the Debtors, the Estates, the Plan Administrator, the Ephedra Personal Injury Trust, the Ephedra Personal Injury Trustee, Ideasphere, the Released Parties, the Blechmans, or the property of any of the foregoing;

ii. enforcing, levying, attaching (including, without limitation, any prejudgment attachment), collecting, or otherwise recovering by any

manner or means, whether directly or indirectly, any judgment, award, decree, or order against the Debtors, the Estates, the Plan Administrator, the Ephedra Personal Injury Trust, the Ephedra Personal Injury Trustee, Ideasphere, the Released Parties, the Blechmans, or the property of any of the foregoing;

iii. creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtors, the Estates, the Plan Administrator, the Ephedra Personal Injury Trust, the Ephedra Personal Injury Trustee, Ideasphere, the Released Parties, the Blechmans, or against the property or interests in property of the Debtors;

iv. asserting any right of setoff, directly or indirectly, against any obligation due the Debtors, the Estates, the Plan Administrator, the Ephedra Personal Injury Trust, the Ephedra Personal Injury Trustee, Ideasphere, the Released Parties, the Blechmans, or any of the property of the foregoing, except as contemplated or allowed by the Plan;

v. acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan;

vi. commencing, continuing or asserting in any manner any Cause of Action or other proceeding of any kind with respect to any Claims and Causes of Action which are extinguished or released pursuant to the Plan, and

vii. taking any actions to interfere with the implementation or consummation of the Plan.

Notwithstanding the foregoing, nothing contained in Section 10.6(a) of the Plan shall prohibit holders of Pre-2002 Ephedra PI Claims from prosecuting such claims in accordance with section 4.3 of the Plan.

All persons will be permanently enjoined, on and after the Effective Date, from asserting any Claim (i) which is released by such person under the Plan or (ii) for which the party against whom the Claim is being asserted has received exculpation under the Plan.

6. Terms of Pre-Plan Injunction and Stays. Unless otherwise provided in the Plan, the Confirmation Order, or a separate order of the Bankruptcy Court, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in such applicable order.

Unless otherwise ordered by the Bankruptcy Court, on and after the Confirmation Date, any “fifty percent shareholder” within the meaning of section 382(g)(4)(D) of the tax code (title 26 of the United States Code, as amended from time to time) will be enjoined from claiming a worthless stock deduction with respect to any Equity

Interest held by such shareholder for any taxable year of such shareholder ending prior to the Effective Date.

Q. Retention of Jurisdiction by Bankruptcy Court.

The Bankruptcy Court shall retain jurisdiction of all matters arising under, arising out of, or related to the Chapter 11 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

1. To hear and determine motions for the assumption, assumption and assignment, or rejection of executory contracts or unexpired leases and the allowance of Claims resulting therefrom;

2. To determine any motion, adversary proceeding, application, contested matter, and other litigated matter pending on or commenced after the Confirmation Date, including, without limitation, any proceeding to recover upon a Cause of Action or Avoidance Action;

3. To ensure that distributions to holders of Allowed Claims are accomplished as provided in the Plan;

4. Except as to the 2002-2004 Ephedra PI Claims, but subject to Sections 5.3 and 11.1(i) of the Plan, to consider Claims or the allowance, classification, priority, compromise, estimation, or payment of any Claim;

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

6. To issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any person with the consummation, implementation, or enforcement of the Plan, the Confirmation Order, or any other order of the Bankruptcy Court;

7. To hear and determine any application to modify the Plan in accordance with section 1127 of the Bankruptcy Code, to remedy any defect or omission or reconcile any inconsistency in the Plan, the Disclosure Statement, or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

8. To hear and determine all applications under sections 330, 331, and 503(b) of the Bankruptcy Code for awards of compensation for services rendered and reimbursement of expenses incurred prior to the Confirmation Date;

9. To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, the Ephedra Personal Injury Trust, the Ephedra Personal Injury Trust Agreement, the Confirmation Order, any transactions or

payments contemplated by any of the foregoing, or any agreement, instrument, or other document governing or relating to any of the foregoing;

10. To take any action and issue such orders as may be necessary to construe, enforce, implement, execute, and consummate the Plan or to maintain the integrity of the Plan following consummation;

11. To recover all assets of the Debtors and property of the Estates, wherever located;

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

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

14. To hear and determine any other matters related hereto and not inconsistent with the Bankruptcy Code and title 28 of the United States Code; and

15. To enter a final decree closing the Chapter 11 Cases.

R. Dissolution of Committees

The Creditors Committee and the Ephedra Claimants Committee shall dissolve on the Effective Date, or as soon thereafter as is reasonably practicable to permit (i) the Creditors Committee and the Ephedra Claimants Committee and their respective professionals the right to pursue, review, and object to any applications for compensation and reimbursement of expenses filed in accordance with Section 11.1(h) of the Plan and (ii) the Creditors Committee the right to continue to pursue, or compromise and settle, any litigation commenced by the Creditors Committee on behalf of the Debtors prior to the Effective Date.

S. Substantial Consummation

On the Effective Date, the Plan will be deemed substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

T. Exemption from Transfer Taxes

Pursuant to section 1146(c) of the Bankruptcy Code, the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition of assets contemplated by the Plan (including transfers of assets to and by the Ephedra Personal Injury Trust and transfers and assignments of assets to Ideasphere pursuant to the Ideasphere Agreement) will not be subject to any stamp, real estate transfer, mortgage recording, sales, use, or other similar tax.

U. Elimination of Vacant Classes

Any Class that is not occupied as of the commencement of the Confirmation Hearing by an Allowed Claim or a Claim temporarily allowed under Bankruptcy Rule 3018 or as to which no vote is cast shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

V. Modification of Plan

Upon reasonable notice to the Creditors Committee and the Ephedra Claimants Committee, the Debtors may amend, modify, or supplement the Plan in the manner provided in section 1127 of the Bankruptcy Code or as otherwise permitted by law without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as the Bankruptcy Court may otherwise direct. In addition, after the Confirmation Date, so long as such action does not materially adversely affect the treatment of holders of Claims or Equity Interests under the Plan, the Debtors may institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan or the Confirmation Order, with respect to such matters as may be necessary to carry out the purposes and effects of the Plan. Prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to the Plan without further order or approval of the Bankruptcy Court, provided that such technical adjustments and modifications do not adversely affect in a material way the treatment of holders of Claims or Equity Interests. Notwithstanding the foregoing, without the consent of the Settling Third Parties, the Plan may not be amended pursuant to Section 12.9 of the Plan if after such amendment, the Plan would not include the Plan Release and Injunction in Favor of Settling Third Parties as provided for in paragraph 4 of the 2002-2004 Ephedra PI Settlement Agreement.

W. Notices

All notices, requests, and demands to or upon the Debtors to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided in the Plan, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Debtors, to:

TL Administration Corporation
c/o AlixPartners
9 West 57th Street, Suite 3420
New York, New York 10019
Attn: Denis O'Connor
Telephone: (646) 746-2465
Telecopier: (646) 746-2490

-and-

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Michael P. Kessler, Esq.
Telephone: (212) 310-8000
Telecopier: (212) 310-8007

IV. ALTERNATIVES TO THE PLAN

The Plan reflects discussions held among the Debtors and the Ephedra Claimants Committee. The Debtors have determined that the Plan is the most practical means of providing maximum recoveries to creditors. Alternatives to the Plan which have been considered and evaluated by the Debtors during the course of the Chapter 11 Cases include (i) liquidation of the Debtors' assets under chapter 7 of the Bankruptcy Code and (ii) an alternative chapter 11 plan. The Debtors' thorough consideration of these alternatives to the Plan has led them to conclude that the Plan, in comparison, provides a greater recovery to creditors on a more expeditious timetable and in a manner which minimizes inherent risks in any other course of action available to the Debtors.

A. Liquidation Under Chapter 7 of the Bankruptcy Code

If the Plan or any other chapter 11 plan for the Debtors cannot be confirmed under section 1129 of the Bankruptcy Code, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, in which event a trustee would be elected or appointed to liquidate any remaining assets of the Debtors for distribution to creditors pursuant to chapter 7 of the Bankruptcy Code. If a trustee is appointed and the remaining assets of the Debtors are liquidated under chapter 7 of the Bankruptcy Code, Creditors holding Allowed Claims may receive distributions of a lesser value on account of their Allowed Claims and likely would have to wait a longer period of time to receive such distributions than they would under the Plan. A chapter 7 trustee, who would lack the Debtors' knowledge of their affairs, would be required to invest substantial time and resources to investigate the facts underlying the multitude of Claims filed against the Estates. In addition, a chapter 7 trustee would be paid statutory fees based on distributions paid under chapter 7. Without the 2002-2004 Ephedra PI Settlement Agreement, the Debtors would incur the substantial additional costs and delays of litigating, estimating pursuant to 28 U.S.C. § 502(c), or settling each 2002-2004 Ephedra PI Claim. Furthermore, without the global settlement of the 2002-2004 Ephedra Claims and the Other Participating Ephedra Claims, the Ephedra Indemnification Claims will further deplete recoveries to unsecured Creditors. Distributions to unsecured Creditors would be delayed until the 2002-2004 Ephedra PI Claims and Other Participating Ephedra Claims were liquidated or estimated.

B. Alternative Chapter 11 Plans

If the Plan is not confirmed, the Debtors or any other party in interest (if the Debtors' exclusive period in which to file a chapter 11 plan has expired) could attempt to formulate an alternative chapter 11 plan which might provide for the liquidation of the Debtors' assets other than as provided in the Plan. However, because substantially all of the Debtors'

assets have already been sold to Ideasphere and the Plan provides for the distribution of the proceeds, the Debtors believe that, with the exception of the 2002-2004 Ephedra PI Settlement Agreement, any alternative chapter 11 plan will necessarily be substantially similar to the Plan. Any attempt to formulate an alternative chapter 11 plan would necessarily delay Creditors' receipt of distributions yet to be made.

Accordingly, the Debtors believe that the Plan will enable all Creditors entitled to distributions to realize the greatest possible recovery on their respective Claims with the least possible delay.

C. Certain Risk Factors

In the event the Plan is not confirmed or the Chapter 11 Cases are converted to cases under chapter 7 of the Bankruptcy Code, the Debtors believe that such action or inaction, as the case may be, will cause the Debtors to incur substantial additional expenses and otherwise serve only to prolong unnecessarily these cases and negatively affect Creditors' recoveries on their Claims.

V. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion summarizes certain U.S. federal income tax consequences of the implementation of the Plan to the Debtors and to holders of 2002-2004 Ephedra PI Claims and General Unsecured Claims. The following summary does not address the U.S. federal income tax consequences to holders of Claims who are unimpaired or deemed to reject the Plan (e.g., Secured Claims, Pre-2002 Ephedra PI Claims and Punitive Damage Claims).

The following summary is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), Treasury Regulations promulgated thereunder, judicial decisions, and published administrative rules and pronouncements of the Internal Revenue Service (the "IRS"), all as in effect on the date hereof. Changes in such rules or new interpretations thereof may have retroactive effect and could significantly affect the U.S. federal income tax consequences described below.

The U.S. federal income tax consequences of the Plan are complex and are subject to significant uncertainties. The Debtors have not requested a ruling from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. Thus, no assurance can be given as to the interpretation that the IRS will adopt. In addition, this summary generally does not address foreign, state or local tax consequences of the Plan, nor does it address the U.S. federal income tax consequences of the Plan to special classes of taxpayers (such as foreign taxpayers, broker-dealers, banks, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, tax-exempt organizations, persons holding a Claim as part of a hedging, integrated constructive sale or straddle, and investors in pass-through entities).

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES

ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES APPLICABLE TO THEM UNDER THE PLAN.

A. General Considerations

The following discussion generally assumes that the Plan will be treated as a plan of liquidation of the Debtors for U.S. federal income tax purposes and that all distributions to holders of Claims will be taxed accordingly.

Pursuant to the Plan, the Plan Administrator may transfer, or cause to be transferred, all assets of the Debtors to a trust or other entity created to make distributions in accordance with the Plan to holders of Allowed Claims. The U.S. federal income tax consequences of any such arrangement to the Debtors and to the holders of Allowed Claims and the Ephedra Personal Injury Trust (including the potential for the transfer to such an entity to be a taxable transaction in which gain or loss would be recognized by the Debtors or the holders of Allowed Claims), and the federal income tax status of such an entity, depends upon the precise nature of the arrangement, as well as other facts and circumstances. Accordingly, the discussion herein assumes that no such arrangement is implemented. Before implementing any such arrangement, the Plan Administrator will carefully consider the potential tax implications to all relevant parties.

B. Consequences to U.S. Debtors

For U.S. federal income tax purposes, Holdings and Laboratories are members of an affiliated group of corporations of which Holdings is the parent (the “TL Group”), and join in the filing of a consolidated federal income tax return. The TL Group expects to report, in respect of their taxable year ended December 31, 2004, consolidated net operating loss (“NOL”) carryforwards for U.S. federal income tax purposes of at least \$225 million. It is possible that the TL Group may incur further losses, particularly as a result of the Class 4 Distribution to the Ephedra Personal Injury Trust pursuant to the Plan.

Although the TL Group may recognize income in connection with the liquidation, or pending the distribution, of its remaining assets post-Effective Date, the Debtors believe that they will have sufficient available NOL carryforwards and/or current year losses to offset such income (subject to a possible federal alternative minimum tax). However, there is no assurance that the IRS would not take a contrary position. In particular, given the lack of authoritative guidance as to the survival and utilization of NOL carryforwards in the context of a liquidating chapter 11 plan, there is a risk that the Debtors’ NOL carryforwards and any losses incurred through the end of the taxable year in which the Plan is confirmed would not be available to offset any income recognized by the Debtors in future taxable years for U.S. federal income tax purposes.

Pursuant to the Plan, although all existing Equity Interests in Holdings will be canceled on the Effective Date, one share of new common stock (representing all of the then outstanding common stock of Holdings) will be issued to a custodian for the benefit of all holders of Equity Interests, consistent with the economic relationship and economic entitlements that exist between and among such holders as of the Effective Date. Such common stock will remain outstanding until all of the assets of the Debtors have been fully distributed in accordance with the Plan, at which time Holdings will be dissolved. Consistent with a recently released IRS private letter ruling involving a similar situation, the Debtors intend to take the position that no “ownership change” of the Debtors will occur as a result of the implementation of the Plan. Although a private letter ruling cannot be cited as precedent, it is generally indicative of the IRS’s position at the time issued. In the event that the Debtors were considered to undergo an ownership change as of the Effective Date, it is possible that all of the Debtor’s NOL carryforwards and current year losses as of such date would be effectively eliminated. Ultimately, all NOL carryforwards and other tax benefits of the Debtors not previously utilized will be eliminated upon the final distribution of all of the Debtors’ assets pursuant to the Plan.

C. Consequences to Holders of Allowed 2002-2004 Ephedra PI Claims

Pursuant to the Plan, holders of Allowed 2002-2004 Ephedra PI Claims will receive, in accordance with the provisions and procedures of the Ephedra Personal Injury Trust Agreement, their share of the Class 4 Distribution, the Aggregate Third Party Settlement Amount and certain insurance proceeds.

Under applicable Treasury Regulations, the amounts transferred to the Ephedra Personal Injury Trust for the benefit of holders of Allowed 2002-2004 Ephedra PI Claims should be, and pursuant to the Plan (absent a determination by the IRS or a court of competent jurisdiction to the contrary), will be treated as held in a “qualified settlement fund” for federal income tax purposes, and thus subject to a separate entity level tax on any earnings. Accordingly, holders of Allowed 2002-2004 Ephedra PI Claims should not be taxed with respect to the initial transfers to the Ephedra Personal Injury Trust, and amounts subsequently received by a holder from the trust should be treated as received in respect of such holder’s Allowed Claim.

The federal income tax treatment of a receipt of payments by a holder of an Allowed 2002-2004 Ephedra PI Claim generally will depend upon the nature of the Claim. Because amounts received by a holder of such a Claim generally will be attributable to, and compensation for, such holder’s personal physical injuries or sickness, within the meaning of section 104 of the Tax Code, any such amounts received by the holder should be nontaxable. Each holder of a 2002-2004 Ephedra PI Claim should consult his or her own tax advisors as to the proper tax treatment of any amounts received with respect to such Claim.

D. Consequences to Holders of Allowed General Unsecured Claims

Pursuant to the Plan, holders of Allowed General Unsecured Claims will receive a Pro Rata Share of Available Cash on and after the Effective Date (after satisfying all senior Claims) until such Claims have been paid or otherwise satisfied in full.

In general, a holder of an Allowed General Unsecured Claim will recognize gain or loss in an amount equal to the difference between (i) the amount of cash received in respect of its Claim (other than any Claim for accrued but unpaid interest, and excluding any portion required to be treated as imputed interest, as discussed below) and (ii) such holder's adjusted tax basis in such Claim (other than any Claim for accrued but unpaid interest). Because holders of General Unsecured Claims may receive an additional distribution of cash post-Effective Date at the time of the Debtors' final distribution, it is possible that any loss, or a portion of any gain, realized by a holder of an Allowed General Unsecured Claim may be deferred until all distributions have been made or are otherwise determinable. Holders are urged to consult their tax advisors regarding the possible applicability of, and the ability to elect out of, the installment method with respect to any gain recognized.

Where gain or loss is recognized by a holder, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the holder, whether the claim constitutes a capital asset in the hands of the holder and how long it has been held, whether the claim was acquired at a market discount, and whether and to what extent the holder previously had claimed a bad debt deduction. Such a holder of an Allowed Claim which purchased its claim from a prior holder at a market discount may be subject to the market discount rules of the Tax Code. Under those rules, assuming that the holder has made no election to amortize the market discount into income on a current basis with respect to any market discount instrument, any gain recognized by a holder in respect of its claim (subject to a de minimis rule) generally would be characterized as ordinary income to the extent of the accrued market discount on such claim.

In general, to the extent that any consideration received by a holder of an Allowed General Unsecured Claim is received in satisfaction of accrued interest or amortized original issue discount ("OID") during its holding period, such amount will be taxable to the holder as interest income (if not previously included in the holder's gross income). Conversely, a holder generally recognizes a deductible loss to the extent any accrued interest claimed or amortized OID was previously included in its gross income and is not paid in full. However, the IRS has privately ruled that a holder of a security, in an otherwise tax-free exchange, could not claim a current deduction with respect to any unpaid OID. Accordingly it is also unclear whether, by analogy, a holder of a Claim would be required in the context of a taxable transaction to recognize a capital loss, rather than an ordinary loss, with respect to previously included OID that is not paid in full.

Pursuant to the Plan, all distributions in respect of Allowed Claims will be allocated first to the principal amount of such Claims, as determined for federal income tax purposes, and thereafter, to the portion of such Claim, if any, representing accrued but unpaid interest. However, there is no assurance that such allocation would be respected by the IRS for federal income tax purposes.

E. Information Reporting and Withholding

All distributions to holders of Allowed Claims under the Plan are subject to any applicable withholding (including employment tax withholding). Under federal income tax law, interest, dividends, and other reportable payments may, under certain circumstances, be subject to "backup withholding" at the then applicable rate (currently 28%). Backup withholding

generally applies if the holder (a) fails to furnish its social security number or other taxpayer identification number (“TIN”), (b) furnishes an incorrect TIN, (c) fails properly to report interest or dividends, or (d) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct number and that it is not subject to backup withholding. Certain persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax and the appropriate information is supplied to the IRS.

The Treasury Regulations generally require disclosure by a taxpayer on its federal income tax return of certain types of transactions in which the taxpayer participated after January 1, 2003, including, among other types of transactions, the following (i) certain transactions that result in the taxpayer claiming a loss in excess of specified thresholds; and (ii) certain transactions in which the taxpayer’s book-tax differences exceed a specified threshold in any tax year. Holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the holders’ tax returns.

THE FOREGOING SUMMARY HAS BEEN PROVIDED FOR INFORMATIONAL PURPOSES ONLY. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

VI. VOTING PROCEDURES AND REQUIREMENTS

A. Ballots and Voting Deadline

IT IS IMPORTANT THAT THE HOLDERS OF CLAIMS IN CLASSES 4 AND 5 TIMELY EXERCISE THEIR RIGHT TO VOTE TO ACCEPT OR REJECT THE PLAN.

All known holders of Claims entitled to vote on the Plan have been sent a ballot together with this Disclosure Statement. Such holders should read the ballot carefully and follow the instructions contained therein. Such holders should use only the ballot that accompanies this Disclosure Statement.

The Debtors have engaged Bankruptcy Services, LLC and Financial Balloting Group LLC as their Voting Agents to assist in the transmission of voting materials and in the tabulation of votes with respect to the Plan. **IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR VOTE MUST BE RECEIVED BY THE VOTING AGENTS BEFORE THE VOTING DEADLINE OF 4:00 P.M. (NEW YORK TIME), ON JULY 14, 2005 AT:**

**TL ADMINISTRATION CORPORATION (F/K/A TWINLAB CORPORATION)
c/o BSI - FBG
757 Third Avenue
New York, New York 10017**

IF YOU MUST RETURN YOUR BALLOT TO YOUR BANK, BROKER, OR OTHER NOMINEE, OR TO ITS AGENT, YOU MUST RETURN YOUR BALLOT TO SUCH PARTY IN SUFFICIENT TIME FOR SUCH PARTY TO PROCESS YOUR VOTE AND SUBMIT IT TO THE VOTING AGENTS BEFORE THE VOTING DEADLINE.

IF A BALLOT IS DAMAGED OR LOST OR IF YOU HAVE ANY QUESTIONS CONCERNING VOTING PROCEDURES, YOU MAY CONTACT THE VOTING AGENTS BY PHONE AT (866) 890-1550 OR BY MAIL AT THE ADDRESS ABOVE.

ANY BALLOT THAT IS EXECUTED AND RETURNED BUT WHICH DOES NOT INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN SHALL NOT BE COUNTED.

B. Holders of Claims Entitled to Vote

Classes 4 and 5 are the only Classes of Claims under the Plan that are impaired and entitled to vote to accept or reject the Plan. Each holder of a Claim in Class 4 or 5 as of the Record Date established by the Debtors for purposes of this solicitation may vote to accept or reject the Plan to the extent and in the manner provided in the Voting Procedures Order or in any other order or orders of the Bankruptcy Court.

A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

C. Voting Procedures

1. Holders of Claims in Classes 4 and 5. All holders of Claims in Class 4 or 5 (except Claims relating to the notes under the Indenture) that are entitled to vote on the Plan should complete the enclosed Ballot and return it to the Voting Agents for receipt before the Voting Deadline. Holders of claims relating to the notes under the Indenture should complete the enclosed Ballot and return it in the envelope provided. If your return envelope is addressed to your bank, broker, or other nominee, or to its agent, please allow enough time for such party to process your vote and submit it to the Voting Agents before the Voting Deadline.

2. Acceptance by a Class. The Bankruptcy Code defines “acceptance” of a chapter 11 plan by a class of creditors as acceptance by creditors holding at least two-thirds ($\frac{2}{3}$) in dollar amount and a more than one-half ($\frac{1}{2}$) in number of the claims in such class (other than any such creditor designated under section 1126(e) of the Bankruptcy Code), but for that purpose counts only those creditors that actually cast ballots. Holders of Claims that fail to vote are not counted as either accepting or rejecting a plan.

3. Withdrawal or Change of Vote. Any voter that has delivered a valid ballot or master ballot may withdraw its vote by delivering a written notice of withdrawal to the Voting Agents before the Voting Deadline. To be valid, the notice of withdrawal must be (i)

signed by the party who signed the ballot or master ballot to be revoked, and (ii) received by the Voting Agents before the Voting Deadline. The Debtors may contest the validity of any withdrawals.

Any holder that has delivered a valid ballot or master ballot may change its vote by delivering to the Voting Agents a properly completed subsequent ballot or master ballot so as to be received before the Voting Deadline. If more than one timely, properly completed ballot or master ballot is received from a voter, only the ballot or master ballot that bears the latest date will be counted.

VII. CONFIRMATION OF THE PLAN

A. The Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after appropriate notice, to hold a Confirmation Hearing. The Confirmation Hearing in respect of the Plan has been scheduled for July 21, 2005, commencing at 2:00 p.m. (New York Time), before the Honorable Jed S. Rakoff, United States District Judge, and the Honorable Robert D. Drain, United States Bankruptcy Judge, at United States District Court, 500 Pearl Street, Courtroom 14B, New York, New York 10007, or such other location as the Bankruptcy Court directs. The Confirmation Hearing may be adjourned from time to time by the Debtors or the Bankruptcy Court without further notice except for the announcement of the continuation date made at the Confirmation Hearing or at any subsequent continued Confirmation Hearing.

B. Objections to Confirmation

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan. Any objection to confirmation must be made in writing, must conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, and must specify in detail the name and address of the objector, all grounds for the objection and the amount of the Claim or securities of the Debtors held by the objector. Any such objection shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (General Order M-242 and the User's Manual for the Electronic Case Filing System can be found at www.nysb.uscourts.gov, the official website for the Bankruptcy Court) by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), Wordperfect or any other Windows-based word processing format (with a hard copy delivered directly to the chambers of the Honorable Jed S. Rakoff, United States District Judge, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Room 1340, New York, New York 10007-1312, and the chambers of the Honorable Robert D. Drain, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004-1408) and shall be served in accordance with General Order M-242, together with proof of service thereof, and served upon and actually received by the following parties no later than July 14, 2005 at 4:00 p.m. (New York Time):

1. Weil, Gotshal & Manges LLP, Attorneys for Debtors and Debtors in Possession, 767 Fifth Avenue, New York, New York 10153, Attention: Michael P. Kessler, Esq.;

2. The Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attention: Deirdre A. Martini, Esq. and Richard Morrissey, Esq.;

3. Kaye Scholer, LLP, Attorneys for the Creditors Committee, 425 Park Avenue, New York, New York 10022, Attention: Richard G. Smolev, Esq.;

4. Brown Rudnick Berlack Israels LLP, attorneys for Ephedra Claimants Committee, Seven Times Square, New York, New York 10036, Attention: David Molton, Esq.; and

5. Those parties entitled to notice pursuant to the Bankruptcy Court's order dated September 12, 2003 establishing certain notice procedures in the Chapter 11 Cases.

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014.

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

C. General Requirements for Confirmation

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if all of the requirements of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation of a plan are that the plan is accepted by all impaired classes of claims and equity interests or, if rejected by an impaired class, that the plan (i) is accepted by at least one impaired class (without counting the votes of insiders), (ii) "does not discriminate unfairly" against any rejecting class, and (iii) is "fair and equitable" as to each rejecting class. In addition, among other provisions of section 1129(a), the court must find that the Plan is in the "best interests" of creditors and shareholders that are impaired under the plan and that the Plan is feasible.

D. Best Interests Test

The Bankruptcy Code requires that each holder of an impaired Claim or Equity Interest either (i) accept the Plan, or (ii) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

Assuming at least one holder of a Claim in a voting class votes to reject the Plan, the first step in determining whether this test has been satisfied is to determine the dollar amount that would be generated from the liquidation of the Debtors' assets and properties in the context of a chapter 7 liquidation case. The gross amount of Cash that would be available for satisfaction of Claims and Equity Interests would be the sum consisting of the proceeds resulting

from the disposition of the unencumbered assets and properties of the Debtors, augmented by the unencumbered cash held by the Debtors at the time of the commencement of the liquidation case.

The next step is to reduce that gross amount by the costs and expenses of liquidation and by such additional administrative and priority Claims that might result from the use of chapter 7 for the purposes of liquidation. Any remaining net Cash would be allocated to Creditors and shareholders in strict priority in accordance with section 726 of the Bankruptcy Code. Finally, the present value of such allocations (taking into account the time necessary to accomplish the liquidation) are compared to the value of the property that is proposed to be distributed under the Plan on the Effective Date.

The Debtors' costs of liquidation under chapter 7 would include the fees payable to a trustee in bankruptcy, as well as those fees that might be payable to attorneys and other professionals that a trustee might engage. Other liquidation costs would include the expenses incurred during the Chapter 11 Cases allowed in the chapter 7 cases, such as compensation for attorneys, financial advisors, appraisers, accountants, and other professionals for the Debtors and Committees appointed in the Chapter 11 Cases, and costs and expenses of members of the Committees, as well as other compensation claims. In addition, claims may arise by reason of the breach or rejection of obligations incurred and leases and executory contracts assumed or entered into by the Debtors during the pendency of the Chapter 11 Cases. The foregoing types of claims, costs, expenses, fees, and other claims that may arise in a liquidation case would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay prepetition priority and unsecured Claims.

In addition, as described in Section IV.A. above, without the 2002-2004 Ephedra PI Settlement Agreement incorporated in the Plan, (i) the Debtors would incur substantial additional costs and delays, and (ii) the Ephedra Indemnification Claims would further dilute the unsecured Claims pool and deplete recoveries to unsecured Creditors.

The Debtors submit that each impaired Class will receive under the Plan a recovery at least equal in value to the recovery such Class would receive pursuant to a liquidation of the Debtors under chapter 7 of the Bankruptcy Code.

After consideration of the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to Creditors in the Chapter 11 Cases, the Debtors have determined that confirmation of the Plan would provide each holder of an Allowed Claim with a recovery that is not less than such holder would receive pursuant to liquidation of the Debtors under chapter 7.

The Debtors also believe that the value of any distributions to each Class of Allowed Claims in a chapter 7 case, including all Secured Claims, would be less than the value of distributions under the Plan because such distributions in a chapter 7 case would not occur for a substantial period of time. In the event litigation was necessary to resolve Claims asserted in a chapter 7 case, the delay could be prolonged and administrative expenses increased.

E. Liquidation Analysis

1. Introduction. The liquidation analysis (the "Liquidation Analysis") reflects the estimated Cash proceeds, net of liquidation-related costs that would be realized if the Debtors were liquidated in accordance with chapter 7 of the Bankruptcy Code.

The Liquidation Analysis is based on a number of estimates and assumptions that, although considered reasonable by the Debtors, are inherently subject to significant economic uncertainties and contingencies beyond the Debtors' control and which could be subject to material change. **ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE RECOVERIES FROM THE LIQUIDATION OF ASSETS REFLECTED IN THE LIQUIDATION ANALYSIS WOULD BE REALIZED IF THE DEBTORS WERE LIQUIDATED UNDER CHAPTER 7 AND ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE ESTIMATED IN THE LIQUIDATION ANALYSIS.**

The Liquidation Analysis illustrates that in a chapter 7 liquidation, holders of unsecured Claims in Classes 4 and 5 would receive an estimated 4.3% - 10.4% recovery. The Liquidation Analysis is based on information from Laboratories' unaudited balance sheet as of February 28, 2005 and assumes that the Debtors would commence a chapter 7 liquidation on May 1, 2005. The Liquidation Analysis assumes the liquidation of the Debtors would commence under the direction of the Bankruptcy Court appointed trustee and would continue for a period of approximately six months.

The Liquidation Analysis assumes that the liquidation proceeds would be distributed in accordance with the priorities required by Bankruptcy Code sections 726 and 507. Specifically, net value from the liquidation of assets after the payment of fees associated with the liquidation generally would be distributed first to satisfy secured claims to the extent of the collateral value securing such claims, in order of priority. Next, value would flow to unsecured Claims beginning with unsecured superpriority administrative Claims, second to other unsecured administrative Claims, third to priority unsecured Claims, fourth to general unsecured Claims, and fifth to equity.

The Liquidation Analysis includes an estimate of the amount of Claims that could ultimately be Allowed Claims. Estimates for the various types of Claims are based solely on the Debtors' estimates and do not constitute an admission of liability by the Debtors. Unless otherwise noted herein, no order or finding has been entered by the Bankruptcy Court estimating or otherwise fixing the amount of claims at the projected levels set forth in this Liquidation Analysis.

2. Liquidation Analysis.

TL Administration Corporation (et al.)					
Liquidation Analysis					
<i>(Dollars in Thousands)</i>					
	Balance Sheet	Estimated Liquidation Value			
	(Note 1)	(Unaudited)			
	(Unaudited)	High	Low		Notes
Statement of Assets Per Balance Sheet:					
Cash and Cash Equivalents	\$ 18,921	\$ 18,921	\$ 18,921		2
Restricted Cash	1,007	800	300		3
Other Current Assets					
Due from IdeaSphere	5	5	5		4
CIT Legal Fee Reserve	102	50	-		5
Tax Refunds Due	8	8	8		
Other	27	27	-		6
Subtotal - Other Current Assets	142	90	13		
Subtotal - Current Assets	20,070	19,811	19,234		
Intercompany Receivables	34,290	-	-		
Total Assets Per Balance Sheet	54,360	19,811	19,234		
Contingent Assets:					
Ronkonkoma Deposit		61	61		7
Insurance Recoveries		50	1		8
Special Master Fee Recovery		311	275		9
Future Interest Income		110	110		10
UK Recovery		50	-		11
Subtotal - Contingent Assets		582	446		
Total Assets		\$ 20,393	\$ 19,681		
Costs Associated with Liquidation:					
Chapter 7 Trustee Fees		612	590		12
Chapter 7 Professional Fees		1,500	2,000		13
Litigation Costs Not Paid by Insurance		6,000	10,000		14
Subtotal - Costs Associated with Liquidation		8,112	12,590		
Net Estimated Proceeds Available for Distribution		\$ 12,281	\$ 7,090		
Unsecured Chapter 11 Administrative Claims					
Accounts Payable	\$ 1,507	\$ 1,507	\$ 1,507		15
Accrued Expenses and Other Current Liabilities	1,030	830	830		16
Total Chapter 11 Administrative Claims	2,537	2,337	2,337		
Hypothetical Payout to Unsecured Chapter 11 Administrative Claims		100%	100%		
Proceeds Available After Unsecured Chapter 11 Administrative Claims		\$ 9,944	\$ 4,753		
Unsecured Claims					
General Unsecured Claims / Liabilities Subject to Compromise:					
Accounts Payable Trade	\$ 19,965	\$ 21,000	\$ 23,000		17
10.25% Senior Subordinated Notes	41,142	41,142	41,142		18
Other Litigation	7,361	3,000	5,000		19
Other Pre-Petition Obligations	1,048	178	178		20
Subtotal - General Unsecured Claims	69,516	65,320	69,320		
2002-2004 Ephedra PI Claims		30,000	40,000		21
Total Unsecured Claims		\$ 95,320	\$ 109,320		
Hypothetical Recovery to Unsecured Claims		10.4%	4.3%		
Proceeds Available After Unsecured Claims		\$ -	\$ -		

3. Notes to Liquidation Analysis.

a. **Note 1.** Unless otherwise stated, assets and liabilities used in this liquidation analysis are based on Laboratories' unaudited balance sheet as of February 28, 2005.

b. **Note 2.** "Cash and Equivalents" includes cash in Laboratories' unrestricted bank accounts. It is assumed that the \$18.9 million of unrestricted cash will be fully recoverable.

c. **Note 3.** "Restricted Cash" includes the General Indemnity Claim Amount escrowed from the Ideasphere Sale and held at North Fork Bank in Indemnity Escrow Account, together with interest (all as described more fully in Section II.D.9. above). Upon the satisfaction of certain conditions, the Restricted Cash may be released to the Debtors. However, as described above, in December 2004, IdeaSphere asserted claims against the General Indemnity Claim Amount. The High Recovery Scenario assumes \$800,000 of the Restricted Cash will be recovered, and the Low Recovery Scenario assumes \$300,000 of the Restricted Cash will be recovered.

d. **Note 4.** "Due from IdeaSphere" represents expected reimbursement to the Debtors from Ideasphere for employee medical claim payments made by the Debtors on behalf of IdeaSphere. In March 2005, IdeaSphere reimbursed the Debtors for these payments.

e. **Note 5.** "CIT Legal Fee Reserve" includes the remaining legal fee reserve held by CIT from the Ideasphere Sale proceeds for CIT's potential future legal fees. The High Recovery Scenario assumes the Debtors' ultimate recovery will be reduced by approximately one-half; the Low Recovery Scenario assumes no recovery to the Estates.

f. **Note 6.** "Other" is comprised primarily of a professional fee retainer paid to Latham & Watkins LLP.

g. **Note 7.** "Ronkonkoma Deposit" represents escrowed proceeds from the prepetition sale of Laboratories' manufacturing facility at 2120 Smithtown Avenue in Ronkonkoma, New York. In May 2005, the escrow agent returned the escrowed proceeds, approximately \$61,000, to the Estates.

h. **Note 8.** "Insurance Recoveries" includes an estimated recovery for the Debtors' share of a settlement reached between New York State and the insurance company Marsh & McClennan ("Marsh") related to alleged overcharges. Insurance Recoveries relate specifically to insurance policies purchased from Marsh in fiscal year 2000. The estimated recovery from Marsh is \$10,000 in the High Recovery Scenario and \$1,000 in the Low Recovery Scenario. Insurance Recoveries also include an ordinary course true-up from another insurance company, AON, related to a workers compensation policy purchased in December 2002. The estimated recovery from AON is \$40,000 in the High Recovery Scenario; the Low Recovery Scenario assumes no recovery from AON to the Estates.

i. **Note 9.** “Special Master Fee Recovery” includes the estimated recovery for actual and future fees and expenses paid by the Estates to the special master (the “Special Master”) appointed by the District Court for services related to the cases before him. Traditionally, the costs of a special master are split between plaintiffs and defendants. In cases such as these, where there are multiple parties on each side, the costs are further divided. By orders of the District Court, the Debtors have paid all costs related to the Special Master as administrative expenses in the Chapter 11 Cases, without prejudice to future reallocation. Although the District Court has not specified an allocation, the Debtors estimate their contribution would be approximately 30% of the defendants’ 50% of the costs to the Special Master. The High Recovery Scenario assumes an 85% recovery to the estate, while the Low Recovery Scenario assumes a 75% recovery to the estate.

j. **Note 10.** “Future Interest Income” is estimated using the Cash and Equivalents, as well as Restricted Cash. The assumed future interest rate based on the current interest rate for Laboratories’ Citigroup bank account, 1.1%. Interest is compounded monthly and the Liquidation Analysis assumes that interest will accrue for 6 months.

k. **Note 11.** TL (UK) is a wholly owned subsidiary of Laboratories. The High Recovery Scenario assumes that a chapter 7 liquidation of TL (UK) would yield approximately \$50K; the Low Recovery Scenario assumes no recovery to the Estates.

l. **Note 12.** “Chapter 7 Trustee Fees” include those fees associated with the appointment of a chapter 7 trustee in accordance with section 362 of the Bankruptcy Code. Trustee fees are estimated based on historical experience in other similar cases and are calculated as 3% of total liquidation value.

m. **Note 13.** “Chapter 7 Professional Fees” include those fees arising from the retention of new professionals (law firms, accounting firms, consultants, and other experts) by the chapter 7 trustee to assist in the liquidation and “winddown” of the Estates. It is assumed that chapter 7 professionals would be retained for 6 months. The High Recovery Scenario assumes chapter 7 professional fees of \$1.5 million and the Low Recovery Scenario assumes chapter 7 professional fees of \$2 million.

n. **Note 14.** “Litigation Costs Not Paid by Insurance” assumes that the 2002-2004 Ephedra PI Settlement Agreement is not implemented. Litigation costs include estimated legal fees & expenses, including costs for experts needed to litigate the 2002-2004 Ephedra PI Claims and other Claims for which insurance does not cover defense costs, including the Consumer Class Action Claims, employment related lawsuits, and non-ephedra related personal injury lawsuits. The High Recovery Scenario assumes \$6 million of legal fees and expenses; the Low Recovery Scenario assumes \$10 million of legal fees and expenses.

o. **Note 15.** “The Postpetition Accounts Payable” balance as of February 28, 2005 mainly is comprised of restructuring professional fees and other professional fees. The balance includes approximately \$385,000 of retained-professional fees for January 2005 and \$904,000 of estimated holdbacks for retained-professional fees. The remaining

balance is comprised of postpetition legal & accounting fees and expenses, postpetition leases, and postpetition taxes.

p. **Note 16.** “Postpetition Accrued Expenses and Other Current Liabilities” includes: estimated amounts for February 2005 restructuring fees and expenses (\$501,000), estimated legal and accounting expenses (\$150,000), the settlement cost of the Securities Litigation and Shareholders Derivative Suit (\$125,000) (described in Section II.D.14 above), and estimated amounts for taxes and other expenses (\$54,000).

q. **Note 17.** “Accounts Payable Trade” includes trade payables per Laboratories’ general ledger (the “books and records”) as of February 28, 2005. The High Recovery Scenario includes an additional approximately \$1 million for potential allowed claims greater than Laboratories’ books and records, and the Low Recovery Scenario includes an additional approximately \$3 million for potential allowed claims greater than Laboratories’ books and records.

r. **Note 18.** “10.25% Senior Subordinated Notes” consists of \$39,915,000 in aggregate outstanding principal and \$1,227,000 in aggregate outstanding accrued interest as of the Commencement Date.

s. **Note 19.** “Other Litigation” represents potential Allowed Claims for non-ephedra litigation, including without limitation, the Consumer Class Action Claims, employment related lawsuits, and non-ephedra related personal injury lawsuits. “Other Litigation” Claims are estimated at \$3 million in the High Recovery Scenario and at \$5 million in the Low Recovery Scenario.

t. **Note 20.** “Other Prepetition Obligations” include other debt, accrued pre-petition non-priority severance, accounts receivable credit balance reclassification, directors’ compensation, accrued union parkway costs, and equipment leases. For purposes of the Liquidation Analysis, it is assumed that only other debt and accrued former employee costs are Allowed Claims.

u. **Note 21.** “Estimated 2002-2004 Ephedra PI Claims” represent the estimated aggregate value of 2002-2004 Ephedra PI Claims. The estimated aggregate value is \$30 million in the High Recovery Scenario and \$40 million in the Low Recovery Scenario.

F. No Unfair Discrimination/ Fair and Equitable Test

In the event that any impaired Class of Claims does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Debtors if, as to each impaired Class of Claims which has not accepted the Plan, the Plan “does not discriminate unfairly” and is “fair and equitable” with respect to such Class of Claims.

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

rights are substantially similar to those of the dissenting class and if no class of claims or equity interests receives more than it legally is entitled to receive for its claims or equity interests. The test does not require that the treatment be the same or equivalent, but that such treatment be “fair.”

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

1. **Secured Creditors**. Each holder of an impaired secured claim either (i) retains its liens on the property, to the extent of the allowed amount of its secured claim and receives deferred cash payments having a value, as of the effective date, of at least the allowed amount of such claim, or (ii) has the right to credit bid the amount of its claim if its property is sold and retain its lien on the proceeds of the sale (or if sold, on the proceeds thereof), or (iii) receives the “indubitable equivalent” of its allowed secured claim.

2. **Unsecured Creditors**. Either (i) each holder of an impaired unsecured claim receives or retains under the plan property of a value equal to the amount of its allowed claim, or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the plan.

3. **Equity Interests**. Either (i) each equity interest holder will receive or retain under the plan property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such stock and (b) the value of the stock, or (ii) the holders of interests that are junior to the equity interests of the dissenting class will not receive or retain any property under the plan.

These requirements are in addition to other requirements established by case law interpreting the statutory requirements.

The Debtors believe the Plan will satisfy the “fair and equitable” requirement notwithstanding that Class 6 (Punitive Damage Claims) and Class 7 (Equity Interests) are deemed to reject the Plan because no Class that is junior to such Classes will receive or retain any property on account of the Claim or Equity Interests in such Class.

Because at least one Class of Claims is not being paid in full, the existing Equity Interests are being extinguished.

IF ONLY ONE CLASS VOTES TO ACCEPT THE PLAN AND IF ALL OTHER CONFIRMATION REQUIREMENTS ARE SATISFIED AT THE CONFIRMATION HEARING, THE DEBTORS WILL ASK THE BANKRUPTCY COURT TO RULE THAT THE PLAN MAY BE CONFIRMED ON THE GROUND THAT THE SECTION 1129(b) REQUIREMENTS HAVE BEEN SATISFIED.

G. Classification of Claims and Equity Interests Under the Plan

The Debtors believe that the Plan meets the classification requirements of the Bankruptcy Code which requires that a chapter 11 plan place each claim or equity interest into a class with other claims or equity interests that are “substantially similar.” The Plan establishes Classes of Claims and Equity Interests as required by the Bankruptcy Code and summarized above. Consistent with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims are not classified.

H. Feasibility

Section 1129(a)(11) of the Bankruptcy Code provides that a chapter 11 plan may be confirmed only if the Court finds that plan is feasible. A feasible plan is one which will not lead to a need for further reorganization or liquidation of the debtor. Since the Plan provides for the liquidation of the Debtors, the Court will find that the Plan is feasible if it determines that the Debtors will be able to satisfy the conditions precedent to the Effective Date and otherwise have sufficient funds to meet its post-Confirmation Date obligations to pay for the costs of administering and fully consummating the Plan and closing the Chapter 11 Cases. The Debtors believe that the Plan satisfies the financial feasibility requirement imposed by the Bankruptcy Code

VIII. CONCLUSION

The Debtors believe the Plan is in the best interests of all creditors and urge the holders of impaired Claims in Class 4 (2002-2004 Ephedra PI Claims) and Class 5 (General Unsecured Claims) to vote to accept the Plan and to evidence such acceptance by returning their Ballots so that they will be received not later than July 14, 2005.

Dated: New York, New York
May 25, 2005

Respectfully submitted,

TL ADMINISTRATION CORPORATION
(F/K/A TWINLAB CORPORATION)

By: /s/ Denis O'Connor
Name: Denis O'Connor
Title: Vice President

TL ADMINISTRATION, INC.
(F/K/A TWIN LABORATORIES INC.)

By: /s/ Denis O'Connor
Name: Denis O'Connor
Title: Vice President

TL ADMINISTRATION (UK) LTD.
(F/K/A TWIN LABORATORIES (UK) LTD.)

By: /s/ Denis O'Connor
Name: Denis O'Connor
Title: Vice President

EXHIBIT A TO DISCLOSURE STATEMENT

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

-----X
In re :
 : **04 MD 1598 (JSR)**
 :
EPHEDRA PRODUCTS LIABILITY :
LITIGATION. :
-----X
PERTAINS TO ALL CASES

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

-----X
In re :
 : **Chapter 11 Case No.**
 :
TL ADMINISTRATION CORPORATION, :
et al. (f/k/a TWINLAB CORPORATION, et al.), : **03-15564 (RDD)**
 :
 : **(Jointly Administered)**
 :
Debtors. :
-----X

**FIRST AMENDED JOINT PLAN OF LIQUIDATION OF
TL ADMINISTRATION CORPORATION (F/K/A TWINLAB CORPORATION),
TL ADMINISTRATION, INC. (F/K/A TWIN LABORATORIES INC.), AND
TL ADMINISTRATION (UK) LTD. (F/K/A TWIN LABORATORIES (UK) LTD.)
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

WEIL, GOTSHAL & MANGES LLP
Attorneys for Debtors
and Debtors in Possession
767 Fifth Avenue
New York, New York 10153
(212) 310-8000

Dated: May 25, 2005

TABLE OF CONTENTS

	Page
SECTION 1 DEFINITIONS AND INTERPRETATION.....	1
1.1 2002-2004 Ephedra PI Claim	1
1.2 2002-2004 Ephedra PI Settlement Agreement	1
1.3 Administrative Expense Claim	2
1.4 Aggregate Allowed Consumer Class Action Claims	2
1.5 Aggregate Third Party Settlement Amount	2
1.6 AISLIC.....	2
1.7 Allowed.....	2
1.8 Amended Complaint.....	2
1.9 Available Cash.....	2
1.10 Avoidance Actions	2
1.11 Bankruptcy Code.....	2
1.12 Bankruptcy Court.....	3
1.13 Bankruptcy Rules	3
1.14 Blechman Agreement	3
1.15 Blechmans	3
1.16 Business Day.....	3
1.17 CPLR.....	3
1.18 Cash.....	3
1.19 Causes of Action	3
1.20 Chapter 11 Cases.....	3
1.21 Claim	3
1.22 Class	4
1.23 Class 4 Distribution	4
1.24 Collateral.....	4
1.25 Commencement Date	4
1.26 Confirmation Date.....	4
1.27 Confirmation Hearing	4
1.28 Confirmation Order	4
1.29 Consumer Class Action Claim.....	4
1.30 Creditor	4
1.31 Creditors Committee.....	4
1.32 Debtors or Debtors in Possession.....	4
1.33 Declaratory Judgment Complaint	4
1.34 Disbursing Agent	4

TABLE OF CONTENTS
(continued)

	Page
1.35 Disclosure Statement	4
1.36 Disclosure Statement Hearing	5
1.37 Disclosure Statement Order.....	5
1.38 Disputed	5
1.39 Distribution Record Date	5
1.40 District Court	5
1.41 Effective Date	5
1.42 Entity	5
1.43 Ephedra Claimants Committee	5
1.44 Ephedra Indemnification Claim.....	6
1.45 Ephedra Insurance Policies	6
1.46 Ephedra Personal Injury Claim.....	6
1.47 Ephedra Personal Injury Trust	6
1.48 Ephedra Personal Injury Trust Agreement.....	6
1.49 Ephedra Personal Injury Trustee.....	6
1.50 Equity Interest.....	6
1.51 Estates.....	6
1.52 Final Order	7
1.53 GNC.....	7
1.54 General Unsecured Claim	7
1.55 Holdings	7
1.56 Ideasphere	7
1.57 Ideasphere Agreement.....	7
1.58 Impaired	7
1.59 Indenture	7
1.60 Indenture Trustee	7
1.61 Initial Cash	7
1.62 Non-Ephedra Claims	8
1.63 Objection Deadline	8
1.64 Other Participating Ephedra Claims	8
1.65 Person	8
1.66 Plan.....	8
1.67 Plan Administrator	8
1.68 Pre-2002 Ephedra PI Claim.....	8

TABLE OF CONTENTS
(continued)

		Page
1.69	Priority Non-Tax Claim	8
1.70	Priority Tax Claim.....	8
1.71	Pro Rata Share	8
1.72	Punitive Damages.....	8
1.73	Punitive Damage Claim	9
1.74	Released Parties	9
1.75	Schedules.....	9
1.76	Secured Claim.....	9
1.77	Settlement Escrow Agent.....	9
1.78	Settling Third Party	9
1.79	Tax Code	9
1.80	Third Party Settlement Amount	9
1.81	Treasury Regulations	9
1.82	U.S. Trustee.....	9
1.83	Voting Procedures Order	9
SECTION 2	ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS.....	10
2.1	Administrative Expense Claims	10
2.2	Priority Tax Claims	10
SECTION 3	CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS.....	10
3.1	Classification of Claims and Equity Interests.....	10
3.2	Bifurcation of Claims Asserting Punitive Damages.....	11
SECTION 4	TREATMENT OF CLAIMS AND EQUITY INTERESTS.....	11
4.1	Class 1 –Secured Claims	11
4.2	Class 2 - Priority Non-Tax Claims	12
4.3	Class 3 – Pre-2002 Ephedra PI Claims	12
4.4	Class 4 – 2002-2004 Ephedra PI Claims	13
4.5	Class 5 – General Unsecured Claims	13
4.6	Class 6 – Punitive Damage Claims	14
4.7	Class 7 – Equity Interests.....	14
SECTION 5	THE EPHEDRA PERSONAL INJURY TRUST.....	14
5.1	Responsibilities of the Ephedra Personal Injury Trust	14
5.2	Resolution of Minors’ Claims by the Ephedra Personal Injury Trust	14
5.3	Transfer of Property to the Ephedra Personal Injury Trust	15

TABLE OF CONTENTS
(continued)

		Page
5.4	Tax Treatment of Ephedra Personal Injury Trust	15
5.5	Appointment of Ephedra Personal Injury Trustee.....	15
SECTION 6	PROVISIONS GOVERNING DISTRIBUTIONS.....	16
6.1	Distribution Record Date	16
6.2	Delivery of Distributions and Undeliverable Distributions.....	16
6.3	Surrender of Instruments.....	16
6.4	Setoffs.....	17
6.5	Transactions on Business Days.....	17
6.6	Allocation of Plan Distribution Between Principal and Interest.....	17
6.7	Withholding and Reporting Requirements.....	17
SECTION 7	MEANS FOR IMPLEMENTATION AND EXECUTION OF THE PLAN.....	17
7.1	Deemed Consolidation of Debtors for Plan Purposes Only	17
7.2	The Plan Administrator	18
7.3	Directors/Officers/Assets of the Debtors on the Effective Date	18
7.4	Duties and Powers of the Plan Administrator.....	19
7.5	Method of Distributions Under the Plan.....	21
7.6	Procedures for Treating Disputed Claims	22
7.7	Closing of the Chapter 11 Cases.....	23
7.8	Cancellation of Existing Securities and Agreements	23
7.9	Dissolution	24
7.10	Books and Records.....	24
7.11	Corporate Action.....	24
7.12	Effectuating Documents and Further Transactions	24
SECTION 8	EXECUTORY CONTRACTS AND UNEXPIRED LEASES	25
8.1	Executory Contracts and Unexpired Leases.....	25
8.2	Approval of Rejection of Executory Contracts and Unexpired Leases.....	25
8.3	Rejection Claims	25
SECTION 9	EFFECTIVENESS OF THE PLAN.....	25
9.1	Condition Precedent to Confirmation of Plan	25
9.2	Conditions Precedent to Effective Date.....	25
9.3	Satisfaction of Conditions	26
9.4	Effect of Nonoccurrence of Conditions to Consummation	26
9.5	Waiver of Conditions	27

TABLE OF CONTENTS
(continued)

	Page
SECTION 10 EFFECT OF CONFIRMATION	27
10.1 Vesting of Assets	27
10.2 Binding Effect.....	27
10.3 Retention of Causes of Action	27
10.4 Exculpations and Limitation of Liability	28
10.5 Releases.....	28
10.6 Injunction	29
10.7 United States Exception	30
10.8 Terms of Pre-Plan Injunction and Stays	31
SECTION 11 RETENTION OF JURISDICTION	31
11.1 Jurisdiction of Bankruptcy Court	31
SECTION 12 MISCELLANEOUS PROVISIONS.....	32
12.1 Dissolution of Creditors Committee and Ephedra Claimants Committee	32
12.2 Substantial Consummation.....	33
12.3 Payment of Statutory Fees.....	33
12.4 Effectuating Documents and Further Transactions	33
12.5 Exemption from Transfer Taxes.....	33
12.6 Post-Confirmation Date Fees and Expenses of Professionals	33
12.7 Elimination of Vacant Classes.....	33
12.8 Nonconsensual Confirmation	34
12.9 Modification of Plan.....	34
12.10 Revocation or Withdrawal of Plan.....	34
12.11 Courts of Competent Jurisdiction.....	34
12.12 Severability.....	34
12.13 Governing Law	35
12.14 Exhibits	35
12.15 Successors and Assigns.....	35
12.16 Time	35
12.17 Notices	35

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re :
 : 04 MD 1598 (JSR)
EPHEDRA PRODUCTS LIABILITY :
LITIGATION. :
-----X
PERTAINS TO ALL CASES

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re :
 : Chapter 11 Case No.
TL ADMINISTRATION CORPORATION, :
et al. (f/k/a TWINLAB CORPORATION, et al.), : 03-15564 (RDD)
 :
 : (Jointly Administered)
Debtors. :
-----X

FIRST AMENDED JOINT PLAN OF LIQUIDATION OF
TL ADMINISTRATION CORPORATION (F/K/A TWINLAB CORPORATION),
TL ADMINISTRATION, INC. (F/K/A TWIN LABORATORIES INC.), AND
TL ADMINISTRATION (UK) LTD. (F/K/A TWIN LABORATORIES (UK) LTD.)
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

TL Administration Corporation (f/k/a Twinlab Corporation), TL Administration Inc. (f/k/a Twin Laboratories, Inc.), and TL Administration (UK) Ltd. (f/k/a Twin Laboratories (UK) Ltd.), the above-captioned debtors and debtors in possession, propose the following chapter 11 plan of liquidation pursuant to section 1121(a) of title 11 of the United States Code:

SECTION 1

DEFINITIONS AND INTERPRETATION

DEFINITIONS. The following terms used herein shall have the respective meanings defined below (such meanings to be equally applicable to both the singular and plural):

1.1 2002-2004 Ephedra PI Claim means any Ephedra Personal Injury Claim that is not a Pre-2002 Ephedra PI Claim.

1.2 2002-2004 Ephedra PI Settlement Agreement means that certain agreement by and among the holders of 2002-2004 Ephedra PI Claims, the holders of Other Participating Ephedra Claims, the Settling Third Parties, and the Debtors, substantially in the form of the agreement attached hereto as Exhibit A.

1.3 **Administrative Expense Claim** means any right to payment constituting a cost or expense of administration of any of the Chapter 11 Cases allowed under sections 503(b), 507(a)(1), and 1114(e) of the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses of preserving the Debtors' estates, any actual and necessary costs and expenses of operating the Debtors' businesses, any indebtedness or obligations incurred or assumed by the Debtors, as debtors in possession, during the Chapter 11 Cases, including, without limitation, for the acquisition or lease of property or an interest in property or the rendition of services, any allowances of compensation and reimbursement of expenses to the extent allowed by Final Order under sections 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the estates of the Debtors under section 1930 of chapter 123 of title 28 of the United States Code.

1.4 **Aggregate Allowed Consumer Class Action Claims** means the aggregate Allowed value, if any, of the Consumer Class Action Claims where the Allowed value of each such Claim is determined by estimation by (i) the Debtors following a settlement agreement with the applicable claimant(s) or (ii) the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code.

1.5 **Aggregate Third Party Settlement Amount** means the sum of all Third Party Settlement Amounts.

1.6 **AISLIC** means American International Specialty Lines Insurance Company.

1.7 **Allowed** means, with reference to any Claim, (i) any Claim against any Debtor which has been listed by such Debtor in the Schedules, as such Schedules may be amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and for which no contrary proof of claim has been filed, (ii) any timely filed Claim as to which no objection to allowance has been interposed in accordance with Section 7.6(a) hereof or such other applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or as to which any objection has been determined by a Final Order to the extent such objection is determined in favor of the respective holder, (iii) any Claim expressly allowed by a Final Order or hereunder, or (iv) any 2002-2004 Ephedra PI Claim or Other Participating Ephedra Claim finally resolved in accordance with the procedures of the Ephedra Personal Injury Trust Agreement.

1.8 **Amended Complaint** means the amended complaint filed by the Creditors Committee and Indenture Trustee on May 7, 2004 in the Bankruptcy Court, Adversary Proceeding No. 04-02334(CB).

1.9 **Available Cash** means the Initial Cash minus the Class 4 Distribution.

1.10 **Avoidance Actions** means any actions that may be commenced, before or after the Effective Date, pursuant to sections 544, 545, 547, 548, or 549 of the Bankruptcy Code that existed or may have existed against vendors, suppliers, or customers of the Debtors.

1.11 **Bankruptcy Code** means title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Cases.

1.12 **Bankruptcy Court** means the United States District Court for the Southern District of New York, having jurisdiction over the Chapter 11 Cases and, to the extent of any reference made under section 157 of title 28 of the United States Code, the bankruptcy court unit of such District Court having jurisdiction over the Chapter 11 Cases under section 151 of title 28 of the United States Code.

1.13 **Bankruptcy Rules** means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as amended from time to time, applicable to the Chapter 11 Cases, and any Local Rules of the Bankruptcy Court.

1.14 **Blechman Agreement** means that certain Stipulation and Agreement Regarding Compromise and Settlement of Adversary Proceeding, dated as of November 12, 2004, by and among the Debtors, the Creditors Committee, the Blechmans, John Danhagl, Jonathan Sokoloff, Leonard Schutzman, William Westerfield, U.S. Bank National Association as Indenture Trustee, and National Union Fire Insurance Company of Pittsburgh.

1.15 **Blechmans** means Brian Blechman, Dean Blechman, Neil Blechman, Steve Blechman, Ross Blechman, Robin Blechman, Sharon Blechman, Helena Blechman, Linda Blechman, and Elyse Blechman.

1.16 **Business Day** means any day other than a Saturday, a Sunday, or any other day on which banking institutions in New York, New York are required or authorized to close by law or executive order.

1.17 **CPLR** means the Civil Practice Law and Rules of New York.

1.18 **Cash** means legal tender of the United States of America.

1.19 **Causes of Action** means any and all actions, causes of action, liabilities, obligations, rights, suits, damages, judgments, claims, and demands whatsoever, whether known or unknown, existing or hereafter arising, in law, equity, or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Commencement Date or during the course of the Chapter 11 Cases, including through the Effective Date, but not including the Avoidance Actions.

1.20 **Chapter 11 Cases** means the jointly administered cases under chapter 11 of the Bankruptcy Code commenced by the Debtors on September 4, 2003 in the Bankruptcy Court and styled *In re TL Administration Corporation (f/k/a Twinlab Corporation), et al.*, Ch. 11 Case No. 03-15564 (RDD) (Jointly Administered), which represents the following three cases: *In re TL Administration Corporation (f/k/a Twinlab Corporation)*, Ch. 11 Case No. 03-15564 (RDD); *In re TL Administration, Inc. (f/k/a Twin Laboratories, Inc.)*, Ch. 11 Case No. 03-15566 (RDD); and *In re TL Administration (UK) Ltd. (f/k/a Twin Laboratories (UK) Ltd.)*, Ch. 11 Case No. 03-15563 (RDD).

1.21 **Claim** has the meaning set forth in section 101 of the Bankruptcy Code.

1.22 **Class** means any group of Claims or Equity Interests classified by the Plan pursuant to section 1122(a)(1) of the Bankruptcy Code.

1.23 **Class 4 Distribution** means \$3,550,000.

1.24 **Collateral** means any property or interest in property of the estate of any Debtor subject to a lien, charge, or other encumbrance to secure the payment or performance of a Claim, which lien, charge, or other encumbrance is not subject to avoidance under the Bankruptcy Code.

1.25 **Commencement Date** means September 4, 2003.

1.26 **Confirmation Date** means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order.

1.27 **Confirmation Hearing** means the hearing held by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of the Plan.

1.28 **Confirmation Order** means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

1.29 **Consumer Class Action Claim** means any General Unsecured Claim listed in Exhibit B hereto.

1.30 **Creditor** means any Entity that holds a Claim against a Debtor or Debtors (whether or not such Entity has asserted a Claim against any Debtors).

1.31 **Creditors Committee** means the official committee of unsecured creditors appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code.

1.32 **Debtors or Debtors in Possession** means TL Administration Corporation (f/k/a Twinlab Corporation), TL Administration Inc. (f/k/a Twin Laboratories, Inc.) and TL Administration (UK) Ltd. (f/k/a Twin Laboratories (UK) Ltd.).

1.33 **Declaratory Judgment Complaint** means the complaint seeking declaratory judgment filed by the Blechmans on February 6, 2004 in the Bankruptcy Court, Adversary Proceeding No. 04-02323 (CB).

1.34 **Disbursing Agent** means any Entity in its capacity as a disbursing agent under Section 7.5(a) of the Plan.

1.35 **Disclosure Statement** means the disclosure statement relating to the Plan, including, without limitation, all exhibits thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

1.36 **Disclosure Statement Hearing** means the hearing held by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code to consider approval of the Disclosure Statement.

1.37 **Disclosure Statement Order** means the order of the Bankruptcy Court entered pursuant to section 1125 of the Bankruptcy Code approving the Disclosure Statement.

1.38 **Disputed** means, with respect to any Claim which has not been Allowed pursuant to the Plan or a Final Order:

(a) if no proof of claim has been filed by the applicable deadline: (i) a Claim that has been or hereafter is listed on the Schedules as disputed, contingent, or unliquidated; or (ii) a Claim that has been or hereafter is listed on the Schedules as other than disputed, contingent, or unliquidated, but as to which the Debtors or any other party in interest has interposed an objection or request for estimation which has not been withdrawn or determined by a Final Order;

(b) if a proof of claim or request for payment of an Administrative Expense Claim has been filed by the applicable deadline: (i) a Claim for which no corresponding Claim has been or hereafter is listed on the Schedules; (ii) a Claim for which a corresponding Claim has been or hereafter is listed on the Schedules as other than disputed, contingent, or unliquidated, but the nature or amount of the Claim as asserted in the proof of claim varies from the nature and amount of such Claim as listed on the Schedules; (iii) a Claim for which a corresponding Claim has been or hereafter is listed on the Schedules as disputed, contingent, or unliquidated; or (iv) a Claim for which a timely objection or request for estimation is interposed by the Debtors or other party in interest which has not been withdrawn or determined by a Final Order.

Without limiting the foregoing and for the avoidance of any doubt, any Ephedra Personal Injury Claim that has not been Allowed prior to the Effective Date pursuant to an order of the District Court is a Disputed Claim.

1.39 **Distribution Record Date** means the Confirmation Date.

1.40 **District Court** means the United States District Court for the Southern District of New York.

1.41 **Effective Date** means the date on which the Plan shall become effective, after the conditions to effectiveness of the Plan set forth in Section 9 hereof have been satisfied or waived.

1.42 **Entity** means an individual, corporation, partnership, limited liability company, association, joint stock company, joint venture, estate, trust, unincorporated organization, or government or any political subdivision thereof, or other person or entity.

1.43 **Ephedra Claimants Committee** means the official committee of ephedra claimants appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code.

1.44 **Ephedra Indemnification Claim** means any Claim against any of the Debtors, that is not a Punitive Damages Claim, that is (i) held by an Entity (or any assignee or transferee of such Entity) who has been, is, or may be a defendant or otherwise liable party in a Cause of Action seeking damages for wrongful death or personal injury (whether physical, emotional, or otherwise) to the extent caused or allegedly caused, directly or indirectly, by the ingestion of ephedra or ephedra-containing products and (ii) on account of alleged liability of one or more of the Debtors for reimbursement, indemnification, subrogation, or contribution of all or any portion of (x) any damages such Entity has paid or may pay to one or more plaintiffs or other claimants in such Cause of Action and/or (y) any expenses, including attorney fees in connection with such Causes of Action.

1.45 **Ephedra Insurance Policies** means any and all policies of insurance in which the Debtors are or may be covered in respect of the 2002-2004 Ephedra PI Claims, to the full remaining extent of such coverage; provided, however, that the Ephedra Insurance Policies shall not include policies written by AISLIC.

1.46 **Ephedra Personal Injury Claim** means (i) any Claim against any of the Debtors that is not a Punitive Damage Claim, which arises out of events which occurred, in whole or in part, prior to the Commencement Date, and alleges wrongful death or personal injury (whether physical, emotional, or otherwise) to the extent caused or allegedly caused, directly or indirectly, by the ingestion of ephedra or ephedra-containing products designed, manufactured, fabricated, sold, supplied, produced, or distributed by one or more of the Debtors, including, without limitation, any Claim for compensatory damages and actual pecuniary loss, and (ii) any Ephedra Indemnification Claim. Without limitation of the foregoing, Ephedra Personal Injury Claims shall include all (i) Pre-2002 Ephedra PI Claims and (ii) 2002-2004 Ephedra PI Claims.

1.47 **Ephedra Personal Injury Trust** means the trust established pursuant to the Ephedra Personal Injury Trust Agreement.

1.48 **Ephedra Personal Injury Trust Agreement** means the Ephedra Personal Injury Trust Agreement executed by the Debtors, the Settlement Escrow Agent, and the Ephedra Personal Injury Trustee, substantially in the form of the agreement attached hereto as Exhibit C.

1.49 **Ephedra Personal Injury Trustee** means the person confirmed by the Bankruptcy Court to serve as trustee of the Ephedra Personal Injury Trust, pursuant to the terms of the Ephedra Personal Injury Trust Agreement, or as subsequently may be appointed pursuant to the terms of the Ephedra Personal Injury Trust Agreement.

1.50 **Equity Interest** means the interest of any holder of an equity security of Holdings represented by any issued and outstanding shares of common or preferred stock or other instrument evidencing a present ownership interest in Holdings, whether or not transferable, or any option, warrant, or right, contractual or otherwise, to acquire any such interest.

1.51 **Estates** means the three estates of the Debtors created pursuant to section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases.

1.52 **Final Order** means an order or judgment of the Bankruptcy Court entered by the Clerk of the Bankruptcy Court on the docket in the Chapter 11 Cases which has not been reversed, vacated, or stayed and as to which (i) the time to appeal, petition for *certiorari*, or move for a new trial, reargument, or rehearing has expired and as to which no appeal, petition for *certiorari*, or other proceeding for a new trial, reargument, or rehearing shall then be pending, or (ii) if an appeal, writ of *certiorari*, new trial, reargument, or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court shall have been affirmed by the highest court to which such order was appealed, or *certiorari* shall have been denied, or a new trial, reargument, or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for *certiorari*, or move for a new trial, reargument, or rehearing shall have expired.

1.53 **GNC** means GNC Oldco, Inc. (f/k/a General Nutrition Companies, Inc.) and its affiliates and assigns, and their insurer, Zurich American Insurance Company.

1.54 **General Unsecured Claim** means any Claim against any of the Debtors that is not an Administrative Expense Claim, Priority Tax Claim, Priority Non-Tax Claim, Secured Claim, Ephedra Personal Injury Claim, or Punitive Damage Claim.

1.55 **Holdings** means TL Administration Corporation (f/k/a Twinlab Corporation).

1.56 **Ideasphere** means, collectively, Ideasphere, Inc. and Twinlab Corporation (f/k/a TL Acquisition Corp).

1.57 **Ideasphere Agreement** means that certain Asset Purchase Agreement between Ideasphere and the Debtors, dated as of September 3, 2003, as amended by (i) that certain Amendment No. 1, dated December 5, 2003, (ii) that certain Amendment No. 2, dated December 19, 2003, and (iii) that certain Amendment No. 3, dated December 19, 2003.

1.58 **Impaired** means any Class that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.59 **Indenture** means that certain Indenture, dated as of May 7, 1996, between Holdings and US Bank Corporate Trust Services, as trustee, as such Indenture may have been amended or modified, pursuant to which \$100,000,000 in principal amount of 10-1/4% Senior Subordinated Notes due May 2006 were issued and under which \$39,915,000 principal amount of such notes remains outstanding.

1.60 **Indenture Trustee** means the trustee under the Indenture, and any successors or predecessors thereto.

1.61 **Initial Cash** means, as of the Effective Date, all Cash and Cash equivalents (not including restricted cash or the Aggregate Third Party Settlement Amount) of the Debtors, less the amount of Cash estimated and retained by the Debtors to fund adequately the administration of the Plan and the Chapter 11 Cases on and after the Effective Date and the payment of Administrative Expense Claims, Priority Tax Claims, Priority Non-Tax Claims, and, if applicable, Secured Claims.

1.62 **Non-Ephedra Claims** means any Claim that is not an Ephedra Personal Injury Claim.

1.63 **Objection Deadline** means the date set forth in the order of the Bankruptcy Court by which a holder of a Claim or a holder of an Equity Interest or other party in interest may file an objection to confirmation of the Plan.

1.64 **Other Participating Ephedra Claims** means, in connection with the lawsuits listed in Exhibit D, the claims against the Settling Third Parties seeking damages for wrongful death or personal injury (whether physical, emotional, or otherwise) to the extent caused or allegedly caused, directly or indirectly, by the ingestion of ephedra or ephedra-containing products designed, manufactured, fabricated, sold, supplied, produced, or distributed by one or more of the Debtors.

1.65 **Person** has the meaning set forth in section 101(41) of the Bankruptcy Code.

1.66 **Plan** means this first amended chapter 11 joint plan of liquidation, dated May 25, 2005, including the exhibits hereto, as the same may be amended or modified from time to time in accordance with the provisions of the Bankruptcy Code and the terms hereof.

1.67 **Plan Administrator** means the person or entity charged with administering the Plan, initially selected by the Debtors and named in the Confirmation Order, and any successor thereto appointed in accordance with section 7.2 hereof.

1.68 **Pre-2002 Ephedra PI Claim** means any Ephedra Personal Injury Claim listed in Exhibit E hereto and any Ephedra Indemnification Claim in connection with a Pre-2002 Ephedra PI Claim.

1.69 **Priority Non-Tax Claim** means any Claim, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in payment as specified in section 507(a)(3), (4), (5), (6), (7), or (9) of the Bankruptcy Code.

1.70 **Priority Tax Claim** means any Claim of a governmental unit of the kind entitled to priority in payment as specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

1.71 **Pro Rata Share** means a proportionate share, so that the ratio of the consideration distributed on account of an Allowed Claim in a Class to the amount of such Allowed Claim is the same as the ratio of the consideration distributed on account of all Allowed Claims in such Class to the amount of all Allowed Claims in such Class.

1.72 **Punitive Damages** mean any fine, penalty, forfeiture, attorneys' fees (to the extent such attorneys' fees are punitive in nature), or for multiple, exemplary, or punitive damages, to the extent that such fine, penalty, forfeiture, attorneys' fees, or damages is not for compensatory damages or actual pecuniary loss.

1.73 **Punitive Damage Claim** means, to the maximum extent permitted by law, any Claim against any of the Debtors, whether secured or unsecured, for Punitive Damages or for reimbursement, indemnification, subrogation, or contribution of Punitive Damages.

1.74 **Released Parties** means the Settling Third Parties and any current or former employee, agent, representative, officer, director, member, partner, manager, accountant, attorney, financial advisor, other professional, successor, and assign of any Settling Third Party, and any Entity claimed to be liable derivatively through any of the foregoing.

1.75 **Schedules** means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors under section 521 of the Bankruptcy Code, Bankruptcy Rule 1007, and the Official Bankruptcy Forms of the Bankruptcy Rules as such schedules and statements have been or may be supplemented or amended through the Confirmation Date.

1.76 **Secured Claim** means a Claim (i) secured by Collateral, to the extent of the value of such Collateral (a) as set forth in the Plan, (b) as agreed to by the holder of such Claim and the Debtors, or (c) as determined by a Final Order in accordance with section 506(a) of the Bankruptcy Code, or (ii) secured by the amount of any rights of setoff of the holder thereof under section 553 of the Bankruptcy Code.

1.77 **Settlement Escrow Agent** means the escrow agent appointed pursuant to the 2002-2004 Ephedra PI Settlement Agreement.

1.78 **Settling Third Party** means each of AISLIC and the Entities listed on Exhibit F hereto, each of which is a party to the 2002-2004 Ephedra PI Settlement Agreement pursuant to which such Entity agreed to pay a Third Party Settlement Amount.

1.79 **Tax Code** means title 26 of the United States Code, as amended from time to time.

1.80 **Third Party Settlement Amount** means the amount pursuant to the 2002-2004 Ephedra PI Settlement Agreement that a Settling Third Party agrees to pay to the Settlement Escrow Agent for distribution to the Ephedra Personal Injury Trust in accordance with the Plan.

1.81 **Treasury Regulations** means regulations (including temporary and proposed) promulgated under the Tax Code by the United States Treasury Department, as amended from time to time.

1.82 **U.S. Trustee** means the Office of the United States Trustee for the Southern District of New York.

1.83 **Voting Procedures Order** means an order of the Bankruptcy Court approving procedures relating to the solicitation and tabulation of votes with respect to the Plan, which order may be included and be a part of the Disclosure Statement Order.

INTERPRETATION; APPLICATION OF DEFINITIONS AND RULES OF CONSTRUCTION

The words “herein,” “hereof,” “hereto,” “hereunder,” and other words of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained therein. Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, the feminine, and the neuter. A term used herein that is not defined herein shall have the meaning assigned to that term in the Bankruptcy Code. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the Plan. The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof.

SECTION 2

ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS

2.1 Administrative Expense Claims. Except to the extent that a holder of an Allowed Administrative Expense Claim agrees to a different treatment, on the later of the Effective Date and the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is reasonably practicable, the Debtors shall pay to each holder of an Allowed Administrative Expense Claim, in full satisfaction of such Claim, an amount in Cash equal to the Allowed amount of such Claim.

2.2 Priority Tax Claims. Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a different treatment, on the later of the Effective Date and the date such Priority Tax Claim becomes an Allowed Priority Tax Claim, or as soon thereafter as is reasonably practicable, the Debtors shall pay to each holder of an Allowed Priority Tax Claim, in full satisfaction of such Claim, an amount in Cash equal to the Allowed amount of such Claim.

SECTION 3

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

3.1 Classification of Claims and Equity Interests. Claims, other than Administrative Expense Claims and Priority Tax Claims, and Equity Interests are classified for all purposes, including voting (unless otherwise specified), confirmation, and distribution pursuant to the Plan, as follows:

<u>Class</u>	<u>Designation</u>	<u>Status</u>	<u>Entitled to Vote</u>
Class 1	Secured Claims	Unimpaired	No
Class 2	Priority Non-Tax Claims	Unimpaired	No
Class 3	Pre-2002 Ephedra PI Claims	Unimpaired	No
Class 4	2002-2004 Ephedra PI Claims	Impaired	Yes
Class 5	General Unsecured Claims	Impaired	Yes
Class 6	Punitive Damage Claims	Impaired	No
Class 7	Equity Interests	Impaired	No

3.2 Bifurcation of Claims Asserting Punitive Damages. Any Claim, including without limitation Pre-2002 Ephedra PI Claims, 2002-2004 Ephedra PI Claims, and Ephedra Indemnification Claims which asserts, alleges, or includes a claim for Punitive Damages or seeks reimbursement, indemnification, subrogation, or contribution of Punitive Damages shall be bifurcated into two Claims, a Claim for the amount asserted or alleged exclusive of Punitive Damages and a Punitive Damage Claim for the amount asserted or alleged as Punitive Damages (or for reimbursement, indemnification, subrogation, or contribution of Punitive Damages), whether or not asserted or alleged in a fixed or unfixed amount.

SECTION 4

TREATMENT OF CLAIMS AND EQUITY INTERESTS

4.1 Class 1 –Secured Claims.

(a) **Distributions.** Except to the extent that the holder of an Allowed Secured Claim agrees to less favorable treatment or that such Allowed Secured Claim has previously been satisfied by the Debtors, on the later of the Effective Date or the date such Secured Claim becomes an Allowed Secured Claim, or as soon thereafter as is reasonably practicable, each holder of an Allowed Secured Claim shall receive, at the option of the Debtors, and in full satisfaction of such Claim, either (i) Cash in an amount equal to one hundred percent (100%) of the unpaid amount of such Allowed Secured Claim, (ii) the proceeds of the sale or disposition of the Collateral securing such Allowed Secured Claim to the extent of the value of the holder's secured interest in the Allowed Secured Claim, net of the costs of disposition of such Collateral, (iii) the Collateral securing such Allowed Secured Claim, (iv) treatment that leaves unaltered the legal, equitable, and contractual rights to which the holder of such Allowed Secured Claim is entitled, or (v) such other distribution and/or treatment as necessary to satisfy the requirements of the Bankruptcy Code for classifying a Class of secured Claims as unimpaired. In the event the Debtors treat a Claim under clause (i) or (ii) of this Section, the liens securing such Secured Claim shall be deemed released.

(b) **Impairment and Voting.** Class 1 is unimpaired by the Plan. Each holder of a Secured Claim in Class 1 is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

4.2 Class 2 - Priority Non-Tax Claims.

(a) **Distributions.** Except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to a different treatment of such Claim, on the later of the Effective Date and the date such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, or as soon thereafter as is reasonably practicable, each holder of an Allowed Priority Non-Tax Claim shall receive, in full satisfaction of such Claim, an amount in Cash equal to the Allowed amount of such Priority Non-Tax Claim.

(b) **Impairment and Voting.** Class 2 is unimpaired by the Plan. Each holder of a Priority Non-Tax Claim in Class 2 is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

4.3 Class 3 – Pre-2002 Ephedra PI Claims.

(a) **Distributions.** Subject to subsection (b) below, each Pre-2002 Ephedra PI Claim shall be satisfied in full in the ordinary course of business from the proceeds of the Debtors' applicable insurance policy or policies, as the case may be, at such time as such Pre-2002 Ephedra PI Claim becomes an Allowed Claim.

(b) **Liquidation of Pre-2002 Ephedra PI Claims.** All Pre-2002 Ephedra PI Claims are Disputed Claims and shall be determined, resolved, or adjudicated, as the case may be, in a manner as if the Chapter 11 Cases had not been commenced and shall survive the Effective Date as if the Chapter 11 Cases had not been commenced. Upon the determination, resolution or adjudication of any such Claim as provided herein, such Claim shall be deemed to be an Allowed Pre-2002 Ephedra PI Claim, in the amount or in the manner determined by a Final Order or by a binding award, agreement or settlement; provided, however, that in addition to the Debtors' preservation of all rights and defenses respecting any Pre-2002 Ephedra PI Claim that exist under applicable non-bankruptcy law, (i) any rejection, avoidance, recovery, or other power or defense available to the Debtors under sections 365, 510 (except subordination), 542, 543, 544, 545, 547, 548, 549, 550, 533 or 724 of the Bankruptcy Code is preserved, and (ii) the Debtors may object under section 502 of the Bankruptcy Code to any Pre-2002 Ephedra PI Claim on the ground that (A) such Pre-2002 Ephedra PI Claim was not timely asserted in the Chapter 11 Cases, (B) such Pre-2002 Ephedra PI Claim is subject to any power or defense reserved in clause (i) of this sentence and/or is disallowable under section 502(d) of the Bankruptcy Code, or (C) such Pre-2002 Ephedra PI Claim is disallowable under section 502(e) of the Bankruptcy Code, to the extent that such section is relied on to ensure that there is no duplication in the Claim of an allegedly subrogated claim, on the one hand, and the underlying claimant whose Claim allegedly gave rise to the subrogated claim, on the other. Subject to the foregoing, all Pre-2002 Ephedra PI Claims shall be determined and liquidated under applicable non-bankruptcy law in the administrative or judicial tribunal in which they are pending as of the Effective Date, or if no such action is pending on the Effective Date, in any administrative or

judicial tribunal of appropriate jurisdiction. To effectuate the foregoing, the entry of the Confirmation Order shall, effective as of the Effective Date, constitute a modification of any stay or injunction under the Bankruptcy Code that would otherwise preclude the determination, resolution or adjudication of any Pre-2002 Ephedra PI Claim. Nothing contained in this Section will constitute or be deemed to constitute a waiver or release of any (i) claim, right or Cause of Action that the Debtors may have against any Entity in connection with or arising out of any Pre-2002 Ephedra PI Claim, including, but not limited to, any rights under section 157(b) of title 28, United States Code, or (ii) defense in any action or proceeding in any administrative or judicial tribunal, including, but not limited to, with respect to the jurisdiction of such administrative or judicial tribunal, except a defense to a Claim that was timely asserted in the Chapter 11 Cases and that constitutes a Pre-2002 Ephedra PI Claim where such defense is based on the discharge of section 1141(d) of the Bankruptcy Code or any release, discharge, or injunction contained in this Plan or the Confirmation Order. Further, nothing contained in this Section or in the Plan shall affect the rights of any Settling Third Party to coverage under the Debtors' applicable insurance policy or policies with respect to the Pre-2002 Ephedra PI Claims.

(c) **Impairment and Voting.** Class 3 is unimpaired by the Plan. Each holder of a Pre-2002 Ephedra PI Claim in Class 3 is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

4.4 Class 4 – 2002-2004 Ephedra PI Claims.

(a) **Distributions.** All 2002-2004 Ephedra PI Claims shall be determined and paid pursuant to the terms, provisions, and procedures of the Ephedra Personal Injury Trust and the Ephedra Personal Injury Trust Agreement. The Ephedra Personal Injury Trust shall be funded in accordance with the provisions of section 5.3 of the Plan.

All 2002-2004 Ephedra PI Claims are Disputed Claims. The Ephedra Personal Injury Trust shall assume full responsibility for determining the Allowed amount of all 2002-2004 Ephedra PI Claims pursuant to the Ephedra Personal Injury Trust Agreement (incorporated herein and made a part hereof), and for making payments on account of 2002-2004 Ephedra PI Claims that become Allowed 2002-2004 Ephedra PI Claims under the conditions set forth in the Ephedra Personal Injury Trust Agreement. Distributions to holders of 2002-2004 Ephedra PI Claims are limited to such payments by the Ephedra Personal Injury Trust.

(b) **Impairment and Voting.** Class 4 is impaired by the Plan. Each holder of a 2002-2004 Ephedra PI Claim is entitled to vote to accept or reject the Plan to the extent and in the manner provided in the Voting Procedures Order or in any other order or orders of the Bankruptcy Court temporarily allowing one or more 2002-2004 Ephedra PI Claims for voting purposes pursuant to Bankruptcy Rule 3018(a).

4.5 Class 5 – General Unsecured Claims.

(a) **Distributions.** On the Effective Date, or as soon thereafter as is reasonably practicable, each holder of an Allowed General Unsecured Claim shall receive its Pro Rata Share of Available Cash until such Claim has been paid or otherwise satisfied in full.

(b) **Impairment and Voting.** Class 5 is impaired by the Plan. To the extent and in the manner provided in the Voting Procedures Order, each holder of a General Unsecured Claim is entitled to vote to accept or reject the Plan.

4.6 Class 6 – Punitive Damage Claims.

(a) **Distributions.** Each holder of a Punitive Damage Claim shall (i) be subordinated in full to the Claims in Class 1, Class 2, Class 3, Class 4, and Class 5 and (ii) receive no distribution under the Plan.

(b) **Impairment and Voting.** Class 6 is impaired by the Plan. Holders of Punitive Damage Claims are not entitled to vote on the Plan and shall be conclusively deemed to have rejected the Plan.

4.7 Class 7 – Equity Interests.

(a) **Distributions.** On the Effective Date, or as soon thereafter as is reasonably practicable, all Equity Interests shall be canceled, at which time one new share of Holdings common stock shall be issued to the Plan Administrator who shall hold such share as custodian for the benefit of holders of Equity Interests consistent with their former economic entitlement. Such holders' beneficial interests in such share of new common stock shall be noncertified and nontransferable.

(b) **Impairment and Voting.** Class 7 is impaired by the Plan. Holders of Class 7 Equity Interests are not entitled to vote and shall be conclusively deemed to have rejected the Plan.

SECTION 5

THE EPHEDRA PERSONAL INJURY TRUST

5.1 Responsibilities of the Ephedra Personal Injury Trust. The Ephedra Personal Injury Trust will assume full responsibility for determining the Allowed amount of all 2002-2004 Ephedra PI Claims and Other Participating Ephedra Claims pursuant to the Ephedra Personal Injury Trust Agreement (incorporated herein and made a part hereof), for making payments on account of 2002-2004 Ephedra PI Claims and Other Participating Ephedra Claims that become Allowed Claims under the conditions set forth in the Ephedra Personal Injury Trust Agreement, for fulfilling its other obligations under the Ephedra Personal Injury Trust Agreement, and for paying its own costs and expenses, all as set forth more fully hereon and in the Ephedra Personal Injury Trust Agreement.

5.2 Resolution of Minors' Claims by the Ephedra Personal Injury Trust . In connection with any 2002-2004 Ephedra PI Claim or Other Participating Ephedra Claim in which the plaintiff is a minor, the proposed distribution to the plaintiff shall be submitted to the District Court for approval in accordance with Rule 83.2 of the Local Civil Rules of the Southern and Eastern Districts of New York and Rule 1208 of the CPLR. The parent, guardian, guardian ad litem, adult spouse, next friend, or other representative of the minor shall move for approval

of the proposed distribution and shall file, with such motion (a) an affidavit of the representative that complies in all respects with the requirements set forth in CPLR 1208(a); (b) an affidavit of the minor's or the representative's attorney, which complies in all respects with the requirements set forth in CPLR 1208(b); and (c) a copy of relevant medical or hospital records, as required by CPLR 1208(c). The District Court shall hold a hearing on the motion, and the movant, the minor plaintiff, and the attorney shall attend such hearing. The District Court shall determine whether the proposed distribution is in the minor plaintiff's best interests and, if the proposed distribution is approved, that determination shall be embodied in an order which shall have the effect of a judgment. Upon approval of the proposed distribution to a minor plaintiff, the District Court shall authorize payment to the minor's counsel of fees and disbursements to be paid from the distribution and further shall order that the remainder of the distribution be distributed in a manner that will best protect the interest of the minor.

5.3 Transfer of Property to the Ephedra Personal Injury Trust. On the Effective Date, or as soon thereafter as is reasonably practicable, the Debtors will, in full satisfaction and discharge of all Claims in Class 4 (i.e. 2002-2004 Ephedra PI Claims), cause the following to occur: (a) the execution and delivery by the Debtors and the Ephedra Personal Injury Trustee of the Ephedra Personal Injury Trust Agreement, thereby establishing the Ephedra Personal Injury Trust; (b) the payment by the Debtors to the Ephedra Personal Injury Trust of the amount of the Class 4 Distribution; (c) the payment by the Settlement Escrow Agent to the Ephedra Personal Injury Trust of the Aggregate Third Party Settlement Amount; and (d) the transfers with respect to any Ephedra Insurance Policies as provided directly below.

On the Effective Date, or as soon thereafter as is reasonably practicable, the Debtors will transfer, assign, and deliver to the Ephedra Personal Injury Trust, for the benefit of the Ephedra Personal Injury Trust as an insured party thereunder, any of the Ephedra Insurance Policies which are assignable without cancellation or reduction of coverage and which the Debtors elect to so transfer, assign, and deliver; and in respect of such Ephedra Insurance Policies which the Debtors do not elect to so transfer, assign, and deliver, the Debtors will take all such actions as are necessary or desirable to enable the Ephedra Personal Injury Trust, at its expense, to obtain and enjoy the benefits of coverage thereunder, including, without limitation, pursuit in the name of the Debtors (subject to control by, and at the expense of, the Ephedra Personal Injury Trust) of all claims under the Ephedra Insurance Policies and assignment by the Debtors to the Ephedra Personal Injury Trust of all recoveries thereunder.

5.4 Tax Treatment of Ephedra Personal Injury Trust. Subject to a determination by the Internal Revenue Service or a court of competent jurisdiction to the contrary, the Ephedra Personal Injury Trust shall be treated as a "qualified settlement fund" within the meaning of Treasury Regulation section 1.468B-1, and all parties (including the Debtors, the Ephedra Personal Injury Trustee and the holders of 2002-2004 Ephedra PI Claims) shall report consistent therewith.

5.5 Appointment of Ephedra Personal Injury Trustee. Prior to the Effective Date, the Ephedra Claimants Committee shall appoint the individual to serve as the Ephedra Personal Injury Trustee for the Ephedra Personal Injury Trust; provided that no individual shall be appointed as the Ephedra Personal Injury Trustee if such individual would be treated as, or

would cause the Ephedra Personal Injury Trust to be treated as, a “related person” (within the meaning of Treasury Regulation section 1.468B-1(d)(2)) to any of the Debtors.

SECTION 6

PROVISIONS GOVERNING DISTRIBUTIONS

6.1 Distribution Record Date. Subject to section 6.3 of the Plan, (i) as of the close of business on the Distribution Record Date, the various transfer registers for each of the Classes of Claims or Equity Interests as maintained by the Debtors, or their claims agent, shall be deemed closed, and there shall be no further changes in the record holders of any of the Claims or Equity Interests; (ii) the Debtors and the Ephedra Personal Injury Trustee, as the case may be, shall have no obligation to recognize any transfer of Claims or Equity Interests entered on the docket of the Bankruptcy Court on or after the Distribution Record Date; and (iii) the Debtors and the Ephedra Personal Injury Trustee, as the case may be, shall be entitled to recognize and deal for all purposes hereunder only with those record holders stated on the transfer ledgers as of the close of business on the Distribution Record Date, to the extent applicable. Distributions to holders of General Unsecured Claims under the Indenture will be made pursuant to the surrender of securities as described in section 6.3 of the Plan.

6.2 Delivery of Distributions and Undeliverable Distributions. Subject to Bankruptcy Rule 9010, all distributions to any holder of an Allowed Claim shall be made at the address of such holder as set forth on the Schedules filed with the Bankruptcy Court or on the books and records of the Debtors or their agents or in a letter of transmittal unless the Debtors and/or the Ephedra Personal Injury Trustee, as the case may be, have been notified in writing of a change of address, including, without limitation, by the filing of a proof of claim by such holder that contains an address for such holder different from the address reflected on such Schedules for such holder. Any distribution to be made to a holder of a General Unsecured Claim under the Indenture shall be made to the Indenture Trustee to assert its charging lien against such distributions. Any distribution to the Indenture Trustee shall be deemed a distribution to the respective holder of a General Unsecured Claim under the Indenture. In the event that any distribution to any holder is returned as undeliverable, no further distributions to such holder shall be made unless and until the Debtors or the Ephedra Personal Injury Trustee, as the case may be, are notified of such holder’s then-current address, at which time all missed distributions shall be made to such holder, without interest. All demands for undeliverable distributions shall be made on or before ninety (90) days after the date such undeliverable distribution was initially made. Thereafter, in accordance with section 347(b) of the Bankruptcy Code, the amount represented by such undeliverable distribution shall irrevocably revert to the Debtors or the Ephedra Personal Injury Trust, as the case may be, and any Claim in respect of such undeliverable distribution shall be discharged and forever barred from assertion against the Ephedra Personal Injury Trust, the Debtors, and their property.

6.3 Surrender of Instruments. As a condition to receiving any distribution under the Plan, each holder of a note under the Indenture must surrender such note held by it to the Indenture Trustee or its designee. Any holder of such note that fails to (i) surrender such note, or (ii) execute and deliver an affidavit of loss and/or indemnity reasonably satisfactory to

the Indenture Trustee and furnish a bond in form, substance, and amount reasonably satisfactory to the Indenture Trustee before the first anniversary of the Effective Date shall be deemed to have forfeited all rights and Claims and may not participate in any distribution under the Plan. Any distribution so forfeited shall become property of the Debtors.

6.4 **Setoffs.** The Debtors may, but shall not be required to, set off against any Claim (for purposes of determining the Allowed amount of such Claim on which distribution shall be made), any claims of any nature whatsoever that the Debtors may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors of any such claim the Debtors may have against the holder of such Claim.

6.5 **Transactions on Business Days.** If the Effective Date or any other date on which a transaction may occur under the Plan shall occur on a day that is not a Business Day, the transactions contemplated by the Plan to occur on such day shall instead occur on the next succeeding Business Day but shall be deemed to have been completed as of the required date.

6.6 **Allocation of Plan Distribution Between Principal and Interest.** All distributions in respect of any Allowed Claim shall be allocated first to the principal amount of such Allowed Claim, as determined for federal income tax purposes, and thereafter, to the remaining portion of such Claim comprising interest, if any (but solely to the extent that interest is an allowable portion of such Allowed Claim).

6.7 **Withholding and Reporting Requirements.** The Plan Administrator shall comply with all applicable withholding and reporting requirements imposed by any federal, state, local, or foreign tax authority, and all distributions under the Plan shall be subject to any such withholding and reporting requirements. Notwithstanding the above, each holder of an Allowed Claim that is to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of such distribution.

SECTION 7

MEANS FOR IMPLEMENTATION AND EXECUTION OF THE PLAN

7.1 **Deemed Consolidation of Debtors for Plan Purposes Only.** On the Effective Date, the Debtors shall be deemed consolidated for voting and distribution purposes under the Plan. Accordingly, for such purposes: (i) all guaranties of any Debtor of the payment, performance, or collection of obligations of another Debtor shall be eliminated and canceled, (ii) any obligation of any Debtor and all guaranties thereof executed by one or more of the other Debtors shall be treated as a single obligation, and such guaranties shall be deemed a single Claim against the deemed consolidated Debtors, (iii) all joint obligations of two or more Debtors and all multiple Claims against such entities on account of such joint obligations shall be treated and allowed only as a single Claim against the deemed consolidated Debtors, (iv) all Claims between or among the Debtors shall be canceled, and (v) each Claim filed in the Chapter 11 Case of any Debtor shall be deemed filed against the deemed consolidated Debtors and a single

obligation of the deemed consolidated Debtors on and after the Effective Date. Such deemed consolidation, however, shall not affect the legal and organizational structure of the Debtors and each of TL Administration Inc. and TL Administration (UK) Ltd. shall be governed by their respective certificate of incorporation and by-laws.

7.2 The Plan Administrator.

(a) The Confirmation Order shall name the Plan Administrator to implement, or cause to be implemented, the terms of the Plan with respect to the consolidated Debtors.

(b) The Plan Administrator shall be designated by the Debtors in consultation with the Creditors Committee.

(c) The salient terms of the Plan Administrator's employment, including the Plan Administrator's duties and compensation (which compensation shall be negotiated by the Plan Administrator, the Debtors, and the Creditors Committee), to the extent not set forth in the Plan, shall be set forth in the Confirmation Order. The Plan Administrator shall be entitled to reasonable compensation in an amount consistent with that of similar functionaries in similar types of bankruptcy proceedings.

(d) The Plan Administrator shall have no liability to the Debtors, their creditors, or their equity holders. The Debtors shall indemnify and hold harmless the Plan Administrator for any losses incurred in its capacity as such, except to the extent such losses were the result of such person's gross negligence or willful misconduct.

(e) In the event the Plan Administrator dies, is terminated, or resigns for any reason, the U.S. Trustee shall designate a successor. The Plan Administrator shall be required to disclose its connections, if any, with the Debtors, their creditors, any other party in interest, and the U.S. Trustee.

7.3 Directors/Officers/Assets of the Debtors on the Effective Date.

(a) On the Effective Date, the authority, power and incumbency of the persons then acting as directors and officers of the Debtors shall be terminated and such directors and officers shall be deemed to have resigned or to have been removed without cause.

(b) On the Effective Date, the Plan Administrator shall be appointed as and become, and shall succeed to such powers as would have been applicable to Holding's officers and directors. In addition, the Plan Administrator shall be appointed as the initial director and officer of TL Administration Inc. and TL Administration (UK) Ltd., to serve in accordance with the respective certificates of incorporation and by-laws of such companies.

(c) Notwithstanding anything to the contrary herein, all assets of the Debtors shall remain assets of the respective Debtor until they are transferred or distributed, or caused to be transferred or distributed, by the Plan Administrator pursuant to the terms of this Plan.

(d) After the Effective Date, the Plan Administrator may decide, in its sole discretion, to maintain, or cause to be maintained, any or all of the Debtors as corporations in good standing until such time as all aspects of the Plan (other than those aspects that are the responsibility of the Ephedra Personal Injury Trust) have been completed (provided, however, that the Debtors shall conduct no business except as necessary or appropriate to implement the Plan) or, at such time as the Plan Administrator considers appropriate and consistent with the implementation of the Plan, may dissolve, or cause to be dissolved, the Debtors and complete the winding up of the Debtors in accordance with applicable law. In connection with the liquidation of the Debtors, the Plan Administrator may transfer, or caused to be transferred, all assets of the Debtors to a trust or other entity created to make distributions in accordance with the Plan to holders of Allowed Claims and the Ephedra Personal Injury Trust. The Plan Administrator may act as trustee of such a trust if and as permitted by law or in the capacity of management of any other entity created to make such distributions. As soon as practicable after all aspects of the Plan (other than those aspects that are the responsibility of the Ephedra Personal Injury Trust) have been completed, the Debtors shall be dissolved and wound up in accordance with applicable law.

(e) As of the Effective Date, the certificate of incorporation and by-laws of each of the Debtors shall be amended to the extent necessary to carry out the provisions of the Plan. The amended certificates and by-laws, if any, of each of the Debtors shall be included in the Plan Supplement.

7.4 Duties and Powers of the Plan Administrator. The Plan Administrator, together with its representatives and professionals, shall administer, or cause to be administered, the Plan. The duties and powers of the Plan Administrator shall include all powers necessary to implement the Plan and administrate and liquidate, or cause to be administered and liquidated, the assets of the Debtors, including, without limitation, the duties and powers listed herein.

(a) **Authority.** The Plan Administrator may exercise all power and authority that may be or could have been exercised, commence all proceedings that may be or could have been commenced and take all actions that may be or could have been taken by an officer, director, or shareholder of Holdings with like effect as if authorized, exercised, and taken by unanimous action of such officers and directors, without shareholder approval, including, without limitation, amendment of the certificate of incorporation and by-laws of Holdings and the dissolution of Holdings.

(b) **Claims.** The Plan Administrator may object to, seek to subordinate, compromise, or settle any or all Claims against the Debtors except such Claims that are the responsibility of the Ephedra Personal Injury Trust; provided, however, that the Creditors Committee shall have the exclusive right to continue to litigate, compromise, or settle any litigation commenced by the Creditors Committee on behalf of the Debtors prior to the Effective Date.

(c) **Liquidation of Assets.** The Plan Administrator shall, or shall cause the appropriate Debtor to, in an expeditious but orderly manner, liquidate and convert to cash the assets of the consolidated Debtors, make timely distributions, and not unduly prolong the

duration of the Debtors. In so doing, the Plan Administrator shall exercise its reasonable business judgment in liquidating the assets of the consolidated Debtors to maximize recoveries. The liquidation of such assets may be accomplished through the sale of the assets (in whole or in combination, and including the sale of any Causes of Action, other than Causes of Action released under the Plan), through the prosecution, compromise and settlement, abandonment, or dismissal of any or all claims or Causes of Action (other than Causes of Action released under the Plan), or otherwise.

(d) **Abandoning Assets.** The Plan Administrator may, or may cause the appropriate Debtor to, abandon in any commercially reasonable manner, including abandonment or donation to a charitable organization of its choice, any assets, if it concludes that they are of no benefit to the Estates.

(e) **Causes of Action.** The Plan Administrator may pursue, or cause to be pursued, Causes of Action (other than Causes of Action released under the Plan) of the consolidated Debtors. The Plan Administrator shall have discretion to elect whether or not to pursue any and all such Causes of Action and whether and when to compromise, settle, abandon, dismiss, or otherwise dispose of any such Causes of Action, as the Plan Administrator may determine is in the best interests of the holders of Claims against the Debtors, and the Plan Administrator shall have no liability to any of the Debtors, their Estates, their creditors, the Creditors Committee or its members, the Ephedra Claimants Committee or its members, or any other party for the outcome of its decisions in this regard.

(f) **Retention of Professionals.** The Plan Administrator may retain professionals to assist it in performing its duties hereunder.

(g) **Books and Records.** The Plan Administrator shall maintain the Debtors' books and records, maintain accounts, make distributions, and take other actions consistent with the Plan and the implementation hereof.

(h) **Agreements.** The Plan Administrator may, or may cause the appropriate Debtor to, enter into any agreement or execute any document required by or consistent with the Plan and perform all of obligations of the respective Debtors thereunder.

(i) **Investment Power.** The right and power of the Plan Administrator to invest, or cause to be invested, any of the Debtors' Cash, including cash proceeds from the liquidation of any assets and the realization or disposition of any Causes of Action, and any income earned by the Debtors shall be limited to the right and power to invest such Cash in United States Treasury Bills, interest-bearing certificates of deposit, tax exempt securities having at the time of acquisition an investment grade credit rating as assigned by a nationally recognized credit rating service or investments permitted by section 345 of the Bankruptcy Code or otherwise authorized by the Bankruptcy Court, using prudent efforts to enhance the rates of interest earned on such Cash without inordinate credit risk or interest rate risk; provided, however, that the Plan Administrator may expend the Cash of the consolidated Debtors to effectuate the provisions of the Plan.

(j) **Tax Obligations.** The Plan Administrator shall have the powers of administration regarding all of the tax obligations of the Debtors, including filing of returns. The Plan Administrator shall (i) endeavor to complete and file, within ninety (90) days after the dissolution of the Debtors, the Debtors final federal, state and local tax returns, (ii) request, if necessary, an expedited determination of any unpaid tax liability of the Debtors or their Estates under Bankruptcy Code section 505(b) for all taxable periods of the consolidated Debtors ending after the Commencement Date through the dissolution of the Debtors as determined under applicable tax laws and (iii) represent the interest and account of the Debtors or their Estates before any taxing authority in all matters including, without limitation, any action, suit, proceeding or audit.

(k) **Reporting Duties.** The Plan Administrator shall be responsible for filing informational returns on behalf of the Debtors and paying any tax liability of the Debtors. The Plan Administrator shall file (or cause to be filed) any other statements, returns or disclosures relating to the Debtors that are required by any governmental unit or applicable law.

(l) **Reasonable Fees and Expenses.** The Plan Administrator may incur any reasonable and necessary expenses in connection with the performance of its duties under the Plan.

(m) **Other Actions.** The Plan Administrator may take all other actions not inconsistent with the provisions of the Plan which the Plan Administrator deems reasonably necessary or desirable with respect to administering the Plan.

7.5 Method of Distributions Under the Plan.

(a) **Disbursing Agent.** All distributions under the Plan to the Ephedra Personal Injury Trust and holders of Allowed Non-Ephedra Claims against the Debtors shall be made in accordance with the terms of the Plan and to the extent provided by the Plan by the Plan Administrator as Disbursing Agent or such other Entity designated by the Plan Administrator as Disbursing Agent. A Disbursing Agent shall not be required to provide any bond, surety, or other security for the performance of its duties, unless otherwise ordered by the Bankruptcy Court; and, in the event that a Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond, surety, or other security shall be borne by the Debtors.

(b) **Effective Date Payments and Transfers.** On the Effective Date, or, as soon thereafter as reasonably practicable, the Plan Administrator shall (i) remit, to each holder of an Allowed Non-Ephedra Claim (as of the Distribution Record Date) against the Debtors, the distribution provided for such Claim under the Plan and (ii) pay and transfer to the Ephedra Personal Injury Trust (or cause the Settlement Escrow Agent to pay and transfer to the Ephedra Personal Injury Trust) the Cash and assets to be paid and transferred to the Ephedra Personal Injury Trust pursuant to section 5.3 of the Plan.

(c) **Distribution of Cash.** At the option of the Plan Administrator or the Ephedra Personal Injury Trustee, as the case may be, any Cash payment to be made hereunder may be by check or wire transfer or as otherwise required or provided in applicable agreements.

(d) **Retention of Cash.** In making the distributions under the Plan, the Debtors shall, at all times, retain sufficient Cash and/or beneficial assets as reasonably necessary to (i) satisfy Administrative Expense Claims, Priority Tax Claims, Priority Non-Tax Claims, and, if applicable, Secured Claims, to the extent such claims are not paid on or prior to the Effective Date, (ii) meet the reasonably necessary administrative expenses of the Debtors after the Effective Date, including contingent liabilities and the cost of continuation of litigation commenced by the Creditors Committee on behalf of the Debtors prior to the Effective Date, (iii) pay reasonable administrative expenses of the Estate that have not been paid (including the Debtors' professional fees and expenses and the fees of the U.S. Trustee) or have not been Allowed as of the Effective Date but which are subsequently Allowed, (iv) satisfy all Disputed Claims (including, without limitation and as applicable, Consumer Class Action Claims, but not including Disputed Ephedra Personal Injury Claims) estimated by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code in the amount so estimated, (v) satisfy all Disputed Claims (but not including Disputed Ephedra Personal Injury Claims or Disputed Claims estimated by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code) in the event that all such Claims were to become Allowed Claims, (vi) satisfy other liabilities incurred by the Debtors in accordance with the Plan, and (vii) otherwise perform the functions and take the actions provided for or permitted herein or in any other agreement executed by the Plan Administrator pursuant to the Plan. The amounts retained pursuant to this paragraph shall not be segregated from the other assets of the Debtors.

(e) **Final Distributions and Transfers.** As soon as reasonably practicable after the resolution of all Disputed Non-Ephedra Claims and after all assets of the consolidated Debtors have been liquidated and the resolution of all Causes of Action, the Plan Administrator shall (x) to the extent not paid, pay all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, and wind down costs and expenses including the fees of the U.S. Trustee; (y) to the extent the Debtors have remaining Cash after the payments made in accordance with (x) above, distribute to each holder of an Allowed General Unsecured Claim its Pro Rata share of such remaining Cash; but in no event shall the amount of such distribution, when added to the amount of prior distributions received by such holder, exceed the amount of such Allowed Claim; and (z) complete the wind up of the affairs of the Debtors (or the successor to the Debtors).

7.6 Procedures for Treating Disputed Claims.

(a) **Objections.** Any objections to Non-Ephedra Claims shall be served and filed on or before the later of (a) 120 days after the Effective Date and (b) such later date as may be fixed by the Bankruptcy Court.

(b) **No Distributions Pending Allowance.** Notwithstanding any other provision hereof, if any portion of a Non-Ephedra Claim is a Disputed Claim, no payment or distribution provided hereunder shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

(c) **Estimation of Claims.** The Plan Administrator may at any time request that the Bankruptcy Court estimate any contingent, unliquidated, or Disputed Non-Ephedra

Claim including, without limitation, any Consumer Class Action Claim, pursuant to section 502(c) of the Bankruptcy Code or otherwise regardless of whether the Debtors previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain exclusive jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including without limitation, during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent, unliquidated, or Disputed Non-Ephedra Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Plan Administrator may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation, and resolution procedures are intended to be cumulative and not exclusive of one another. Non-Ephedra Claims may be estimated and subsequently disallowed, reduced, compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

(d) **Resolution of Disputed Claims.**

(i) Within sixty (60) days of a Disputed Non-Ephedra Claim becoming an Allowed Claim, the Plan Administrator shall remit to the holder of such Allowed Claim Cash equal to the amount such holder would have received as of that date under the Plan if the Allowed portion of the Disputed Claim had been an Allowed Claim as of the Effective Date.

(ii) To the extent that a Disputed Non-Ephedra Claim is not Allowed or becomes an Allowed Claim in an amount less than the amount of the Disputed Claim set forth in the proof of claim, or as previously estimated by the Bankruptcy Court, the excess of the amount of Cash that would have been distributed to the holder of the Disputed Claim if the Claim had been Allowed in full over the amount of Cash actually distributed on account of such Disputed Claim shall be Available Cash.

(iii) Holders of Disputed Non-Ephedra Claims shall not be entitled to interest if such Disputed Claim becomes an Allowed Claim except to the extent such holder is entitled to interest under the Plan as a holder of an Allowed Claim.

7.7 Closing of the Chapter 11 Cases. When all Disputed Non-Ephedra Claims filed against the Debtors have become Allowed Claims or have been disallowed by Final Order and all remaining assets of the consolidated Debtors have been liquidated and converted into Cash or abandoned and such Cash has been distributed in accordance with the Plan, the Plan Administrator shall seek authority from the Bankruptcy Court to close the Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules.

7.8 Cancellation of Existing Securities and Agreements. Except for purposes of evidencing a right to distributions under the Plan or otherwise provided hereunder, on the Effective Date all the agreements and other documents evidencing the Claims or rights of any holder of a Claim against the Debtors, including the Indenture and any notes evidencing such

Claims shall be canceled; provided, however, that the Indenture shall continue in effect solely for the purposes of (i) allowing the Indenture Trustee to make any distributions on account of Allowed General Unsecured Claims of noteholders under the Indenture pursuant to the Plan and to perform such other necessary administrative functions with respect thereto, and (ii) permitting the Indenture Trustee to maintain any rights or liens they may have for fees, costs, and expenses under the Indenture.

7.9 Dissolution. Within thirty (30) days after completion of the acts required by the Plan, or as soon thereafter as is practicable, each Debtor shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of each Debtor; provided, however, that each Debtor shall file with the office of the Secretary of State or other appropriate office for the state of its organization a certificate of cancellation or dissolution.

7.10 Books and Records. The Plan Administrator shall have the responsibility of storing and maintaining the Debtors' books and records until one year after the date the Debtors are dissolved in accordance with Section 7.9 hereof, after which time such books and records may be abandoned or destroyed without further Bankruptcy Court order. For purposes of this Section, books and records include computer generated or computer maintained books and records and computer data, as well as electronically generated or maintained books and records or data, along with books and records of the Debtors maintained by or in possession of third parties and all of the claims and rights of the Debtors in and to their books and records, wherever located.

7.11 Corporate Action. Upon the Effective Date, the Debtors shall perform each of the actions and effect each of the transfers required by the terms of the Plan, in the time period allocated therefor, and all matters provided for under the Plan that would otherwise require approval of the stockholders, partners, members, directors, or comparable governing bodies of the Debtors shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to the applicable general corporation law (or other applicable governing law) of the states in which the Debtors are incorporated or organized, without any requirement of further action by the stockholders, members, or directors (or other governing body) of the Debtors. Each of the Debtors shall be authorized and directed, following the completion of all disbursements, other transfers, and other actions required of the Debtors by the Plan, to file its certificate of cancellation or dissolution as contemplated by Section 7.9 hereof. The filing of such certificates of cancellation, dissolution, or merger shall be authorized and approved in all respects without further action under applicable law, regulation, order, or rule, including, without express or implied limitation, any action by the stockholders, members, or directors (or other governing body) of the Debtors.

7.12 Effectuating Documents and Further Transactions. Each of the officers of each of the Debtors is authorized and directed to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

SECTION 8

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

8.1 Executory Contracts and Unexpired Leases. On the Effective Date, all executory contracts and unexpired leases to which any of the Debtors are parties shall be deemed rejected as of the Effective Date, except for an executory contract or unexpired lease that (i) has been assumed or rejected pursuant to Final Order of the Bankruptcy Court entered prior to the Effective Date or (ii) is the subject of a separate motion to assume or reject filed under section 365 of the Bankruptcy Code by the Debtors prior to the Effective Date.

8.2 Approval of Rejection of Executory Contracts and Unexpired Leases. Entry of the Confirmation Order shall constitute the approval, pursuant to section 365(a) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected as of the Effective Date pursuant to the Plan.

8.3 Rejection Claims. In the event that the rejection of an executory contract or unexpired lease by any of the Debtors pursuant to the Plan results in damages to the other party or parties to such contract or lease, a Claim for such damages, if not heretofore evidenced by a filed proof of claim, shall be forever barred and shall not be enforceable against the Debtors, or any property to be distributed under the Plan unless a proof of claim is filed with the Bankruptcy Court and served upon the Plan Administrator on or before the date that is thirty (30) days after notice of the Confirmation Date and such bar date has been provided to the holder of such Claim.

SECTION 9

EFFECTIVENESS OF THE PLAN

9.1 Condition Precedent to Confirmation of Plan. The following is a condition precedent to the confirmation of the Plan:

(a) The Bankruptcy Court shall have entered a Confirmation Order in form and substance satisfactory to the Debtors.

(b) (i) The Aggregate Allowed Consumer Class Action Claims shall be no greater than such amount that will yield an aggregate distribution to all such class claimants of \$350,000 including attorney fees or (ii) the aggregate Allowed amount of Class 5 Claims (General Unsecured Claims) shall be no greater than \$68,300,000.

(c) The Bankruptcy Court shall have entered a Confirmation Order confirming the Plan which includes the Plan Release and Injunction in Favor of Settling Third Parties as provided in paragraph 4 of the 2002-2004 Ephedra PI Settlement Agreement.

9.2 Conditions Precedent to Effective Date. The following are conditions precedent to the Effective Date of the Plan:

(a) No stay of the Confirmation Order shall then be in effect;

(b) The Ephedra Personal Injury Trust Agreement shall have been executed and made effective;

(c) The Settlement Escrow Agent shall have paid to the Ephedra Personal Injury Trust the Third Party Settlement Amounts aggregating the Aggregate Third Party Settlement Amount;

(d) The Debtors shall have paid to the Ephedra Personal Injury Trust the amount of the Class 4 Distribution; and

(e) The Debtors shall have sufficient available Cash and/or beneficial assets to pay the sum of (i) satisfying Administrative Expense Claims, Priority Tax Claims, Priority Non-Tax Claims, and Secured Claims, if applicable and to the extent such claims have not been paid, (ii) the reasonably necessary administrative expenses of the Debtors after the Effective Date, including contingent liabilities and the cost of continuation of litigation commenced by the Creditors Committee on behalf of the Debtors prior to the Effective Date, (iii) the reasonable administrative expenses of the Estate that have not been paid (including the Debtors' professional fees and expenses and the fees of the U.S. Trustee), (iv) satisfying all Disputed Claims (including, without limitation and as applicable, Consumer Class Action Claims, but not including Disputed Ephedra Personal Injury Claims) estimated by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code in the amount so estimated, (v) satisfying all Disputed Claims (but not including Disputed Ephedra Personal Injury Claims or Disputed Claims estimated by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code) in the event that all such Claims were to become Allowed Claims, (vi) other liabilities incurred by the Debtors in accordance with the Plan, and (vii) the amount required to otherwise perform the functions and take the actions provided for or permitted herein or in any other agreement executed by the Plan Administrator pursuant to the Plan.

9.3 Satisfaction of Conditions. Any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action. If the Debtors decide, after consultation with the Creditors Committee and the Ephedra Claimants Committee, that one of the conditions precedent set forth in Section 9.2 hereof cannot be satisfied and the occurrence of such condition is not waived or cannot be waived, then the Debtors shall file a notice of the failure of the Effective Date with the Bankruptcy Court.

9.4 Effect of Nonoccurrence of Conditions to Consummation. If each of the conditions to consummation and the occurrence of the Effective Date has not been satisfied or duly waived on or before the first Business Day that is one hundred twenty (120) days after the Confirmation Date, or such later date as shall be agreed by the Debtors and the Ephedra Claimants Committee, or by order of the Bankruptcy Court, the Confirmation Order may be vacated by the Bankruptcy Court. If the Confirmation Order is vacated pursuant to this Section, the Plan shall be null and void in all respects, and nothing contained in the Plan shall constitute a waiver or release of any Claims against any of the Debtors.

9.5 **Waiver of Conditions.** The Debtors and the Ephedra Claimants Committee may together (but not individually) waive by a writing signed by an authorized representative of the respective party and subsequently filed with the Bankruptcy Court, one or more of the conditions precedent set forth in Section 9.1 and Section 9.2 hereof, other than the conditions set forth in Sections 9.1(a), 9.1(c), 9.2(a), 9.2(b), and 9.2(e) hereof. The Debtors and the Settling Third Parties may together (but not individually) waive by writing signed by an authorized representative of the respective party and subsequently filed with the Bankruptcy Court the condition set forth in Section 9.1(c) hereto.

SECTION 10

EFFECT OF CONFIRMATION

10.1 **Vesting of Assets.**

(a) As of the Effective Date, the property of the Estates shall vest in the Debtors or such other entity as provided in the Plan.

(b) From and after the Effective Date, the Plan Administrator and the Ephedra Personal Injury Trustee may dispose of, or cause to be disposed of, the assets of the Debtors and the Ephedra Personal Injury Trust respectively, free of any restrictions of the Bankruptcy Code, but in accordance with the provisions of the Plan and the Ephedra Personal Injury Trust Agreement.

(c) As of the Effective Date, all assets of the Debtors and the Ephedra Personal Injury Trust shall be free and clear of all Claims, except as provided in the Plan or the Confirmation Order.

10.2 **Binding Effect.** Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against, or Equity Interest in, the Debtors and their respective successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

10.3 **Retention of Causes of Action.** Except as otherwise provided in the Plan, on and after the Effective Date, the Debtors will have the exclusive right to enforce any and all Causes of Action against any person. The Debtors may pursue, abandon, settle, or release any or all Causes of Action (other than Causes of Action released under the Plan), as they deem appropriate, without the need to obtain approval or any other or further relief from the Bankruptcy Court. The Plan Administrator may pursue, abandon, settle, or release any or all such Causes of Action as it deems appropriate, without the need to obtain approval or any other or further relief from the Bankruptcy Court. The Debtors may, in their sole discretion, offset any such claim held against a person against any payment due such person under the Plan; provided, however, that any claims of the Debtors arising before the Commencement Date shall first be offset against Claims against the Debtors arising before the Commencement Date.

10.4 Exculpations and Limitation of Liability. Notwithstanding anything to the contrary contained herein, as of the Effective Date, none of (i) the Debtors and the Debtors' officers, directors, and employees, (ii) the Creditors Committee, (iii) the Ephedra Claimants Committee, and (iv) the members, representatives, accountants, financial advisors, investment bankers, consultants, and attorneys of the Entities described in (i) through (iii) of this paragraph shall have or incur any liability to any person for any act taken or omission, after the Commencement Date, in connection with or related to the Chapter 11 Cases or the operations of the Debtors' businesses during the Chapter 11 Cases, including but not limited to (i) formulating, preparing, disseminating, implementing, confirming, consummating or administering the Plan (including soliciting acceptances or rejections thereof); (ii) the Disclosure Statement or any contract, instrument, release or other agreement or document entered into or any action taken or omitted to be taken in connection with the Plan or the Disclosure Statement; or (iii) any distributions made pursuant to the Plan, except for acts constituting willful misconduct or gross negligence.

10.5 Releases.

(a) *Releases of the Settling Third Parties.* In consideration of the 2002-2004 Ephedra PI Settlement Agreement and the Third Party Settlement Amounts, on the Effective Date, and except for the obligations arising under or in connection with this Plan, the Debtors, the Creditors Committee, the Ephedra Claimants Committee, and all Creditors, for themselves, their successors and assigns, and the Estates, shall fully, finally, and irrevocably release and forever discharge the Released Parties of and from any and all past, present, and future claims, rights, actions, demands, injuries, damages, compensation, or Causes of Action of whatsoever kind or nature, arising out of or otherwise relating to the manufacture, marketing, sale, distribution, fabrication, advertising, supply, production, use, or ingestion of ephedra or ephedra-containing products designed, manufactured, fabricated, sold, supplied, produced, or distributed by one or more of the Debtors, whether foreseen or unforeseen, known or unknown, contingent or actual, liquidated or unliquidated, whether in tort or contract, whether statutory or at common law (including, without limitation, claims under section 506(c) of the Bankruptcy Code) which they have or may have as of the Confirmation Date, arising from the beginning of the world up to the Confirmation Date, provided, however, that such release does not include claims against the Settling Third Parties in connection with the Pre-2002 Ephedra PI Claims; provided, further, that such release does limit the liability of GNC in each of the Pre-2002 Ephedra PI Claims to the proceeds of the Debtors' applicable insurance policy or policies and further limits the recovery of any holder of a Pre-2002 Ephedra PI Claim solely to such insurance proceeds in connection with any claim against GNC.

(b) *Releases of the Blechmans.* In consideration of the Blechman Agreement, on the Effective Date, and except for the obligations arising under or in connection with this Plan, the Debtors, the Creditors Committee, the Ephedra Claimants Committee, and all Creditors, for themselves, their successors and assigns, the Estates, and any person claiming by, through, or under any of the foregoing shall fully, finally, and irrevocably release and forever discharge the Blechmans of and from any and all claims, rights, actions, demands, injuries, damages, compensation, or Causes of Action of every

kind and nature, whether foreseen or unforeseen, known or unknown, contingent or actual, liquidated or unliquidated, whether in tort or contract, whether statutory or at common law (including, without limitation, claims under section 506(c) of the Bankruptcy Code and any and all claims of creditors or shareholders of the Debtors) (i) asserted or that might have been asserted in the Amended Complaint or the Declaratory Judgment Complaint, (ii) arising out of or related to the facts and circumstances alleged in the Amended Complaint or Declaratory Judgment Complaint, (iii) arising from all alleged acts or omissions of every kind, nature, and description by any of the Blechmans arising out of their management of the Debtors or related to any of the Debtors, and (iv) based on allegations of product liability, personal injury (whether physical, emotional, or otherwise), wrongful death, or other statutory claims relating to products manufactured, fabricated, supplied, advertised, marketed, distributed, and/or sold by the Debtors) which they have or may have as of the Confirmation Date relating to the Debtors, arising from the beginning of the world up to the Confirmation Date.

(c) *Releases by the Settling Third Parties and the Blechmans.* For good and valuable consideration, on the Effective Date, and except for the obligations arising under or in connection with this Plan, the Blechmans and the Released Parties, for themselves, their successors and assigns, and any person claiming by, through, or under any of the foregoing shall fully, finally, and irrevocably release and forever discharge the Debtors and the Estates of and from any and all claims, rights, actions, demands, injuries, damages, compensation, or Causes of Action which they have or may have as of the Confirmation Date relating to the Debtors, arising from the beginning of the world up to the Confirmation Date; provided, however, that such release does not include release of Ephedra Indemnification Claims in connection with Pre-2002 Ephedra PI Claims, which claims will be treated in accordance with section 4.3 of the Plan.

10.6 Injunction.

(a) **All Entities who have held, hold, or may hold Claims against or Equity Interests in any or all of the Debtors and other parties in interest, along with their respective present or former employees, agents, officers, directors, or principals, are permanently enjoined, on and after the Effective Date, with respect to all Claims against, and Equity Interests in, any of the Debtors from (i) commencing, conducting, or continuing in any manner, directly or indirectly, any Cause of Action or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtors, the Estates, the Plan Administrator, Ephedra Personal Injury Trust, the Ephedra Personal Injury Trustee, Ideasphere, the Released Parties, the Blechmans, or the property of any of the foregoing, (ii) enforcing, levying, attaching (including, without limitation, any prejudgment attachment), collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against the Debtors, the Estates, the Plan Administrator, the Ephedra Personal Injury Trust, the Ephedra Personal Injury Trustee, Ideasphere, the Released Parties, the Blechmans, or the property of any of the foregoing, (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtors, the Estates, the Plan Administrator, the Ephedra Personal Injury Trust, the Ephedra Personal Injury Trustee, Ideasphere, the**

Released Parties, the Blechmans, or against the property or interests in property of the Debtors, (iv) asserting any right of setoff, directly or indirectly, against any obligation due the Debtors, the Estates, the Plan Administrator, the Ephedra Personal Injury Trust, the Ephedra Personal Injury Trustee, Ideasphere, the Released Parties, the Blechmans, or any of the property of the foregoing, except as contemplated or allowed by the Plan; (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan; (vi) commencing, continuing or asserting in any manner any Cause of Action or other proceeding of any kind with respect to any Claims and Causes of Action which are extinguished or released pursuant to the Plan, and (vii) taking any actions to interfere with the implementation or consummation of the Plan.

Notwithstanding the foregoing, nothing contained in this paragraph shall prohibit holders of Pre-2002 Ephedra PI Claims from prosecuting such claims in accordance with section 4.3 of the Plan.

(b) All persons are permanently enjoined, on and after the Effective Date, from asserting any Claim (x) which is released by such person under the Plan or (y) for which the party against whom such Claim is being asserted has received exculpation under the Plan, including: (i) commencing, conducting, or continuing in any manner, directly or indirectly, any Cause of Action or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) on account of such Claim, (ii) enforcing, levying attaching (including, without limitation, any prejudgment attachment), collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order on account of such Claim, (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind on account of such Claim (iv) asserting any right of setoff, directly or indirectly, against any obligation on account of such claim (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan; (vi) commencing, continuing or asserting in any manner any Cause of Action or other proceeding of any kind with respect to any such Claim, and (vii) taking any actions to interfere with the implementation or consummation of the Plan.

10.7 United States Exception. Notwithstanding any provision of the Plan or any document or order associated therewith, nothing shall be deemed to waive, release, discharge, affect, or terminate any liability of, debt of, or Claim against the Debtors or any non-Debtor in connection with any criminal action or proceeding or civil forfeiture action or proceeding , or any action pursuant to the United States' police and regulatory power concerning conduct at any time by the Debtors (or its agents or former employees) and nothing herein shall release the Debtors or any non-Debtor from the criminal laws or civil forfeiture laws of the United States; provided that, except in connection with a properly filed proof of claim and to the extent that the Claim evidenced thereby is treated in accordance with the Plan, the foregoing provision does not permit the United States, any state of the United States, or any of their respective police or regulatory agencies to obtain any monetary recovery from or forfeit any assets of the Debtors or their property or interest in property with respect to any such Claim or other debt or liability that is discharged or any Equity Interest or other right of equity interest that is terminated or cancelled pursuant to the Plan, including, without limitation, any monetary claim, forfeiture, or penalty in furtherance of a police or regulatory power.

10.8 Terms of Pre-Plan Injunction and Stays.

(a) Unless otherwise provided in the Plan, the Confirmation Order, or a separate order of the Bankruptcy Court, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in such applicable order.

(b) Unless otherwise ordered by the Bankruptcy Court, on and after the Confirmation Date, any “fifty percent shareholder” within the meaning of section 382(g)(4)(D) of the Tax Code shall be enjoined from claiming a worthless stock deduction with respect to any Equity Interest held by such shareholder for any taxable year of such shareholder ending prior to the Effective Date.

SECTION 11

RETENTION OF JURISDICTION

11.1 Jurisdiction of Bankruptcy Court. The Bankruptcy Court shall retain jurisdiction of all matters arising under, arising out of, or related to the Chapter 11 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(a) To hear and determine motions for the assumption, assumption and assignment, or rejection of executory contracts or unexpired leases and the allowance of Claims resulting therefrom;

(b) To determine any motion, adversary proceeding, application, contested matter, and other litigated matter pending on or commenced after the Confirmation Date, including, without limitation, any proceeding to recover a Cause of Action or Avoidance Action;

(c) To ensure that distributions to holders of Allowed Claims are accomplished as provided herein;

(d) Except as to the 2002-2004 Ephedra PI Claims but subject to sections 5.3 or 11.1(i) herein, to consider Claims or the allowance, classification, priority, compromise, estimation, or payment of any Claim;

(e) To enter, implement, or enforce such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(f) To issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any person with the consummation, implementation, or enforcement of the Plan, the Confirmation Order, or any other order of the Bankruptcy Court;

(g) To hear and determine any application to modify the Plan in accordance with section 1127 of the Bankruptcy Code, to remedy any defect or omission or reconcile any inconsistency in the Plan, the Disclosure Statement, or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

(h) To hear and determine all applications under sections 330, 331, and 503(b) of the Bankruptcy Code for awards of compensation for services rendered and reimbursement of expenses incurred prior to the Confirmation Date;

(i) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, the Ephedra Personal Injury Trust, the Ephedra Personal Injury Trust Agreement, the Confirmation Order, any transactions or payments contemplated by any of the foregoing, or any agreement, instrument, or other document governing or relating to any of the foregoing;

(j) To take any action and issue such orders as may be necessary to construe, enforce, implement, execute, and consummate the Plan or to maintain the integrity of the Plan following consummation;

(k) To recover all assets of the Debtors and property of the Estates, wherever located;

(l) To determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(m) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including, without limitation, matters with respect to any taxes payable by a trust established in furtherance of the Plan);

(n) To hear and determine any other matters related hereto and not inconsistent with the Bankruptcy Code and title 28 of the United States Code; and

(o) To enter a final decree closing the Chapter 11 Cases.

SECTION 12

MISCELLANEOUS PROVISIONS

12.1 Dissolution of Creditors Committee and Ephedra Claimants Committee.

The Creditors Committee and the Ephedra Claimants Committee shall dissolve on the Effective Date, or as soon thereafter as is reasonably practicable to permit the (i) Creditors Committee and the Ephedra Claimants Committee and their respective professionals the right to pursue, review, and object to any applications for compensation and reimbursement of expenses filed in accordance with Section 11.1(h) hereof and (ii) Creditors Committee the right to continue to

pursue, or compromise and settle, any litigation commenced by the Creditors Committee on behalf of the Debtors prior to the Effective Date.

12.2 Substantial Consummation. On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

12.3 Payment of Statutory Fees. On the Effective Date, and thereafter as may be required, the Debtors shall pay all fees payable pursuant to section 1930 of chapter 123 of title 28 of the United States Code. Notwithstanding the deemed substantive consolidation of the Debtors for purposes of the Plan, each Debtor's calculation of and liability for quarterly fees shall remain unaffected, and each Debtor shall continue to pay all quarterly fees pursuant to section 1930 of chapter 123 of title 28 of the United States Code that become due after the Effective Date and, with respect to each Debtor, on or before the date that the Chapter 11 Case concerning such Debtor is (i) closed, (ii) dismissed, or (iii) converted to a case under Chapter 7 of the Bankruptcy Code.

12.4 Effectuating Documents and Further Transactions. Denis O'Connor, Operating Officer of Holdings, and an officer of each of the Debtors, is authorized and directed to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and take such actions as may be reasonably necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

12.5 Exemption from Transfer Taxes. Pursuant to section 1146(c) of the Bankruptcy Code, the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition of assets contemplated by the Plan (including transfers of assets to and by the Ephedra Personal Injury Trust and transfers and assignments of assets to Ideasphere pursuant to the Ideasphere Agreement) shall not be subject to any stamp, real estate transfer, mortgage recording, sales, use, or other similar tax.

12.6 Post-Confirmation Date Fees and Expenses of Professionals. The Debtors shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses, incurred after the Confirmation Date, of the professional persons employed by the Debtors, the Ephedra Claimants Committee, and the Creditors Committee in connection with the implementation and consummation of the Plan, the claims reconciliation process, and any other matters as to which such professionals may be engaged. The fees and expenses of such professionals shall be paid within ten (10) Business Days after submission of a detailed invoice therefor. If the Plan Administrator disputes the reasonableness of any such invoice, the Plan Administrator shall timely pay the undisputed portion of such invoice, and the Plan Administrator or the affected professional may submit such dispute to the Bankruptcy Court for a determination of the reasonableness of such invoice.

12.7 Elimination of Vacant Classes. Any Class that is not occupied as of the commencement of the Confirmation Hearing by an Allowed Claim or a Claim temporarily

allowed under Bankruptcy Rule 3018 or as to which no vote is cast shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

12.8 Nonconsensual Confirmation. If any Impaired Class entitled to vote shall not accept the Plan by the requisite statutory majorities provided in section 1126(c) of the Bankruptcy Code, the Debtors reserve the right to request the Bankruptcy Court confirm the Plan under section 1129(b) of the Bankruptcy Code.

12.9 Modification of Plan. Upon reasonable notice to the Creditors Committee and the Ephedra Claimants Committee, the Plan may be amended, modified, or supplemented by the Debtors in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as the Bankruptcy Court may otherwise direct. In addition, after the Confirmation Date, so long as such action does not materially adversely affect the treatment of holders of Claims or Equity Interests under the Plan, the Debtors may institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan or the Confirmation Order, with respect to such matters as may be necessary to carry out the purposes and effects of the Plan. Prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to the Plan without further order or approval of the Bankruptcy Court, *provided* that such technical adjustments and modifications do not adversely affect in a material way the treatment of holders of Claims or Equity Interests. Notwithstanding the foregoing, without the consent of the Settling Third Parties, the Plan may not be amended pursuant to this paragraph if after such amendment, the Plan would not include the Plan Release and Injunction in Favor of Settling Third Parties as provided in paragraph 4 of the 2002-2004 Ephedra PI Settlement Agreement.

12.10 Revocation or Withdrawal of Plan. The Debtors reserve the right to revoke or withdraw the Plan at any time prior to the Confirmation Date. If the Debtors take such action, the Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claim by or against the Debtors or any other person or to prejudice in any manner the rights of the Debtors or any other person in any further proceedings involving the Debtors.

12.11 Courts of Competent Jurisdiction. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of the Plan, such abstention, refusal, or failure of jurisdiction shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

12.12 Severability. If, prior to the entry of the Confirmation Order, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any

such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

12.13 Governing Law. Except to the extent the Bankruptcy Code or other federal law is applicable, the rights, duties, and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to the principles of conflicts of law thereof.

12.14 Exhibits. The exhibits to the Plan are incorporated into and are a part of the Plan as if set forth in full herein.

12.15 Successors and Assigns. All the rights, benefits, and obligations of any person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, the heirs, executors, administrators, successors, and/or assigns of such person.

12.16 Time. In computing any period of time prescribed or allowed by the Plan, unless otherwise set forth herein or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

12.17 Notices. All notices, requests, and demands to or upon the Debtors to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Debtors, to:

TL Administration Corporation
c/o AlixPartners
9 West 57th Street, Suite 3420
New York, New York 10019
Attn: Denis O'Connor
Telephone: (646) 746-2465
Telecopier: (646) 746-2490

-and-

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Michael P. Kessler, Esq.
Telephone: (212) 310-8000
Telecopier: (212) 310-8007

Dated: New York, New York
May 25, 2005

Respectfully submitted,

TL ADMINISTRATION CORPORATION (F/K/A TWINLAB CORPORATION)

By: /s/ Denis O'Conner
Name: Denis O'Conner
Title: Vice President

TL ADMINISTRATION INC. (F/K/A TWIN LABORATORIES INC.)

By: /s/ Denis O'Conner
Name: Denis O'Conner
Title: Vice President

TL ADMINISTRATION (UK) LTD. (F/K/A TWIN LABORATORIES (UK) LTD.)

By: /s/ Denis O'Conner
Name: Denis O'Conner
Title: Vice President

EXHIBIT A TO PLAN

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

-----x
In re :
: **04 MD 1598 (JSR)**
EPHEDRA PRODUCTS LIABILITY :
LITIGATION. :
-----x
PERTAINS TO ALL CASES

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

-----x
In re :
: **Chapter 11 Case No.**
TL ADMINISTRATION CORPORATION, :
et al. (f/k/a TWINLAB CORPORATION, et al.), : **03-15564 (RDD)**
: **(Jointly Administered)**
: **Debtors.** :
-----x

**GLOBAL SETTLEMENT AGREEMENT
AND GLOBAL RELEASE OF CLAIMS**

THIS Global Settlement Agreement and Global Release of Claims (the “Agreement”) is entered into by and between the Parties (as defined herein) as of the Date of this Agreement (as defined herein).

WHEREAS, the plaintiffs (individually and collectively referred to herein as the ‘2002-2004 Ephedra PI Plaintiffs’ or the “Plaintiffs”) in the ephedra-related personal injury cases listed on Exhibit A attached hereto (individually and collectively referred to herein as the ‘2002-2004 Ephedra PI Cases’) allege that they suffered various injuries which they contend are related to their ingestion of ephedra-containing dietary supplements (the “Incidents”);

WHEREAS, the Plaintiffs filed the 2002-2004 Ephedra PI Cases against TL Administration Corporation (f/k/a Twinlab Corporation), TL Administration Inc. (f/k/a Twin Laboratories Inc.), and/or TL Administration (UK) Ltd, (f/k/a Twin Laboratories (UK) Ltd.) (hereinafter individually and collectively referred to herein as the “Debtors”), as well as the

various manufacturers, distributors, sellers, suppliers, insurers, and other third parties listed on Exhibit B attached hereto (hereinafter individually and collectively referred to as the “Settling Third Parties”) to recover damages arising from the Incidents;

WHEREAS, the Debtors and the Settling Third Parties have denied any liability in connection with all claims, causes of action and allegations made or asserted by the Plaintiffs in the 2002-2004 Ephedra PI Cases; and

WHEREAS, the Plaintiffs, the Debtors and the Settling Third Parties wish to settle their differences and resolve any and all claims, causes of action, demands, disputes, obligations and other matters between them, including but not limited to the 2002-2004 Ephedra PI Cases and those arising from or relating to the Incidents.

NOW, THEREFORE, in consideration of the representations, covenants and mutual promises set forth in this Agreement, the Plaintiffs, the Debtors, the Settling Third Parties, the Official Committee of Ephedra Claimants (the “ECC”), and the Plaintiffs’ Coordinating Counsel (the “PCC”) appointed by the Honorable Jed Rakoff, United States District Judge, in *In re Ephedra Products Liability Litigation*, 04 M.D. 1598, United States District Court for the Southern District of New York (hereinafter collectively referred to as the “Parties”), agree as follows:

1. **Release by Plaintiffs.** Plaintiffs, each individually on their own behalf and on behalf of their respective spouses, dependents, heirs, representatives, attorneys, agents, successors and assigns (individually and collectively referred to herein as the “Releasers”), hereby forever release and discharge each of the Debtors, the Settling Third Parties, Ideasphere Inc., and TL Acquisition Corp. and their respective representatives, predecessors, direct and indirect parent companies, subsidiaries and affiliates, along with the franchisees, member companies, vendors, partners, distributors, brokers, retailers, officers, directors, employees, shareholders, attorneys, sureties, agents, insurers, heirs, successors and assigns of all such persons or entities (individually and collectively referred to herein as the “Releasees”), from any and all past, present or future rights, interests, obligations, claims, causes of action, damages

(including punitive damages), demands, liabilities, expenses, fees (including attorneys' fees) and costs of any kind whatsoever, known or unknown, arising from or relating to any actual or alleged past, present or future act, omission, defect, incident, event or circumstance from the beginning of the world to the Effective Date of this Agreement, relating to, concerning, or arising from the following: (i) the Incidents; (ii) all claims, causes of action and demands asserted, or which could have been asserted in the 2002-2004 Ephedra PI Cases; and (iii) all claims relating to the manufacture, marketing, sale, distribution, fabrication, advertising, supply, production, use, or ingestion of ephedra or ephedra-containing products, whether foreseen or unforeseen, known or unknown, contingent or actual, liquidated or unliquidated, whether in tort or contract, and whether statutory or at common law.

2. **Release by the Settling Third Parties.** The Settling Third Parties, on their own behalf and on behalf of their respective dependents, heirs, representatives, predecessors, direct and indirect parent companies, subsidiaries and affiliates, member companies, attorneys, agents, successors and assigns, hereby forever release and discharge (i) the Debtors from all claims, demands, or causes of action, including those for reimbursement, indemnification, subrogation, or contribution; provided, however, that such releases do not include release of indemnification or contribution claims in connection with the cases listed in Exhibit C attached hereto (hereinafter individually and collectively referred to as the "Pre-2002 Ephedra PI Cases") which claims will be treated in accordance with the terms of the Debtors' Joint Plan of Liquidation in substantially the form attached hereto as Exhibit H (the "Plan") and (ii) each other from all claims, demands, or causes of action of whatever kind or nature arising out of or otherwise related to the 2002-2004 Ephedra PI Cases, including those for reimbursement, indemnification, subrogation, or contribution,; provided, however, that such releases do not include release of indemnification or contribution claims in connection with the Pre-2002 Ephedra PI Cases, which claims will be treated in accordance with the terms of the Plan.

3. **Releases By the Debtors.** The Debtors hereby forever release and discharge the Settling Third Parties and their respective representatives, predecessors, direct and indirect

parent companies, subsidiaries and affiliates, along with the franchisees, member companies, vendors, partners, distributors, brokers, retailers, officers, directors, employees, shareholders, attorneys, sureties, agents, insurers, heirs, successors and assigns of all such persons or entities, from all claims, demands, or causes of action of whatever kind or nature, including (i) those for reimbursement, indemnification, subrogation, or contribution, arising out of or otherwise related to the 2002-2004 Ephedra PI Case and (ii) any claims the Debtors may have now, or may acquire in the future, pursuant to sections 544, 545, 547, 548, or 549 of title 11 of the United States Code (the “Bankruptcy Code”); provided, however, that the foregoing releases do not include release of indemnification or contribution claims in connection with the Pre-2002 Ephedra PI Cases, which claims will be treated in accordance with the terms of the Plan.

4. **Plan Release of and Injunction in Favor of Settling Third Parties.** The Plan will provide the Releasees with a release from and an injunction against any and all past, present and future claims, demands, actions, or causes of action of whatsoever kind or nature, arising out of or otherwise relating to the manufacture, marketing, sale, distribution, fabrication, advertising, supply, production, use, or ingestion of ephedra or ephedra-containing products designed, manufactured, fabricated, sold, supplied, produced, or distributed by one or more of the Debtors, whether foreseen or unforeseen, known or unknown, contingent or actual, liquidated or unliquidated, whether in tort or contract, whether statutory or at common law; provided, however, that such releases will not include claims in connection with the Pre-2002 Ephedra PI Cases, listed in Exhibit C hereto, which claims will be treated in accordance with the terms of the Plan.

5. **Dismissal of the 2002-2004 Ephedra PI Cases.** The Parties acknowledge that the terms of this Agreement must be approved by the United States District Court for the Southern District of New York (the “District Court”) and/or the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court” and together with the District Court, the “Court”) pursuant to the requirements of the Bankruptcy Code and orders issued by those courts, including Case Management Order Nos. 5 and 7. The Parties agree that they will

take all appropriate steps to obtain that approval pursuant to the requirements of the United States Bankruptcy Code and the orders issued by those Courts. Plaintiffs further agree that Plaintiffs' counsel will serve upon the Special Master "the confidential breakdown of the amount of the settlement to be paid to each individual plaintiff and the amount to be paid in fees and disbursements to the plaintiff's individual counsel and to coordinating or other counsel," as required by Paragraph 1 of Case Management Order No. 5. The terms of that approval shall include dismissals of the 2002-2004 Ephedra PI Cases with prejudice by Plaintiffs; except that such dismissals shall not include the dismissal of claims against Metabolife International, Inc. ("Metabolife"). Plaintiffs expressly authorize and direct their attorneys to endorse any Stipulation of Dismissal with Prejudice. The Parties will pay their own attorneys fees and court costs arising from or relating to the 2002-2004 Ephedra PI Cases.

6. **Withdrawal of Bankruptcy Claims.** The Parties agree that all claims scheduled by the Debtors as held by Plaintiffs and the Settling Third Parties, including those liabilities scheduled as unliquidated, disputed, contingent and undetermined, shall be deemed satisfied and discharged and that all proofs of claim filed against the Debtors by or on behalf of Plaintiffs and the Settling Third Parties, **including without limitation the claims set forth on Exhibit E attached hereto**, shall be withdrawn with prejudice. Notwithstanding the foregoing, (i) claims of the 2002-2004 Ephedra PI Plaintiffs will be treated in accordance with the terms of the Ephedra Personal Injury Trust Agreement to be established pursuant to Paragraph 7 of this Agreement and the Plan, and (ii) claims of the Settling Third Parties for indemnification and contribution in connection with the Pre-2002 Ephedra PI Cases will be treated in accordance with the terms of the Plan.

7. **Establishment of the Ephedra Personal Injury Trust.** The Plan shall establish a trust for the payment of all claims in connection with the 2002-2004 Ephedra PI Cases (the "Ephedra Personal Injury Trust"). The Plaintiffs agree to look solely to the Ephedra Personal Injury Trust for payment of all their claims in connection with the 2002-2004 Ephedra PI Cases. The Ephedra Personal Injury Trust Agreement (the "Ephedra Personal Injury Trust Agreement")

will govern the Ephedra Personal Injury Trust. The Ephedra Personal Injury Trust shall assume full responsibility for determining and paying all claims in connection with the 2002-2004 Ephedra PI Cases in accordance with the terms of the Plan and the Ephedra Personal Injury Trust Agreement. The Ephedra Personal Injury Trust shall pay its own costs and expenses. Prior to the Effective Date, the ECC shall initially appoint the trustee of the Ephedra Personal Injury Trust, subject to approval of the Bankruptcy Court.

8. **Payment of the Aggregate Settlement Amount.** The Debtors and the Settling Third Parties shall pay to Releasors the aggregate settlement amount of Nineteen Million Seven Hundred Ten Thousand Dollars (\$19,710,000) (the “Aggregate Settlement Amount”), consisting of Sixteen Million One Hundred Sixty Thousand Dollars (\$16,160,000) on behalf of the Settling Third Parties and Three Million Five Hundred Fifty Thousand Dollars (\$3,550,000) from the Debtors, in accordance with the terms of this paragraph.

a. **Payment by the Settling Third Parties.** Each of the Settling Third Parties shall pay into an escrow account established in accordance with an escrow agreement (the “Escrow Agreement,” substantially in the form attached hereto as Exhibit G) for and on behalf of the Ephedra Personal Injury Trust (the “Escrow Account”) in cash its portion of the Aggregate Settlement Amount **as set forth in Exhibit F attached hereto** (the “Third Party Settlement Amounts”). Each of the Settling Third Parties shall pay its respective Third Party Settlement Amount into the Escrow Account (x) no later than the earlier of (i) twenty days after execution of this Agreement and (ii) five business days prior to the hearing scheduled by the Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of the Plan or (y) pursuant to such other arrangement as may be agreed to by the Debtors and the applicable Settling Third Party, provided, however, that no such payment shall be made later than such date as all conditions to effectiveness of the Plan have been fulfilled (other than the payments set forth below).

b. **Payment Into the Ephedra Personal Injury Trust.** On the effective date of the Plan, (i) the escrow agent under the Escrow Agreement shall pay \$16,160,000 to the Ephedra

Personal Injury Trust, and (ii) the Debtors shall pay \$3,550,000 in cash to the Ephedra Personal Injury Trust. Upon payment of the above amounts into the Ephedra Personal Injury Trust, the Debtors and the Settling Third Parties shall have no further liability or responsibility relating to the Ephedra Personal Injury Trust or its operations and the Plaintiffs' release extends to all matters relating to the Ephedra Personal Injury Trust and its operations.

9. **Denial of Liability.** The Parties acknowledge and represent that the settlement, the payment made pursuant to this Agreement and the execution of the Agreement are not an admission of any kind by the Releasees of liability or responsibility for, or of the truth or accuracy of, any allegations, claims, demands or causes of action made by Releasors, all of which are hereby expressly denied.

10. **Binding Effect.** Releasors and Releasees understand and agree that this Agreement is contractual and not a mere recital. Releasors and Releasees acknowledge and agree that upon the Effective Date this Agreement shall be considered final and binding upon Releasors, Releasees, and their respective successors and assigns, heirs, agents, creditors, legal representatives, guardians, custodians, and any other persons related to Releasors or Releasees.

11. **Breach.** Should Releasors or Releasees breach any one or more of the terms and conditions of this Agreement, in addition to any other causes of action, rights and remedies available to them under law, the non-breaching Parties shall be entitled, at their option, to injunctive relief against the breaching Party or Parties to secure the breaching Party's or Parties' performance of the breaching Party's or Parties' obligations under the Agreement. The non-breaching Party or Parties shall be entitled to recover their damages and reasonable attorneys' fees and costs in securing the breaching Party's or Parties' performance of the Agreement.

12. **Authority and Ownership of Claims and Satisfaction of All Liens.**

(a) Each Releasor represents and warrants to each of the Releasees that the Releasor is competent, authorized and entitled to enter into the settlement and sign this Agreement. Subject only to any contingency fee arrangement with each Releasor's undersigned attorneys, each Releasor further represents and warrants that no other person or entity has any interest in

the rights, remedies, claims, causes of action, interests and demands released herein, and that the Releasor owns and has not sold, pledged, assigned, or transferred or purported to sell, pledge, assign, or transfer to any person or entity all or any portion of the claims, causes of action, rights, remedies, demands or interests released in this Agreement.

(b) Each Releasor acknowledges and represents that the Releasor has fully and completely resolved and satisfied, all claims, causes of action, interests, demands, liens and encumbrances from or by any person or entity not a party to this Agreement arising from or relating to the Incidents or the 2002-2004 Ephedra PI Cases including, but not limited to, all claims, causes of action, interests, demands, liens or encumbrances by the United States of America, or any other entity or individual, for payment or reimbursement of medical bills, expenses, compensation or disability paid to or on behalf of the Releasee (hereinafter “Third Party Claims and Liens”).

13. **Plan Support.** The Parties agree to (i) fully support confirmation of the Plan, (ii) not support or encourage, directly or indirectly, any plan of liquidation other than the Plan, (iii) not take any actions, directly or indirectly, to begin development or formulation of a chapter 11 plan other than the Plan, (iv) not solicit, directly or indirectly, or meet with any parties, for the purpose of developing or formulating a chapter 11 plan other than the Plan, and (v) not object to the Plan or the disclosure statement thereto; provided, however, that the ECC and the PCC retain and do not waive the right to (x) make and file a limited objection to the Plan in the event and to the extent that the Release of the Settling Third Parties provided for in the Plan (section 10.5(a) of the Plan) affects in any manner claims in connection with the Pre-2002 Ephedra PI Cases listed in Exhibit C hereto and (y) discuss any such objection and the reasons therefore with any holders of Pre-2002 Ephedra PI Claims (as defined in the Plan). The ECC and the PCC will each provide the Debtors with a letter, in form and substance reasonably acceptable to the Debtors, for inclusion in the disclosure statement materials transmitted to creditors in connection with solicitation for acceptance of the Plan. Each letter shall be addressed to the holders of 2002-2004 Ephedra PI Claims (Class 4) (as such terms are defined in the Plan), identify the party and

the interests it represents, and urge the addressees to vote to accept the Plan. Each letter may also note the ECC's and the PCC's reservation of their right to make and file the limited objection to the Plan as described and set forth in this paragraph; provided, however, that any such note will include a statement that the subject of such limited objection does not adversely affect holders of 2002-2004 Ephedra PI Claims.

14. **Consumer Class Action Cases.** A condition to the effectiveness of the Plan will be that either (i) the aggregate allowed amount of the Consumer Class Action Claims listed in Exhibit D attached hereto shall be no greater than such amount that will yield an aggregate distribution to all such class claimants of \$350,000 including attorney fees or (ii) the aggregate allowed amount of all General Unsecured Claims (including the Consumer Class Action Claims but excluding the claims of the 2002-2004 Ephedra PI Plaintiffs and the plaintiffs in the Pre-2002 Ephedra PI Cases) shall be no greater than \$68,300,000.. To the extent that any or all of the Consumer Class Action Claims cannot be consensually resolved within the caps, the Debtors will request that the Bankruptcy Court or the District Court estimate the allowed value of such claims as against the Debtors pursuant to section 502(c) of the Bankruptcy Code.

15. **Confidentiality of the Third Party Settlement Amounts.** Releasors, Releasees and their undersigned attorneys expressly acknowledge and agree that, except to the extent required to be disclosed by order of the Bankruptcy Court or the District Court, the individual Third Party Settlement Amounts as set forth on Exhibit F hereto shall be confidential. Unless the Third Party Settlement Amounts are ordered disclosed by the Court, Releasors, Releasees and their undersigned attorneys shall not disclose, discuss, or otherwise communicate in any fashion the individual Third Party Settlement Amounts to or with any person that is not a party to this Agreement. Unless the Third Party Settlement Amounts are ordered disclosed by the Court, in the event that any subpoena, court order, or other request is made to compel a Releasor to disclose, discuss or otherwise communicate any individual Third Party Settlement Amount, the Releasor shall take all steps necessary to properly and lawfully object and immediately serve written notice of any such proposed subpoena, court order, or request to the applicable Settling

Third Party or its counsel, so that the Settling Third Party can take appropriate steps to protect its interests.

16. **Indemnity**. Releasors shall indemnify, defend and hold the Releasees harmless from all claims, interests, demands, liens and encumbrances that may be asserted by or on behalf of the Releasors by any person or entity not a party to this Agreement arising from or relating to the Incidents, the settlement embodied in this Agreement and/or the 2002-2004 Ephedra PI Cases including, but not limited to, the Third Party Claims and Liens.

17. **Effect of Agreement**. Each Releasor acknowledges and represents that the Releasor is and has been represented by legal counsel with respect to the settlement and all matters covered by this Agreement, that the Releasor has had sufficient opportunity to consult with and be advised by legal counsel with regard to the same, and that this Agreement is executed and delivered by the Releasor's own free will. Each Releasor acknowledges and represents that the Releasor has CAREFULLY read this Agreement and understands its terms and conditions without reservation. Each Releasor understands that this is a FULL, COMPLETE, IRREVOCABLE and FINAL Release and that the Releasor is forever relinquishing and releasing any and all claims, causes of action, demands, rights, interests and remedies that the Releasor has or may have against the Releasees.

Each Releasor further agrees and acknowledges that the Releasor may have sustained injury or loss that is presently unknown and unsuspected, and that such injury or loss may give rise to additional claims, damages, losses, fees, costs, or expenses in the future. Nevertheless, having been advised by counsel, or having been given the opportunity to seek such advice, each Releasor has agreed to expressly waive and release any rights that he or she may have under any statutory or common law principles concerning the waiver of unknown or unsuspected claims or unascertained injury or damage, including, without limitation, any rights specified in California Civil Code § 1542 or any other similar provision of state or federal law.

Section 1542 provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

18. **Action Against Releasees.** Each Releasor agrees never to commence, encourage, prosecute or cause to be prosecuted against the Releasees or to advise any entity or person in bringing or prosecuting any complaint, suit or proceedings based on a claim, demand, cause of action, damage or liability which is the subject matter of this Agreement, or any similar claim or proceeding on behalf of any other party, or upon any other fact or assertion relating to any aspect of claims which the Releasor asserted, or could have asserted, against the Releasees; provided, however, that this paragraph shall not apply to or affect or prevent any action by the Releasors to enforce the terms of this Agreement and the obligations of the Releasees set forth herein.

19. **Incorporation of the Plan.** All provisions of the Plan that affect or relate to this Agreement are incorporated herein as if set forth verbatim herein. This Agreement is incorporated into and is a part of the Plan. In the event of any inconsistency between the Plan and this Agreement, the Plan shall prevail.

20. **Entire Agreement.** The Parties acknowledge, agree and represent that no representations or promises have been made to or relied upon by any of them or by any person acting for or on their behalf in connection with the subject matter of this Agreement that are not specifically set forth herein. All representations and promises made by any party to another, whether in writing or orally, are understood by the parties to be merged in this Agreement.

21. **Severability.** If any portion or portions of this Agreement may be held by a court of competent jurisdiction to conflict with any federal, state or local law, and as a result such portion or portions are declared to be invalid and of no force or effect in such jurisdiction, all remaining provisions of this Agreement shall otherwise remain in full force and effect and be construed as if such invalid portion or portions had not been included herein.

22. **Choice of Law.** This Agreement shall be governed solely by the substantive and procedural laws of the State of New York, without regard to the laws of New York governing conflicts of law.

23. **Retention of Jurisdiction.** The Parties submit to the jurisdiction of the District Court in connection with the interpretation and enforcement of this Agreement.

24. **Amendments.** This Agreement and all documents and instruments executed in connection herewith or in furtherance hereof may not be amended, modified or supplemented except by an instrument in writing signed by all Parties hereto.

25. **Further Assurances.** Each Party agrees to execute, serve, exchange and file such further and additional documents, instruments, and writings as may be necessary, proper, required, desirable or convenient for the purpose of fully effectuating the terms and provisions of this Agreement.

26. **Authority to Execute Agreement.** Each person executing this Agreement asserts that he or she has full legal authority to execute the agreement on her/his behalf or on behalf of the entity for which the person is signing.

27. **Signatures and Counterparts.** This Agreement may be executed in counterparts and may be executed by facsimile signatures, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Agreement to present any copy, copies or facsimiles signed by the Parties hereto to be charged.

28. **Date of Agreement.** As used herein, the Date of this Agreement shall be the last date on which any Party to this Agreement signs this Agreement.

29. **Effective Date.** As used herein, the “Effective Date” of this Agreement shall be the date upon which each and every one of the following conditions is satisfied in full:

- (a) This Agreement shall have been executed and delivered by each of the Parties;

- (b) The District Court and/or the Bankruptcy Court shall have entered a final order confirming the Plan which incorporates the material terms of this Agreement and which includes the Plan Release of and Injunction in Favor of Settling Third Parties as provided in paragraph 4 above;
- (c) The Ephedra Personal Injury Trust Agreement shall have been executed and made effective;
- (d) The Aggregate Settlement Amount shall have been paid to the Ephedra Personal Injury Trust; and
- (e) Each of the 2002-2004 Ephedra PI Cases shall have been dismissed with prejudice and without costs to any Party, except that such dismissals shall not include the dismissal of claims against Metabolife.

30. **Termination Date.** The obligations of the Parties under this Agreement shall automatically terminate if (i) the Court denies confirmation of the Plan or (ii) the Effective Date of this Agreement fails to occur within 120 days from the Date of this Agreement (the “Termination Date”). In the event this Agreement is terminated as provided above, the Parties shall be restored to the same position which they were in immediately prior to the execution of this Agreement, without waiver of any rights, claims or defenses. The Termination Date of this Agreement may be further extended in a signed writing by counsel for the Parties.

31. **Waiver of Jury Trial.** Each of the Parties hereby waives all rights to a trial by jury in any action or proceeding commenced to resolve any disputes arising out of or relating to the interpretation and/or enforcement of this Agreement.

32. **Headings.** Any headings used in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

33. **Incorporation of Recitals.** The Recitals to this Agreement are hereby deemed to be a substantive part of this Agreement.

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

Academy, Ltd.

Title: _____

Dated: _____

Albertsons Inc., and/or its subsidiaries, including but not limited to Sav-On Drug Stores, Inc.

Title: _____

Dated: _____

American International Specialty Lines Insurance Company, and any other company corporately affiliated with the American International Group

Title: _____

Dated: _____

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

Apollo Management, L.P., Franchising Oldco, Inc., GN OLDCO Corporation (f/k/a General Nutrition Corporation), GNI OLDCO, Inc., GNCI OLDCO, Inc. (f/k/a General Nutrition Companies, Inc.), General Nutrition Center International, Inc., General Nutrition Centers, Inc., General Nutrition Companies, Inc., General Nutrition Corporation, General Nutrition Distribution, L.P., General Nutrition Distribution Company, General Nutrition Center Store #105199, General Nutrition Center Store #100340, General Nutrition Center Store #106742, General Nutrition Food Products, Inc., General Nutrition Franchising, Inc. (on its own behalf and on behalf of all of its stores and franchisees), General Nutrition, Inc., General Nutrition, Incorporated, GNC Corporation, GNC Franchising, Inc., NFC, Inc., a/k/a Nature Food Centres, Inc., NMU Oldco, Inc., Numico USA, Inc., Nutricia USA, Nutricia USA, Inc., 103rd Street Family Center #105199, R.S. OLDCO, Inc. (f/k/a Rexall Sundown, Inc.), R.L. OLDCO, Inc. (f/k/a Richardson Labs, Inc.), Royal Numico NV,, Nutrition USA, Inc., Rexall Sundown, Inc., Richardson Labs, Inc., MET-Rx USA, Inc., MU Oldco, Inc., NBTY, Inc.

Title: _____

Dated: _____

Zurich American Insurance Company

Title: _____

Dated: _____

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

Bob O’Leary Health Food Distributor Co., Inc.

Title: _____

Dated: _____

Europa Sports Products, Inc.

Title: _____

Dated: _____

**Evergood Products Corporation, Phoenix
Laboratories, Inc.**

Title: _____

Dated: _____

**H.E.B. Food Stores, Inc., H.E.B., Inc., H.E. Butt
Grocery Company**

Title: _____

Dated: _____

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

Muscletech Research & Development, Inc.

Title: _____

Dated: _____

Navarro Discount Pharmacies, Inc.

Title: _____

Dated: _____

Pharr Gym, Summit Sports Club

Title: _____

Dated: _____

Styrka Botanics Co., Inc.

Title: _____

Dated: _____

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

21st Century Laboratories, Inc.

Title: _____

Dated: _____

Walgreen Co. and each of its subsidiaries

Title: _____

Dated: _____

Contract Pharmacal

Title: _____

Dated: _____

**Wal-Mart Stores East, LP,
Wal-Mart Stores, Inc.**

Title: _____

Dated: _____

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Estate of Eric A. Ashment, by and through its Special Administrator, Tammy J. Larsen

Tammy J. Larsen, Individually

Tammy J. Larsen, on Behalf of her minor child, Airika J. Ashment

STATE OF _____)
) SS.
COUNTY OF _____)

Tammy J. Larsen personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Vernon Baines

STATE OF _____)
) SS.
 COUNTY OF _____)

Vernon Baines personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

 Signature of Notary Public

 Printed Name of Notary Public
 My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Bessie L. Bell

Cedric L. Bell

STATE OF _____)
) SS.
 COUNTY OF _____)

Bessie L. Bell and Cedric L. Bell personally appeared before me on this _____ day of _____, 2005, are known to me to be the persons whose names are signed above or who produced identification, and swore that they acknowledge they have read the foregoing document in its entirety and that they understand and agree to its terms.

Before me,

(Seal)

 Signature of Notary Public

 Printed Name of Notary Public
 My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Kenneth Bell

STATE OF _____)
) SS.
COUNTY OF _____)

Kenneth Bell personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Kenneth Bellew

STATE OF _____)
) SS.
COUNTY OF _____)

Kenneth Bellew personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public

My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Macelia Knight

STATE OF _____)
) SS.
COUNTY OF _____)

Macelia Knight personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Sean Bigley

STATE OF _____)
) SS.
COUNTY OF _____)

Sean Bigley personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Paula Bloch, Individually

Paula Bloch, on Behalf of the Estate of Aaron Bloch, deceased

STATE OF _____)
) SS.
COUNTY OF _____)

Paula Bloch personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Edward Bonner

Anne Marie Bonner

STATE OF _____)
) SS.
COUNTY OF _____)

Edward Bonner and Anne Marie Bonner personally appeared before me on this _____ day of _____, 2005, are known to me to be the persons whose names are signed above or who produced identification, and swore that they acknowledge they have read the foregoing document in its entirety and that they understand and agree to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Marcia Bunting

STATE OF _____)
) SS.
 COUNTY OF _____)

Marcia Bunting personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

 Signature of Notary Public

 Printed Name of Notary Public

My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Jacquelyn Castillo

STATE OF _____)
) SS.
COUNTY OF _____)

Jacquelyn Castillo personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Vincent Coleman

STATE OF _____)
) SS.
COUNTY OF _____)

Vincent Coleman personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public

My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Carol A. Davis

Sylvester Davis

STATE OF _____)
) SS.
COUNTY OF _____)

Carol A. Davis and Sylvester Davis personally appeared before me on this _____ day of _____, 2005, are known to me to be the persons whose names are signed above or who produced identification, and swore that they acknowledge they have read the foregoing document in its entirety and that they understand and agree to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public

My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Marcos Dias

STATE OF _____)
) SS.
 COUNTY OF _____)

Marcos Dias personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

 Signature of Notary Public

 Printed Name of Notary Public
 My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Mark Downing

STATE OF _____)
) SS.
COUNTY OF _____)

Mark Downing personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Kenneth Fezell

STATE OF _____)
) SS.
COUNTY OF _____)

Kenneth Fezell personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public

My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Anthony Fenner

STATE OF _____)
) SS.
COUNTY OF _____)

Anthony Fenner personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Pauline Filardi, Individually

Pauline Filardi, as the Personal Representative of the Estate of Louis E. Filardi

Pauline Filardi, Guardian Ad Litem for Louis M. Filardi and Lauren Filardi

STATE OF _____)
) SS.
 COUNTY OF _____)

Pauline Filardi personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

 Signature of Notary Public

 Printed Name of Notary Public
 My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

_____)
Brenett Forbes

_____)
Marthe Forbes

STATE OF _____)
) SS.
COUNTY OF _____)

Brenett Forbes and Marthe Forbes personally appeared before me on this _____ day of _____, 2005, are known to me to be the persons whose names are signed above or who produced identification, and swore that they acknowledge they have read the foregoing document in its entirety and that they understand and agree to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

David Fulton

STATE OF _____)
) SS.
COUNTY OF _____)

David Fulton personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public

My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Jerry Garvin

STATE OF _____)
) SS.
COUNTY OF _____)

Jerry Garvin personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Irma Garza

STATE OF _____)
) SS.
COUNTY OF _____)

Irma Garza personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Rickie Green

STATE OF _____)
) SS.
 COUNTY OF _____)

Rickie Green personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

 Signature of Notary Public

 Printed Name of Notary Public
 My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

_____ **Alvaro Greve**

_____ **Vivian Greve**

STATE OF _____)
) SS.
 COUNTY OF _____)

Alvaro Greve and Vivian Greve personally appeared before me on this _____ day of _____, 2005, are known to me to be the persons whose names are signed above or who produced identification, and swore that they acknowledge they have read the foregoing document in its entirety and that they understand and agree to its terms.

Before me,

 Signature of Notary Public

(Seal)

 Printed Name of Notary Public
 My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Joshua Alvaro Greve

STATE OF _____)
) SS.
COUNTY OF _____)

Joshua Alvaro Greve personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Luis J. Hernandez

STATE OF _____)
) SS.
COUNTY OF _____)

Luis J. Hernandez personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public

My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

David J. Hall

STATE OF _____)
) SS.
COUNTY OF _____)

David J. Hall personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Aaron Hinkle

STATE OF _____)
) SS.
COUNTY OF _____)

Aaron Hinkle personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Kevin Holleman

STATE OF _____)
) SS.
COUNTY OF _____)

Kevin Holleman personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Phillip Houghton, Individually

Linda Houghton, Individually

Phillip Houghton or Linda Houghton, as Administrator and on Behalf of Estate of Phillip Brent Houghton, Jr.

Phillip Houghton or Linda Houghton, as Next Friend of Ashley Hunt

STATE OF _____

)

) SS.

COUNTY OF _____

)

Phillip Houghton and Linda Houghton personally appeared before me on this _____ day of _____, 2005, are known to me to be the persons whose names are signed above or who produced identification, and swore that they acknowledge they have read the foregoing document in its entirety and that they understand and agree to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public

My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Jeremy Jennings

STATE OF _____)
) SS.
COUNTY OF _____)

Jeremy Jennings personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Vidal Brewer Knight

**Geannie Brewer, as Representative of the Estate of
Leslie Brewer, deceased**

STATE OF _____)
) SS.
COUNTY OF _____)

Vidal Brewer Knight and Geannie Brewer personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Alexander Korizis, Administrator of the Estate of George Korizis

STATE OF _____)
) SS.
COUNTY OF _____)

Alexander Korizis personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Andrea Woldemar

STATE OF _____)
) SS.
COUNTY OF _____)

Andrea Woldemar personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Leo Longoria

STATE OF _____)
) SS.
COUNTY OF _____)

Leo Longoria personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public

My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Patrick Mattson

STATE OF _____)
) SS.
COUNTY OF _____)

Patrick Mattson personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Anthony Hale McCall, Sr., as Executor of the Estate of Anthony Hale McCall, Jr., deceased

STATE OF _____)
) SS.
 COUNTY OF _____)

Anthony Hale McCall, Sr., as Executor of the Estate of Anthony Hale McCall, Jr., deceased personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
 My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Eliana Millan

STATE OF _____)
) SS.
 COUNTY OF _____)

Eliana Millan personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

 Signature of Notary Public

 Printed Name of Notary Public
 My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Mark I. Parks

STATE OF _____)
) SS.
COUNTY OF _____)

Mark I. Parks personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Walter Perrine

STATE OF _____)
) SS.
COUNTY OF _____)

Walter Perrine personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

James Petrovich

Jessica Petrovich

STATE OF _____)
) SS.
COUNTY OF _____)

James Petrovich and Jessica Petrovich personally appeared before me on this _____ day of _____, 2005, are known to me to be the persons whose names are signed above or who produced identification, and swore that they acknowledge they have read the foregoing document in its entirety and that they understand and agree to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Sara Poling

STATE OF _____)
) SS.
 COUNTY OF _____)

Sara Poling personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

 Signature of Notary Public

 Printed Name of Notary Public
 My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Norbert Rawert, Individually

Ina Rawert, Individually

Norbert Rawert or Ina Rawert as the Personal Representative of the Estate of Matthew Rawert

STATE OF _____)
) SS.
COUNTY OF _____)

Norbert Rawert and Ina Rawert personally appeared before me on this _____ day of _____, 2005, are known to me to be the persons whose names are signed above or who produced identification, and swore that they acknowledge they have read the foregoing document in its entirety and that they understand and agree to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Timothy Robison

STATE OF _____)
) SS.
 COUNTY OF _____)

Timothy Robison personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

 Signature of Notary Public

(Seal)

 Printed Name of Notary Public
 My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Ronnie Rodriguez

STATE OF _____)
) SS.
COUNTY OF _____)

Ronnie Rodriguez personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

David Sells, as the Personal Representative and as Successor in Interest of Carrie Sells, deceased

David Sells, as the Personal Representative and as Successor in Interest of Desteney Bailey, a minor

David Sells, as the Personal Representative and as Successor in Interest of Ivy Sells, a minor

STATE OF _____)
) SS.
 COUNTY OF _____)

David Sells personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

 Signature of Notary Public

 Printed Name of Notary Public
 My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Ruvendra Singh

STATE OF _____)
) SS.
COUNTY OF _____)

Ruvendra Singh personally appeared before me on this ____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Jahn Bernard Smith

STATE OF _____)
) SS.
COUNTY OF _____)

Jahn Bernard Smith personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

James B. Smith

STATE OF _____)
) SS.
COUNTY OF _____)

James B. Smith personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public

My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Rickie Southerland

STATE OF _____)
) SS.
COUNTY OF _____)

Rickie Southerland personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

Signature of Notary Public

(Seal)

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Huy Thai

STATE OF _____)
) SS.
COUNTY OF _____)

Huy Thai personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public

My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Emmitt Thrower, Individually

Emmitt Thrower, on Behalf of Michael Thrower, a minor

STATE OF _____)
) SS.
COUNTY OF _____)

Emmitt Thrower personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Derrick Wells

STATE OF _____)
) SS.
COUNTY OF _____)

Derrick Wells personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public

My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Tiffany Wells, Individually

Tiffany Wells, on Behalf of Harrison Wells, a minor

Tiffany Wells, on Behalf of Addison Wells, a minor

STATE OF _____)
) SS.
COUNTY OF _____)

Tiffany Wells personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

Nikuisha Joyner-Wiggins

STATE OF _____)
) SS.
COUNTY OF _____)

Nikuisha Joyner-Wiggins personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

IN WITNESS HEREOF, the parties have executed this Global Settlement Agreement and Global Release of Claims on the date written below intending to be fully bound.

CAUTION: READ BEFORE SIGNING

I HAVE READ ALL OF THIS AGREEMENT WITH MY ATTORNEY. MY ATTORNEY HAS DISCUSSED THE ENTIRE CONTENTS OF THIS AGREEMENT WITH ME AND I UNDERSTAND ALL PARAGRAPHS CONTAINED HEREIN. I STATE THAT I AM SIGNING THIS AGREEMENT AS MY OWN FREE ACT AND DEED.

David S. Wright

STATE OF _____)
) SS.
COUNTY OF _____)

David S. Wright personally appeared before me on this _____ day of _____, 2005, is known to me to be the person whose name is signed above or who produced identification, and swore that he/she acknowledges he/she has read the foregoing document in its entirety and that he/she understands and agrees to its terms.

Before me,

(Seal)

Signature of Notary Public

Printed Name of Notary Public
My commission expires:

EXHIBIT A TO GLOBAL SETTLEMENT AGREEMENT

2002-2004 EPHEDRA PI CASES

1. *Alcantar v. Twin Laboratories Inc., et al.*, Case No. 03CV09169
2. *Alexander v. Twin Laboratories Inc., et al.*, Case No. 04CV00095
3. *Ashment v. Twinlab Corp., et al.*, Case No. 04CV00538
4. *Baduske, et al. v. TL Administration Corp., et al.*, Case No. 04CV07624
5. *Baines v. Twin Laboratories Inc., et al.*, Case No. 04CV00094
6. *Bale v. TL Administration Corp., et al.*, Case No. 04CV05684
7. *Bale v. GN Oldco Corp., et al.*, Case No. 05CV00027
8. *Barrett v. GN OLDCO Corp.*, Case Nos. 04CV05810; 04CV07713
9. *Bell, Bessie, et al. v. Metabolife International, Inc., et al.*, Case No. 05CV01003
10. *Bell, Kenneth v. TL Administration Corp., et al.*, Case No. 04CV05644
11. *Bellew v. TL Administration Corp., et al.*, Case No. 04CV05642
12. *Bigley v. General Nutrition Corporation, et al.*, Case No. 04CV03429
13. *Bloch v. TL Administration Corp., et al.*, Case No. 04CV05682
14. *Bonner, et al. v. O'Leary Health Food Distributor Co., Inc., et al.*, Case No. 03CV09275
15. *Bunting v. Cytodyne Technologies, Inc., etc., et al.*, Case No. 04CV09708
16. *Carrero, et al. v. Twin Laboratories Inc., et al.*, Case No. 04CV01276
17. *Castillo v. TL Administration Corp., et al.*, Case No. 04CV05683
18. *Coleman v. TL Administration Corp., et al.*, Case No. 04CV05647
19. *Corfman v. Twinlab Corporation, et al.*, Case No. 04CV06669
20. *Davis, et al. v. K Mart Corporation, et al.*, Case No. 04CV08024
21. *Dias v. TL Administration Corp., et al.*, Case No. 04CV05685
22. *Dias v. GN Oldco Corp., et al.*, Case No. 05CV00031
23. *Dobson v. Twinlab Corporation, et al.*, Case No. 04CV07716
24. *Downing v. TL Administration Corp.*, Case No. 04CV05519
25. *Feazell v. Twinlab Corporation, et al.*, Case No. 04CV06668
26. *Fenner v. TL Administration Corp., et al.*, Case No. 04CV05648
27. *Filardi, et al. v. Twin Laboratories Inc., et al.*, Case No. 04CV00093
28. *Forbes, et al. v. Twin Laboratories Inc., et al.*, Case No. 03CV09272
29. *Fulton v. Twin Laboratories Inc., et al.*, Case No. 03CV09271
30. *Garvin v. Twin Laboratories Inc., et al.*, Case No. 04CV02379
31. *Garza v. Twin Laboratories Inc., et al.*, Case No. 04CV04581
32. *Green v. TL Administration Corp., et al.*, Case No. 04CV05607
33. *Greve, et al. v. Twin Laboratories Inc., et al.*, Case No. 03CV9278
34. *Hall v. TL Administration Corp., et al.*, Case No. 04CV05649
35. *Hinkle v. TL Administration Corp., et al.*, Case No. 04CV05609
36. *Holleman v. TL Administration Corp.*, Case No. 04CV05543
37. *Houghton, et al. v. Twin Laboratories Inc., et al.*, Case No. 03CV09290
38. *Jennings v. Twinlab Corporation, et al.*, Case No. 04CV06667
39. *Jennings v. General Nutrition Corporation*, Case No. 04CV08947
40. *Joyner-Wiggins v. Twin Laboratories Inc, et al.*, Case No. 03CV09285
41. *Kallus v. Europa Sports Products, Inc. et al*, Case No. 04CV07711
42. *Knight v. Twinlab Laboratories, et al.*, Case No. 04CV05542
43. *Korizis, et al. v. Twin Laboratories Inc., et al.*, Case No. 03CV09284
44. *Lohner, et al. v. TL Administration Corp., et al.*, Case No. 04CV05686

45. *Longoria v. Metabolife International, Inc., et al.*, Case No. 04CV08317
46. *Malenica v. TL Administration Corp., et al.*, Case No. 04CV05639
47. *Marks v. General Nutrition Corporation, et al.*, Case No. 04CV06845
48. *Mattson v. TL Administration Corp.*, Case NO. 04CV05640
49. *McCall v. TL Administration Corp., et al.*, Case No. 04CV05608
50. *McMillan, et al. v. Twin Laboratories Inc., et al.*, Case No. 03CV09267
51. *Millan v. Twin Laboratories Inc., et al.*, Case No. 04CV01988
52. *Niedenthal v. Twinlab Corporation, et al.* Case No. 04CV06663
53. *Parks v. Twin Laboratories Inc., et al.*, Case No. 04CV01037
54. *Parks v. GN Oldco Corp., et al.*, Case No. 05CV00026
55. *Perrine v. TL Administration Corp., et al.*, Case No. 04CV05687
56. *Perrine v. GN Oldco Corp. et al.*, Case No. 05CV00028
57. *Petrovich, et al. v. Twin Laboratories Inc., et al.*, Case No. 04CV02498
58. *Poling v. TL Administration, Inc., et al.*, Case No. 04CV05613
59. *Rawert, et al. v. Twin Laboratories Inc., et al.*, Case No. 03CV09265
60. *Rodriguez, Ronnie v. Twin Laboratories Inc., et al.*, Case No. 03CV09283
61. *Roland v. Wal-Mart Corporation, et al.*, Case No. 04CV09081
62. *Sells v. TL Administration, Inc., et al.*, Case No. 04CV06103
63. *Singh v. Twinlab Corporation, et al.*, Case No. 04CV06662
64. *Smith, Jahn v. Twin Laboratories Inc., et al.*, Case No. 04CV01039
65. *Smith, James v. TL Administration Corp.*, Case No. 04CV05641
66. *Smith, Richard v. Twinlab Corporation, et al.*, Case No. 04CV06670
67. *Southerland v. TL Administration Corp.*, Case No. 04CV05642
68. *Stokes v. TL Administration Corp., et al.*, Case No. 04CV05520
69. *Thai v. Muscletech Research & Development, Inc., et al.*, 04CV08253
70. *Thrower v. TL Administration Corp., et al.*, Case No. 04CV05681
71. *Thrower v. GN Oldco Corp., et al.*, Case No. 05CV00033
72. *Underwood v. TL Administration Corp., et al.*, Case No. 04CV05541
73. *Vereen v. Twin Laboratories Inc., et al.*, Case No. 04CV05241
74. *Welch, et al. v. Twin Laboratories Inc., et al.*, Case No. 04CV00091
75. *Wells, et al. v. TL Administration Corp., et al.*, Case No. 04CV05688
76. *Wells v. GN Oldco Corp., et al.*, Case No. 05CV00034
77. *Wright v. Twin Laboratories, Inc., et al.*, Case No. 04CV08953

EXHIBIT B TO GLOBAL SETTLEMENT AGREEMENT

SETTLING THIRD PARTIES

1. Academy, Ltd.
2. Albertsons Inc., and/or its subsidiaries, including but not limited to Sav-On Drug Stores, Inc.
3. American International Specialty Lines Insurance Company, and any other company corporately affiliated with the American International Group (“AIG”) (except to the extent that AIG provides insurance to Debtors or Settling Third Party in the Pre-2002 Ephedra PI Cases listed on Exhibit C)
4. Apollo Management, L.P.
5. Bob O’Leary Health Food Distributor Co., Inc.
6. Contract Pharmacal
7. Europa Sports Products, Inc.
8. Evergood Products Corporation
9. Franchising Oldco, Inc.
10. GN OLDCO Corporation (f/k/a General Nutrition Corporation)
11. GNI OLDCO, Inc.
12. GNCI OLDCO, Inc. (f/k/a General Nutrition Companies, Inc.)
13. General Nutrition Center International, Inc.
14. General Nutrition Centers, Inc.
15. General Nutrition Companies, Inc.
16. General Nutrition Corporation
17. General Nutrition Distribution, L.P.
18. General Nutrition Distribution Company
19. General Nutrition Center Store #105199
20. General Nutrition Center Store #100340
21. General Nutrition Center Store #106742
22. General Nutrition Food Products, Inc.
23. General Nutrition Franchising, Inc. (on its own behalf and on behalf of all of its stores and franchisees)
24. General Nutrition, Inc.
25. General Nutrition, Incorporated
26. GNC Corporation
27. GNC Franchising, Inc.
28. H.E.B. Food Stores, Inc.
29. H.E.B., Inc.
30. H.E. Butt Grocery Company
31. HEB Grocery Company, L.P.
32. MET-Rx USA, Inc.
33. MU Oldco, Inc.
34. Muscletech Research & Development, Inc.
35. Nature Food Centres, Inc.
36. Navarro Discount Pharmacies, Inc.
37. NBTY, Inc.
38. NFC, Inc., a/k/a Nature Food Centres, Inc.
39. NMU Oldco, Inc.
40. Numico USA, Inc.
41. Nutricia USA
42. Nutricia USA, Inc.
43. Nutrition USA, Inc.
44. 103rd Street Family Center #105199
45. Pharr Gym
46. Phoenix Laboratories, Inc.
47. Rexall Sundown, Inc.
48. Richardson Labs, Inc.
49. R.S. OLDCO, Inc. (f/k/a Rexall Sundown, Inc.)
50. R.L. OLDCO, Inc. (f/k/a Richardson Labs, Inc.)
51. Royal Numico NV
52. Sav-On Drug Stores, Inc.
53. Styrka Botanics Co., Inc.
54. Summit Sports Club
55. 21st Century Laboratories, Inc.
56. Walgreen Co. and each of its subsidiaries
57. Wal-Mart Stores East, LP
58. Wal-Mart Stores, Inc.
59. Zurich American Insurance Company

EXHIBIT C TO GLOBAL SETTLEMENT AGREEMENT

PRE-2002 EPHEDRA PI CASES

1. *Acuff, Donald, Jr. v. Twin Laboratories Inc., et al.*, Case No. 04CV01960
2. *Bertsch, Timothy, et al. v. Twin Laboratories Inc.*, Case No. 03CV09287
3. *Broome v. TL Administration Corp., et al.*, Case No. 04CV05646
4. *Clark, Debra, as Personal Representative of the Estate of Kris Lawrence Wilson, Deceased v. Twin Laboratories, Inc.*, Case No. 03CV09286
5. *Cooper, Sallie Individually and as Administratrix of the Estate of Diane Cooper v. Vera Kunisch, et al.*, Case No. 03CV09262
6. *Doe, John v. Twin Laboratories Inc.*, Case No. 04CV01274
7. *Doss, Joanne, et al. v. Twin Laboratories Inc., et al.*, Case No. 03CV09273
8. *Greenberg, Beverly Ann, v. Twin Laboratories Inc., et al.*, Case No. 04CV01041
9. *Harris v. General Nutrition Center, Inc.*, Case No. 04CV09887
10. *Harrod, Diana, et al. v. Twin Laboratories Inc., et al.*, Case No. 04CV00092
11. *Huebner v. TL Administration Corp., et al.*, Case No. 04CV05403
12. *Kambouris, Teddy v. Twin Laboratories Inc.*, Case No. 03CV09289
13. *Kirk, Angela, et al. v. Twin Laboratories Inc., et al.*, Case No. 03CV09269
14. *Levine, Harvey L. v. Twin Laboratories Inc.*, Case No. 03CV09268
15. *Loewen, et al. v. GNC, et al.*, Case No. 04CV5536
16. *Loftus v. Twinlab Corporation, et al.*, Case No. 04CV06666
17. *London v. Twinlab Corporation, et al.*, Case No. 04CV06665
18. *Michalowski, Joseph Stanley, Jr., as personal representative of the Estate of Joseph Stanley Michalowski, III, deceased v. Twin Laboratories Inc.*, Case No. 04CV01352
19. *Pierce, Shannon v. Twin Laboratories Inc., et al.*, Case No. 03CV09260
20. *Pizziferri, Mark v. Twin Laboratories Inc.*, Case No. 04CV01038
21. *Riding v. GN Oldco Corporation, et al.*, Case No. 05CV03839
22. *Riley, James v. Twin Laboratories Inc., et al.*, Case No. 03CV09276
23. *Robinson v. Twinlab Corporation, et al.*, Case No. 04CV06664
24. *Rodriguez, Irma v. Twin Laboratories Inc., et al.*, Case No. 04CV01042
25. *Rodriguez, Ramie Alonzo v. Twin Laboratories Inc.*, Case No. 04CV00669
26. *Sallis, Timothy, et al. v. Metabolife International, Inc., et al.*, Case No. 03CV09263
27. *Scheingold, Sarah v. Twin Laboratories Inc., et al.*, Case No. 03CV09262
28. *Smith, Tiffany v. Twin Laboratories Inc., et al.*, Case No. 03CV09282
29. *Thompson, Robin, et al. v. Changes International, et al.*, Case No. 04CV01353
30. *Vickrey, Jason v. Twin Laboratories Inc., et al.*, Case No. 04CV01040
31. *Wachovia Bank on Behalf of Estate of Susan Hale Young v. Twin Laboratories Inc., et al.*, Case No. 04CV01277
32. *Welsher v. TL Administration Corp., et al.*, Case No. 04CV05643
33. *Yranian, Layne v. Twin Laboratories Inc., et al.*, Case No. 03CV09270

EXHIBIT D TO GLOBAL SETTLEMENT AGREEMENT

LIST OF CONSUMER CLASS ACTIONS

1. *Barr v. Twinlab Corporation*, Case No. 02CC00244
2. *Cirak v. Twinlab Corporation*, Case Nos. 04CV09103, 04CV09105, and 04CV06194
3. *Felts v. Twinlab Corporation, et al.*, Case No. 04CV10309
4. *Lackowski v. Twinlab Corporation, et al.*, Case No. 04CV10308
5. *McMorris v. Twinlab, Inc., et al.*, Case No. 05CV00427
6. *Nagel v. Twinlab Corporation, et al.*, Case No. 04CV09802

EXHIBIT E TO GLOBAL SETTLEMENT AGREEMENT

2002-2004 EPHEDRA PI CLAIMS

1. Claim No. 759
(Associated Case: *Alcantar v. Twin Laboratories Inc., et al.*, Case No. 03CV09169)
2. Claim Nos. 232, 318, 452, 456
(Associated Case: *Alexander v. Twin Laboratories Inc., et al.*, Case No. 04CV00095)
3. Claim No. 760
(Associated Case: *Baines v. Twin Laboratories Inc., et al.*, Case No. 04CV00094)
4. Claim Nos. 278, 795
(Associated Case: *Bale v. TL Administration Corp., et al.*, Case No. 04CV05684)
5. Claim Nos. 557, 558, 559, 560, 561, 562
(Associated Case: *Barrett v. GN OLDCO Corp.*, Case Nos. 04CV05810; 04CV07713)
6. Claim Nos. 396, 397
(Associated Case: *Bell, Kenneth v. TL Administration Corp., et al.*, Case No. 04CV05644)
7. Claim Nos. 369, 370
(Associated Case: *Bellew v. TL Administration Corp., et al.*, Case No. 04CV05642)
8. Claim Nos. 426, 427, 428
(Associated Case: *Bigley v. General Nutrition Corporation, et al.*, Case No. 04CV03429)
9. Claim Nos. 281, 793
(Associated Case: *Bloch v. TL Administration Corp., et al.*, Case No. 04CV05682)
10. Claim No. 217
(Associated Case: *Bonner, et al. v. O'Leary Health Food Distributor Co., Inc., et al.*, Case No. 03CV09275)
11. Claim No. 422
(Associated Case: *Carrero, et al. v. Twin Laboratories Inc., et al.*, Case No. 04CV01276)
12. Claim Nos. 637, 638, 639, 797
(Associated Case: *Castillo v. TL Administration Corp., et al.*, Case No. 04CV05683)
13. Claim No. 548
(Associated Case: *Coleman v. TL Administration Corp., et al.*, Case No. 04CV05647)
14. Claim No. 317
(Associated Case: *Corfman v. Twinlab Corporation, et al.*, Case No. 04CV06669)
15. Claim No. 790
(Associated Case: *Dias v. TL Administration Corp., et al.*, Case No. 04CV05685)
16. Claim Nos. 023, 484
(Associated Case: *Downing v. TL Administration Corp.*, Case No. 04CV05519)
17. Claim No. 570
(Associated Case: *Feazell v. Twinlab Corporation, et al.*, Case No. 04CV06668)
18. Claim Nos. 385, 386
(Associated Case: *Fenner v. TL Administration Corp., et al.*, Case No. 04CV05648)
19. Claim No. 241
(Associated Case: *Filardi, et al. v. Twin Laboratories Inc., et al.*, Case No. 04CV00093)
20. Claim Nos. 581, 584, 510, 582, 583, 585, 586
(Associated Case: *Forbes, et al. v. Twin Laboratories Inc., et al.*, Case No. 03CV09272)
21. Claim No. 220, 263
(Associated Case: *Fulton v. Twin Laboratories Inc., et al.*, Case No. 03CV09271)
22. Claim No. 763

- (Associated Case: *Garvin v. Twin Laboratories Inc., et al.*, Case No. 04CV02379)
23. Claim No. 764
(Associated Case: *Garza v. Twin Laboratories Inc., et al.*, Case No. 04CV04581)
24. Claim Nos. 529, 597, 598, 599
(Associated Case: *Green v. TL Administration Corp., et al.*, Case No. 04CV05607)
25. Claim Nos. 420, 421
(Associated Case: *Hall v. TL Administration Corp., et al.*, Case No. 04CV05649)
26. Claim Nos. 530, 600, 601, 602
(Associated Case: *Hinkle v. TL Administration Corp., et al.*, Case No. 04CV05609)
27. Claim No. 765
(Associated Case: *Holleman v. TL Administration Corp.*, Case No. 04CV05543)
28. Claim No. 499
(Associated Case: *Jennings v. Twinlab Corporation, et al.*, Case No. 04CV06667)
29. Claim Nos. 381, 382
(Associated Case: *Joyner-Wiggins v. Twin Laboratories Inc, et al.*, Case No. 03CV09285)
30. Claim Nos. 383, 405
(Associated Case: *Knight v. Twinlab Laboratories, et al.*, Case No. 04CV05542)
31. Claim Nos. 232, 318, 452, 456
(Associated Case: *Korizis, et al. v. Twin Laboratories Inc., et al.*, Case No. 03CV09284)
32. Claim Nos. 792, 294
(Associated Case: *Lohner, et al. v. TL Administration Corp., et al.*, Case No. 04CV05686)
33. Claim Nos. 345, 346
(Associated Case: *Malenica v. TL Administration Corp., et al.*, Case No. 04CV05639)
34. Claim Nos. 363, 364
(Associated Case: *Mattson v. TL Administration Corp.*, Case NO. 04CV05640)
35. Claim Nos. 522, 649, 650, 651
(Associated Case: *McCall v. TL Administration Corp., et al.*, Case No. 04CV05608)
36. Claim Nos. 353, 361, 373, 374
(Associated Case: *McMillan, et al. v. Twin Laboratories Inc., et al.*,
Case No. 03CV09267)
37. Claim No. 496
(Associated Case: *Millan v. Twin Laboratories Inc., et al.*, Case No. 04CV01988)
38. Claim No. 316
(Associated Case: *Niedenthal v. Twinlab Corporation, et al.* Case No. 04CV06663)
39. Claim Nos. 304, 789
(Associated Case: *Parks v. Twin Laboratories Inc., et al.*, Case No. 04CV01037)
40. Claim Nos. 305, 796
(Associated Case: *Perrine v. TL Administration Corp., et al.*, Case No. 04CV05687)
41. Claim Nos. 305, 796
(Associated Case: *Perrine v. GN Oldco Corp. et al.*, Case No. 05CV00028)
42. Claim Nos. 403, 404, 410, 411
(Associated Case: *Petrovich, et al. v. Twin Laboratories Inc., et al.*, Case No. 04CV02498)
43. Claim No. 756
(Associated Case: *Poling v. TL Administration, Inc., et al.*, Case No. 04CV05613)
44. Claim Nos. 356, 357, 375, 376
(Associated Case: *Rawert, et al. v. Twin Laboratories Inc., et al.*, Case No. 03CV09265)

45. Claim Nos. 333, 334
(Associated Case: *Rodriguez, Ronnie v. Twin Laboratories Inc., et al.*, Case No. 03CV09283)
46. Claim Nos. 523, 685, 684, 687
(Associated Case: *Salazar v. TL Administration Corp., et al.*, Case No. 04CV05606)
47. Claim Nos. 347, 354, 348, 355
(Associated Case: *Sells v. TL Administration, Inc., et al.*, Case No. 04CV06103)
48. Claim No. 567
(Associated Case: *Singh v. Twinlab Corporation, et al.*, Case No. 04CV06662)
49. Claim No. 269
(Associated Case: *Smith, Jahn v. Twin Laboratories Inc., et al.*, Case No. 04CV01039)
50. Claim Nos. 349, 350
(Associated Case: *Smith, James v. TL Administration Corp.*, Case No. 04CV05641)
51. Claim Nos. 376, 267
(Associated Case: *Smith, Richard v. Twinlab Corporation, et al.*, Case No. 04CV06670)
52. Claim No. 394
(Associated Case: *Southerland v. TL Administration Corp.*, Case No. 04CV05642)
53. Claim Nos. 012, 480
(Associated Case: *Stokes v. TL Administration Corp., et al.*, Case No. 04CV05520)
54. Claim No. 791
(Associated Case: *Thrower v. TL Administration Corp., et al.*, Case No. 04CV05681)
55. Claim No. 770
(Associated Case: *Underwood v. TL Administration Corp., et al.*, Case No. 04CV05541)
56. Claim No. 323
(Associated Case: *Welch, et al. v. Twin Laboratories Inc., et al.*, Case No. 04CV00091)
57. Claim No. 310
(Associated Case: *Wells, et al. v. TL Administration Corp., et al.*, Case No. 04CV05688)

SETTLING THIRD PARTIES' CLAIMS

1. Claim Nos. 802, 803
(Filed by: GNCI OLDCO, Inc. (f/k/a General Nutrition Companies, Inc.))
2. Claim Nos. 466, 467
(Filed by: General Nutrition Corporation)
3. Claim No. 379
(Filed by: Walgreen Co. and each of its subsidiaries)
4. Claim No. 451
(Filed by: Wal-Mart Stores, Inc.)

EXHIBIT F TO GLOBAL SETTLEMENT AGREEMENT

THIRD PARTY SETTLEMENT AMOUNTS

**[SUBJECT TO CONFIDENTIALITY PROVISIONS
OF THE 2002-2004 EPHEDRA PI SETTLEMENT AGREEMENT]**

EXHIBIT G TO GLOBAL SETTLEMENT AGREEMENT

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made as of the Date of this Agreement (as defined herein) by and among TL (as defined herein), the Settling Third Parties,¹ and Denis O'Connor as escrow agent (the "Escrow Agent") with an address at c/o AlixPartners, 9 West 57th Street, Suite 3420, New York, NY, ("Escrow Agent") for and on behalf of the TL Ephedra Personal Injury Trust (the "TL Ephedra Trust") to be established in accordance with the First Amended Plan of Liquidation (the "Plan") of TL Administration Corporation (f/k/a Twinlab Corporation), TL Administration, Inc. (f/k/a Twin Laboratories Inc.), and/or TL Administration (UK) Ltd. (f/k/a Twin Laboratories (UK) Ltd.) (collectively, "TL" or the "Debtors").

RECITALS

WHEREAS, The Debtors, the Settling Third Parties, and the plaintiffs in the ephedra-related personal injury and wrongful death lawsuits listed in Exhibit B hereto have entered into a Global Settlement Agreement and Global Release Of Claims (the "Settlement Agreement"), pursuant to which the Settling Third Parties shall place Sixteen Million, One Hundred Sixty Thousand Dollars (\$16,160,000.00) (the "Third Party Settlement Amount") in a segregated escrow account (the "Escrow Account") to be held by Escrow Agent to fund the Settling Third Parties' settlement obligations to the Plaintiffs under the Settlement Agreement; and

WHEREAS, Settling Third Parties have agreed to allow Escrow Agent to hold the Third Party Settlement Amount; and

WHEREAS, Settling Third Parties have agreed to designate Denis O'Connor as the Escrow Agent.

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Escrow Agreement, the parties hereby agree as follows:

1. Transfer of Settlement Amount To Escrow Agent

Each of the Settling Third Parties shall pay its respective portion of the Third Party Settlement Amount (as set forth in Exhibit C hereto) into the escrow account (the "Escrow Account") established by the Escrow Agent for the benefit of the TL Ephedra Trust (x) no later than the earlier of (i) twenty days after execution of this Agreement and (ii) five business days prior to the hearing scheduled by the Bankruptcy Court² pursuant to 11 U.S.C. § 1128 to consider confirmation of the Plan or (y) pursuant to such other arrangement as may be agreed to by the Debtors and the applicable Settling Third Party, provided, however, that no such payment shall be made later than such date as all conditions to effectiveness of the Plan have been fulfilled (other than the payments set forth herein).

¹ Manufacturers, distributors, sellers, suppliers, insurers and other third parties listed on Exhibit A hereto.

² As used herein, "Bankruptcy Court" means the United States District Court for the Southern District of New York, having jurisdiction over the Debtors' chapter 11 cases (the "Cases") and, to the extent of any reference made under section 157 of title 28 of the United States Code, the bankruptcy court unit of such District Court having jurisdiction over the Cases under section 151 of title 28 of the United States Code.

2. Release of Escrow

(a) On the Effective Date of the Plan (as defined in the Plan), the Escrow Agent shall pay the Third Party Settlement Amount to the TL Ephedra Trust. Upon payment of the Global Settlement Amount to the TL Ephedra Trust (together with payment by the Debtors of Three Million, Five Hundred Fifty Thousand Dollars (\$3,550,000.00) to the TL Ephedra Trust), the Settling Third Parties and the Debtors shall have no further liability or responsibility relating to the Settlement Agreement, the Ephedra Personal Injury Trust or its operations.

(b) In the event the Settlement Agreement is terminated in accordance with paragraph 30 of the Settlement Agreement, the Escrow Agent shall return the amount paid by each Settling Third Party to that Settling Third Party.

3. Compensation of Escrow Agent

The Escrow Agent shall be reimbursed for all expenses incurred in the carrying out of this Agreement as well as the hourly fee customarily charged by the Escrow Agent from interest earned on the Escrow Account. Any remaining interest earned after payment of such fees and expenses will be paid to the TL Ephedra Trust.

4. Substitute Escrow Agent

The Debtors and the Settling Third Parties shall have the right to revoke the designation of the Escrow Agent and to appoint a substitute Escrow Agent by a writing executed by the Debtors and all of the Settling Third Parties and served upon the Escrow Agent. The Escrow Agent, upon thirty (30) days notice to Debtors and Settling Third Parties, may at any time resign as Escrow Agent and in such event the Debtors and Settling Third Parties may appoint a new Escrow Agent. Upon the designation of a new Escrow Agent, the old Escrow Agent shall deliver all funds on deposit with it under this Escrow Agreement and any other documents to the new Escrow Agent. Any substitute Escrow Agent shall have all the rights and be subject to all the obligations of the original Escrow Agent.

5. Modification

This Agreement may be modified only by a writing signed by authorized representatives of the Debtors and all the Settling Third Parties and filed with the Escrow Agent. If, however, in the opinion of the Escrow Agent, any modification results in an increase of its duties or liabilities or in a diminution of its rights, the consent of the Escrow Agent shall be necessary, provided that the Escrow Agent provides immediate written notice of same to the authorized representatives of the Debtors and the Settling Third Parties.

6. Incorporation By Reference

All the terms and provisions of the Settlement Agreement are hereby made a part hereof, and are incorporated by reference into this Escrow Agreement, which shall be made a part hereto, except where inconsistent with the terms of this Escrow Agreement, and in the event of such inconsistencies, the terms of this Escrow Agreement shall control.

7. Entire Agreement

This Escrow Agreement supersedes all agreements previously made between the parties hereto relating to its subject matter. There are no other understandings or agreements between them.

8. Non-Waiver

No delay or failure by a party to exercise any right under this Escrow Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

9. Notices

All notices required under this Escrow Agreement shall be given in writing and sent by registered or certified mail, return receipt requested, to the authorized representative for each party, at the address set forth above or as the parties have previously been advised.

10. Binding Effect

This Escrow Agreement shall be binding upon Debtors, Settling Third Parties, the Escrow Agent and their heirs, legal representatives, successors, and assigns.

11. Governing Law and Dispute Resolution

This Escrow Agreement shall be governed by the laws of the State of New York and all disputes arising hereunder shall be resolved by the Bankruptcy Court.

12. Indemnification

(a) The Settling Third Parties hereby jointly and severally agree to indemnify, defend and hold harmless the Escrow Agent from any and all claims, actions, damages, arbitration fees and expenses, costs, attorney's fees and other liabilities ("Liabilities") for any action taken by the Escrow Agent in accordance with this Agreement. At the pro rata cost and expense of the Settling Third Parties, they will defend the Escrow Agent against any claims brought or actions filed against the Escrow Agent with respect to the subject of the indemnity contained in this Agreement, whether such claims or actions are rightfully or wrongfully brought or filed. Within fifteen (15) days of the Escrow Agent receiving written notice of any claim made against him regarding the obligations indemnified against hereunder, the Escrow Agent shall provide written notice of the same to Debtors and Settling Third Parties.

(b) If the Escrow Agent, in the enforcement of any part of this indemnity contract, shall incur any attorneys' fees, filing fees, court costs or other expenses ("Enforcement Expenses"), the Settling Third Parties agree to reimburse the Escrow Agent on a pro rata basis for such Enforcement Expenses within thirty (30) days after receiving written notice from the Escrow Agent of the same. The Settling Third Parties agree to pay, on a pro rata basis, the Escrow Agent interest at the rate of ten (10%) percent per year on any Enforcement Expenses, or on any sums the Escrow Agent is obliged to pay with respect to the matters to which indemnity

is given in this Escrow Agreement, from the date such expenses or costs are incurred, or such sums are paid.

(c) The obligations set forth in this Article 12 will survive the termination of this Escrow Agreement. Where the term “pro rata” is used herein, in each instance it is intended to mean that each Settling Third Party shall share the applicable cost, fee, reimbursement, and/or expense, as the case may be, as determined by a fraction, the numerator of which shall be such Settling Third Party’s portion of the Third Party Settlement as set forth in Exhibit C hereto and the denominator of which shall be \$16,160,000.

13. Date of Agreement

As used herein, the Date of this Agreement shall be the last date on which any party to this Escrow Agreement signs this Escrow Agreement.

IN WITNESS WHEREOF, the parties have hereto set their hands and seals as of the day and year first above written.

Denis O’Connor, as Escrow Agent

TL Administration Coporation (f/k/a Twinlab Corporation), TL Administration, Inc. (f/k/a Twin Laboratories, Inc.), and TL Administration (UK) Ltd. (f/k/a Twin Laboratories (UK) Ltd.

Title: _____

Academy, Ltd.

Title: _____

IN WITNESS WHEREOF, the parties have hereto set their hands and seals as of the day and year first above written.

Albertsons Inc., and/or its subsidiaries, including but not limited to Sav-On Drug Stores, Inc.

Title: _____

American International Specialty Lines Insurance Company, and any other company corporately affiliated with the American International Group

Title: _____

IN WITNESS WHEREOF, the parties have hereto set their hands and seals as of the day and year first above written.

Apollo Management, L.P., Franchising Oldco, Inc., GN OLDCO Corporation (f/k/a General Nutrition Corporation), GNI OLDCO, Inc., GNCI OLDCO, Inc. (f/k/a General Nutrition Companies, Inc.), General Nutrition Center International, Inc., General Nutrition Centers, Inc., General Nutrition Companies, Inc., General Nutrition Corporation, General Nutrition Distribution, L.P., General Nutrition Distribution Company, General Nutrition Center Store #105199, General Nutrition Center Store #100340, General Nutrition Center Store #106742, General Nutrition Food Products, Inc., General Nutrition Franchising, Inc. (on its own behalf and on behalf of all of its stores and franchisees), General Nutrition, Inc., General Nutrition, Incorporated, GNC Corporation, GNC Franchising, Inc., NFC, Inc., a/k/a Nature Food Centres, Inc., NMU Oldco, Inc., Numico USA, Inc., Nutricia USA, Nutricia USA, Inc., 103rd Street Family Center #105199, R.S. OLDCO, Inc. (f/k/a Rexall Sundown, Inc.), R.L. OLDCO, Inc. (f/k/a Richardson Labs, Inc.), Royal Numico NV,, Nutrition USA, Inc., Rexall Sundown, Inc., Richardson Labs, Inc., MET-Rx USA, Inc., MU Oldco, Inc., NBTY, Inc.

Title: _____

Zurich American Insurance Company

Title: _____

IN WITNESS WHEREOF, the parties have hereto set their hands and seals as of the day and year first above written.

Bob O’Leary Health Food Distributor Co., Inc.

Title: _____

Europa Sports Products, Inc.

Title: _____

**Evergood Products Corporation, Phoenix
Laboratories, Inc.**

Title: _____

**H.E.B. Food Stores, Inc., H.E.B., Inc., H.E. Butt
Grocery Company**

Title: _____

IN WITNESS WHEREOF, the parties have hereto set their hands and seals as of the day and year first above written.

Muscletech Research & Development, Inc.

Title: _____

Navarro Discount Pharmacies, Inc.

Title: _____

Pharr Gym, Summit Sports Club

Title: _____

Styrka Botanics Co., Inc.

Title: _____

-

IN WITNESS WHEREOF, the parties have hereto set their hands and seals as of the day and year first above written.

21st Century Laboratories, Inc.

Title: _____

Walgreen Co. and each of its subsidiaries

Title: _____

Contract Pharmacal

Title: _____

**Wal-Mart Stores East, LP,
Wal-Mart Stores, Inc.**

Title: _____

EXHIBIT H TO GLOBAL SETTLEMENT AGREEMENT

DEBTORS' JOINT PLAN OF LIQUIDATION
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

EXHIBIT B TO PLAN

LIST OF CONSUMER CLASS ACTION CLAIMS

1. Claim No. 359
(Associated Case: *Barr v. Twinlab Corporation, et al.*, Case No. 02CC00244)
2. Claim No. 569
(Associated Case: *Cirak v. Twinlab Corporation*, Case Nos. 04CV09103, 04CV09105, and 04CV06194)
3. Claim No. 239
(Associated Case: *Felts v. Twinlab Corporation, et al.*, Case No. 04CV10309)
4. Claim No. 236
(Associated Case: *Lackowski, et al. v. Twinlab Corporation, et al.*, Case No. 04CV10308)
5. Claim No. 229
(Associated Case: *McMorris v. Twinlab, Inc., et al.*, Case No. 05CV00427)
6. Claim Nos. 391, 392, and 393
(Associated Case: *Nagel v. Twin Lab Corporation, et al.*, Case No. 04CV09802)

EXHIBIT C TO PLAN

TL EPHEDRA PERSONAL INJURY TRUST AGREEMENT

THIS TL EPHEDRA PERSONAL INJURY TRUST AGREEMENT (the " Agreement") is between TL Administration Corp. (f/k/a Twinlab Corporation), TL Administration Inc. (f/k/a Twin Laboratories, Inc.), TL Administration (UK) Ltd. (f/k/a Twin Laboratories (UK) Ltd. (collectively, the "Debtors"), and the Settlement Escrow Agent (collectively with the Debtors, the "Trustors") as trustors, and the Trustee.

A. Debtors filed a petition for reorganization under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") on September 4, 2003. On April 26, 2005, the Debtors filed their Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code (the "Plan").

B. The Plan provides, pursuant to, *inter alia*, Section 4.4 and Section 5.1 thereof, for the resolution, disposition and satisfaction of the 2002-2004 Ephedra PI Claims and Other Participating Ephedra Claims pursuant to this Agreement.

C. This Agreement is to establish, pursuant to the Confirmation Order of the Plan, the TL Ephedra Personal Injury Trust, the principal purpose of which is to resolve, dispose of and satisfy the 2002-2004 Ephedra PI Claims and the Other Participating Ephedra Claims which are identified and described in Exhibit A annexed hereto (the "Settled Claims") against (i) Debtors and (ii) against the Settling Third Parties, all of which Settled Claims arise out of personal injury, death, or property damage.

NOW, THEREFORE, this Agreement witnesseth and it is hereby declared, in accordance with the Confirmation Order, as follows:

**ARTICLE I
DEFINITIONS**

1.01 *Incorporation of Definitions.* Unless the context otherwise requires, all capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Plan.

**ARTICLE II
DECLARATION OF TRUST**

2.01 *Creation and Name.* There is hereby created the Trust, which shall be known as the TL Ephedra Personal Injury Trust.

2.02 *Purpose.* The purposes of the Trust are as follows: (i) to assume any and all liabilities of Debtors and the Settling Third Parties with respect to the Settled Claims and to satisfy as fully, fairly and expeditiously as practicable all Settled Claims; (ii) to satisfy all such Settled Claims as and to the extent provided in Article V of this Agreement and in the Claims Resolution Facility incorporated therein and annexed hereto as Exhibit B (the "Claims Resolution Facility"); and (iii) to qualify as a Qualified Settlement Fund ("QSF") which is non-reversionary, pursuant to Treasury Regulations § 1.468B-1 et seq.

To accomplish the foregoing, the Trust hereby (i) agrees to conserve and protect the Trust estate so as to enable the Trustee to satisfy as fully as possible all Settled Claims assumed by the Trust in accordance with the terms of the Plan and this Agreement, and more particularly, in accordance with Article V of this Agreement and the Claims Resolution Facility; (ii) agrees to collect, invest and reinvest amounts due to the Trust in accordance with the 2002-2004 Ephedra PI Settlement Agreement, the Plan and this Agreement; and (iii) agrees to manage the Trust and report on its status and activities.

2.03 *Transfer of Assets; Beneficiaries.* Pursuant to the Plan and the Confirmation Order, (i) Debtors hereby transfer and assign to the Trust, to be held in trust for the holders of the

Settled Claims (each a "Beneficiary" and, collectively, the "Beneficiaries"), the Class 4 Distribution in the amount of \$3,550,000, having heretofore obtained all consents and taken all other steps prerequisite to such transfer and assignment, and (ii) the Settlement Escrow Agent, appointed in accordance with the 2002-2004 Ephedra PI Settlement Agreement, hereby transfers and assigns to the Trust, to be held in trust for the Beneficiaries, the Aggregate Third Party Settlement Amount in the amount of \$16,160,000, together with all interest accruing thereon in the escrow account (established for and on behalf of the Trust in accordance with the 2002-2004 Ephedra PI Settlement Agreement and maintained by the Settlement Escrow Agent) and less all expenses allowed thereon as provided in the 2002-2004 Ephedra PI Settlement Agreement, having heretofore obtained all consents and taken all other steps prerequisite to such transfer and assignment. Additional assets may also be transferred to the Trust in accordance with the Plan, and the Trust shall receive such assets if so transferred (subject to the limitations described in Section 4.03(b)(i) of this Agreement). All assets received by the Trust shall be held, administered and distributed under the terms of this Agreement. Upon transfer by the Trustors to the Trust of the assets set forth in this paragraph, the Trustors shall have no further liability, responsibility or obligation relating to the Trust other than the cooperation set forth in section 2.04 below.

2.04 *Further Assurances; Cooperation.* Debtors and the Settlement Escrow Agent shall take such actions and deliver such certificates and other documents as the Trustee may reasonably request in order to effectuate, perfect, confirm and evidence the transfer and assignment to the Trust of the assets intended to be transferred and assigned pursuant to Section 2.03 hereof and the validity and efficacy of such transfer and assignment. Debtors shall transfer to the Trust such claims files and other documents relating to the Settled Claims which are under

their custody or control. Upon the written request of the Honorable John K. Trotter (Retired), the referee hereby designated and appointed by this Agreement and in the Claims Resolution Facility (the "Claims Resolution Facility Referee") to allocate the Trust assets to the Beneficiaries in accordance with this Agreement and the Claims Resolution Facility, the Trustee shall make these claim files and documents available for the Claims Resolution Facility Referee's inspection, copying and use.

ARTICLE III TRUSTEES

3.01 *Number.* There shall be one Trustee of the Trust. In accordance with section 5.5 of the Plan, prior to the Effective Date of the Plan, the Ephedra Claimants Committee shall appoint the individual to serve as initial Trustee.

3.02 *Qualifications.* The Trustee must be a natural person of good moral character and independent of the Debtors and the Settling Third Parties, and any of their Affiliates, present or future, who has attained the age of thirty (30) years and whose experience and background are appropriate to the responsibilities of a Trustee hereunder; provided that no individual shall be appointed as Trustee if such individual would be treated as, or would cause the Trust to be treated as, a "related person" (within the meaning of Treasury Regulation section 1.468B-1(d)(2)) to any of the Debtors.

3.03 *Terms of Service.*

(a) The Trustee shall serve for the duration of the Trust, subject to his or her earlier death, resignation or removal.

(b) The Trustee may resign at any time by written notice to the Bankruptcy Court, specifying the date when such resignation shall take effect. The Trustee shall attempt, where

possible, to give notice of resignation not less than 90 days before such resignation is to take effect.

(c) The Trustee may be removed from office by the Bankruptcy Court upon its own motion or the motion of at least twenty (20) Beneficiaries represented by at least 5 independent and unaffiliated attorneys and a determination by the Bankruptcy Court that such removal is appropriate upon good cause shown.

3.04 *Appointment of Successor Trustees.*

(a) In the event of the death, resignation, incapacity to serve as determined by the Bankruptcy Court or removal of a Trustee prior to the expiration of his or her term, a successor Trustee shall be nominated by the Ephedra Claimants Committee, subject to Bankruptcy Court approval within 60 days after such death, resignation or removal. If the Ephedra Claimants Committee has been dissolved or fails to nominate a successor Trustee that is approved by the Bankruptcy Court within such 60 day period, a successor Trustee shall be appointed by the Bankruptcy Court.

(b) Upon the acceptance of office by any successor Trustee, all rights, titles, duties, powers and authority of the predecessor Trustee under this Agreement shall be vested in and undertaken by the successor Trustee without any further act being required. No successor Trustee shall be liable personally for any act or omission of his or her predecessor.

3.05 *Liability of Trustee.* The Trustee shall not be liable to the Trust or to any Beneficiary except for such Trustee's own gross negligence or willful misconduct. The Trustee shall not be liable for any act or omission of any agent or employee of the Trust, including, but not limited to the Claims Resolution Facility Referee, unless that Trustee acted with gross negligence or willful misconduct in the selection or retention of such agent or employee. No

action, suit or proceeding of any kind may be brought by Debtors or the Settling Third Parties, or any affiliates of any of them, present or future, against the Trustee, other than as a result of a material loss to Debtors or the Settling Third Parties, or any such affiliate thereof, or to the Trust, due to such Trustee's having committed gross negligence or willful misconduct. All actions taken and determinations made by the Trustee, unless otherwise provided in (or unless contrary to the provisions of) this Agreement, the Plan, the Claims Resolution Facility or a Final Order, shall be final and binding upon all Persons having any interest in the Trust.

3.06 *Compensation and Expenses of the Trustee.* The Trustee shall receive as compensation for his or her services a monthly fee at the rate of \$170.00 per hour. In addition, the Trustee shall be reimbursed for his or her reasonable expenses, including travel expenses, reasonably required and incurred in the performance of his or her duties.

3.07 *Indemnification.*

(a) The Trustee or former Trustee, the Claims Resolution Facility Referee and each present or former member of the Ephedra Claimants Committee (the Ephedra Claimants Committee Members shall be collectively referred to as the "Additional Indemnitees") (the Trustee, former Trustee, Claims Resolution Facility Referee and Additional Indemnities shall be referred to as the "Indemnified Person(s)"), who was or is party, or is threatened to be made a party, to any threatened, pending, or completed action, suit or proceeding of any kind, whether civil, administrative or arbitral, and whether brought by or against the Trust, with respect to the Trustee, by reason of such Trustee being or having been a Trustee of the Trust, or by reason of such Trustee serving or having served in any capacity at the request of and on behalf of the Trust, or, with respect to the Claims Resolution Facility Referee, by reason of any act or omission of the Claims Resolution Facility Referee, with respect to this Agreement and the

Claims Resolution Facility, or with respect to an Additional Indemnatee, by reason of any act or omission of such Additional Indemnatee with respect to the Chapter 11 Cases, this Agreement or the Claims Resolution Facility, shall be indemnified by the Trust against expenses, costs and fees (including attorneys' fees), judgments, awards, costs, amounts paid in settlement, and liabilities of any kinds incurred by such Trustee, Claims Resolution Facility Referee, or such Additional Indemnatee in connection with or resulting from such action, suit, or proceeding if he or she acted in good faith and, (i) with respect to the Trustee, in a manner the Trustee reasonably believed to be in or not opposed to the best interests of the Trust, (ii) with respect to the Claims Resolution Facility Referee, in a manner the Claims Resolution Facility Referee reasonably believed to be implementing and conducting his duties in accordance with this Agreement and the Claims Resolution Facility, (iii) with respect to an Additional Indemnatee, in a manner such Additional Indemnatee reasonably believed to be in or not opposed to the best interests of the Settled Claims.

(b) Any indemnification under Section 3.07(a) of this Agreement shall be made by the Trust upon a determination that indemnifications of any Indemnified Person is proper under the circumstances. Such determination shall be made by independent legal counsel ordered by the Bankruptcy Court to make such determination, or by the Bankruptcy Court.

(c) Reasonable expenses, costs and fees (including attorneys' fees) incurred by or on behalf of any such Indemnified Person in connection with any such action, suit, or proceeding, whether civil, administrative or arbitrate, may be paid by the Trust in advance of the final disposition thereof upon receipt of an undertaking by or on behalf of such Indemnified Person to repay such amount unless it shall be determined ultimately that such Indemnified Person is entitled to be indemnified by the Trust.

(d) The Trustee shall have the power, generally or in specific cases, to cause the Trust to indemnify the employees and agents of the Trust to the same extent as provided in this Section 3.07 with respect to the Trustee.

(e) The Trustee may purchase and maintain reasonable amounts and types of insurance on behalf of an individual who is or was a Trustee, employee, or agent of the Trust against liability asserted against or incurred by such individual in that capacity or arising from his or her status as a Trustee, employee, or agent.

3.08 *Trustee's Lien.* The Trustees shall have a prior lien upon the Trust estate to secure the payment of any amounts payable to him or her pursuant to Sections 3.06 and 3.07.

3.09 *Reliance by Persons Dealing with Trust.* Any Person dealing with the Trust may rely in good faith upon any certificate or other instrument signed by the Trustee, or upon any certificate or other instrument signed by any officer or agent of the Trust whose authority is evidenced by a certificate or other instrument signed by the Trustee, without the necessity of further inquiry by such Person into the authority of such Trustee, officer or agent to act on behalf of the Trust; *provided, however,* that any action resulting in a disbursement or expenditure or a commitment to make a disbursement or expenditure from the Trust in excess of \$5,000,000, other than any disbursement, payment or expenditure provided for in this Agreement, and/or in the Claims Resolution Facility, shall require the signature of the Trustee and the approval of the Bankruptcy Court; *provided, further,* that disbursements or expenditures from the Trust made in respect of investments in accordance with Section 4.02 hereof and the investment policies duly adopted by the Trustee shall not require the signature of the Trustee; and *provided, further* that the Trustee may adopt by-laws concerning these matters that are more restrictive than the foregoing.

3.10 *Actions by Trustee.* Except as otherwise provided in this Agreement or as required by applicable law, all determinations by the Trustee shall be in accordance with this Agreement and the Claims Resolution Facility.

3.11 *Bond.* The Trustee shall not be required to post any bond or other form of surety unless otherwise ordered by the Bankruptcy Court.

ARTICLE IV FINANCIAL MANAGEMENT

4.01 *Accounts.* The Trustee shall establish such funds and accounts with one of the financial institutions identified below for carrying out the purposes of the Trust.

4.02 *Investments.* Investments of monies held in the Trust estate shall be administered, subject to the limitations and provisions set forth in this section, in view of the manner in which individuals of ordinary prudence, discretion and judgment would act in the management of their own affairs, and with the understanding that it is intended that distributions from the Trust to the Beneficiaries, which will have the effect of liquidating and terminating the Trust, will commence immediately upon or soon after the Confirmation Order of the Plan (which is anticipated to occur in or about July to August 2005) and will be completed soon thereafter. The Trustee shall invest and reinvest the principal and income of the Trust and keep the funds of the Trust invested in one or more interest-bearing accounts at Wells Fargo Bank, Bank of America N.T. & S.A. or Comerica Bank, or their local affiliates, which shall be treated as a single fund without distinction between principal and income. For purposes of this paragraph, "interest-bearing account" includes a money fund whose objectives are current income consistent with liquidity and low risk, the maintenance of a portfolio of high quality, short-term money market instruments, and maintenance of a constant \$1.00 net asset value per share. All investments shall be made so as to at all times provide sufficient liquidity to meet the anticipated cash needs of the

Trust as set forth herein. In investing, reinvesting, exchanging, selling and managing the Trust Accounts, the Trustee shall discharge its duties with respect to said accounts solely in the interest of the accomplishment of the purposes and objectives of the Trust.

4.03 *Trust Powers.*

(a) Pursuant to the Confirmation Order, subject to the limitations set forth in this Agreement, and subject to the provisions and limitations of the Plan and Article V hereof, including the Claims Resolution Facility, the Trustee shall have the power to take any and all actions as, in the sole judgment and discretion of the Trustee, are necessary or advisable to effectuate the purposes of the Trust, including, without limitation, each power expressly granted in Section 4.03(b) of this Agreement and any power reasonably incidental thereto.

(b) Without limiting the generality of Section 4.03(a) of this Agreement, and subject to the other provisions of this Agreement, the Trustee shall have the power:

(i) to receive cash and other additions to the Trust estate from any source, provided such additions are made pursuant to the Confirmation Order or another order of the Bankruptcy Court) and to hold, administer, and distribute such additions as a part of the Trust estate;

(ii) to invest and reinvest the funds of the Trust as provided in this Agreement;

(iii) to rely upon any affidavit, certificate, letter, notice, telegram, or other paper, or upon any telephone conversation or other oral communication, believed by the Trustee to be genuine and sufficient and upon any other evidence believed by the Trustee to be genuine and sufficient, and to be protected and saved harmless in respect of all payments or distributions made hereunder if made in good faith and without actual notice or knowledge of the changed condition or status of any person receiving payments or other distributions upon a condition;

(iv) to indemnify the Indemnified Persons, and employees and agents of the Trust, in accordance with Section 3.07 of this Agreement, to purchase insurance to effect such indemnification, in accordance with such Section 3.07, and to meet the obligations of the Trust under Article V hereof and the Claims Resolution Facility;

(v) to appoint such officers, hire such employees, and engage such legal, financial and other advisors and agents, including the Claims Resolution Facility Referee, as are deemed necessary by the Trustee for the proper administration of the Trust and the Claims Resolution Facility (subject in all respects to the provisions and limitations of the Claims Resolution Facility), and to compensate such officers, employees, advisers and agents for their services;

(vi) to enter into such other arrangements with third parties as are deemed by the Trustee to be useful in carrying out the purposes of the Trust (including, without limitation, engaging a financial institution to act as paying agent, depository, custodian or trustee with respect to funds, reserves or accounts created hereby or established pursuant hereto), and to compensate such third parties for their services;

(vii) to institute any action or proceeding at law or in equity for the collection of the sums due the Trust, or otherwise to advance the interests of the Trust in a manner not inconsistent with the terms of the Plan, prosecute any such action or proceeding to judgment or final decree, enforce any such judgment or final decree, and collect in any manner provided by the law the monies adjudged or decreed to be payable; *provided, however*, that, regardless of any deficiency in the Trust or any other reason, the Trust may not institute any action or proceeding at law or in equity against the Debtors or against any other Person deemed to be released pursuant to the terms of Section 10.5 of the Plan and paragraph 1 of the 2002-2004 Ephedra PI Settlement Agreement, for the collection of any sums, other than as expressly provided for in the

Plan, in respect of the 2002-2004 Ephedra PI Claims, prosecute any such action or proceeding to judgment or final decree, or collect in the manner provided by law the monies adjudged or decreed to be payable;

(viii) to adopt and amend By-Laws and other rules and procedures not inconsistent with this Agreement, the Plan or the Claims Resolution Facility, as the Trustee may deem necessary or desirable for the governance or administration of the Trust;

(ix) assist with, administer and effectuate the Claims Resolution Facility; and

(x) to do all other acts and things not inconsistent with the provisions of this Agreement, the Claims Resolution Facility, and the Plan which the Trustee may deem reasonably necessary or desirable for the proper management of the Trust, in the same manner and to the same extent as an individual might or could do with respect to his own property, subject to the limitations of applicable law governing the conduct of fiduciaries.

4.04 *Accounting.*

(a) Until the Trust is terminated in accordance with this Agreement, as soon as practicable on or about the commencement of each Fiscal Year, the Trustee shall cause to be prepared budget and cash flow projections covering such Fiscal Year and such succeeding Fiscal Years for which the Trustee determines such projections are practicable and appropriate.

(b) Until the Trust is terminated in accordance with this Agreement, the Trustee shall cause to be prepared at the end of each Fiscal Year an annual accounting containing financial statements of the Trust as of the end of such Fiscal Year, including, without limitation, a balance sheet of the Trust, a statement of receipts and disbursements, a statement of profit and loss prepared on an accrual basis, and a supplementary schedule of investments and assets, listing both principal and income, reported on, as to fairness of presentation in accordance with

generally accepted accounting principles consistently applied, by the Trustee or by an accountant or financial officer or agent employed by the Trust.

(c) Until the Trust is terminated in accordance with this Agreement, Trustee shall cause to be prepared at the end of each of the first three quarters of each Fiscal Year a quarterly accounting containing unaudited financial statements of the Trust as of the end of such quarter, including, without limitation, a balance sheet of the Trust, a statement of receipts and disbursements, a statement of profit and loss prepared on an accrual basis, and a supplementary schedule of investments and assets, listing both principal and income, reported on, subject to normal year-end adjustments, as to fairness of presentation in accordance with generally accepted accounting principles consistently applied, by the Trustee or by an accountant or financial officer or agent employed by the Trust.

(d) Upon the termination of the Trust in accordance with this Agreement, the Trustee shall cause to be prepared a final accounting consistent with terms of section 4.04(b) hereof.

4.05 *Reporting.*

(a) The Trustee shall cause the annual and quarterly accountings, if any, as required by Section 4.04 of this Agreement, to be filed with the Bankruptcy Court. The annual accountings, if any, shall be filed as soon as available, but in no event later than 90 days following the end of each Fiscal Year. The quarterly accountings, if any, shall be filed as soon as available, but in no event later than 45 days following the end of the quarter of the Fiscal Year to which such accounting relates. The final accounting shall be filed as soon as available, but in no event later than 45 days after the date on which the Trust is terminated as provided herein.

(b) Simultaneously with the filing of each accounting, the Trustee shall cause to be prepared and filed with the Bankruptcy Court a report containing a summary of each of the

Settled Claims for which payment or distribution has been made and the total amount paid with respect the Settled Claims from the consummation date to the end of the period covered by the accounting.

(c) All materials required to be filed with the Bankruptcy Court by this Section 4.05 shall be available for inspection by the public according to procedures established by the Bankruptcy Court.

4.06 *Tax Returns; Tax Payments.* The Trustee shall timely file such income tax, informational and other returns and statements as are required to comply with applicable provisions of the Tax Code, including without limitation, Treasury Regulation §1.468B-1 et seq., and of any state law and the regulations promulgated thereunder. The Trust shall be responsible for paying taxes and any other obligations or liabilities of any and all kinds whatsoever which at any time are lawfully levied, assessed upon or become payable in respect of the Trust or the Trust estate. The Trustee shall provide any information as may be necessary to comply with the requirements of a QSF.

ARTICLE V DISTRIBUTIONS; CLAIMS RESOLUTION FACILITY

5.01 Required Distributions.

(a) Prior to any distribution to the Beneficiaries, and as soon as practicable after the Effective Date of the Plan, the Trustee shall segregate and reserve from the Trust funds sufficient monies to make the following payments, which payments shall be made, to the extent practical, contemporaneous with the distribution to the Beneficiaries.

(i) The Trustee shall pay the Claims Resolution Facility Referee his fees and expenses;

(ii) The Trustee shall pay all the expenses of the Trust, including the Trustee's fees and expenses;

(iii) The Trustee shall pay Buchanan Ingersall PC ("BIPC") the sum of \$254,368.85, representing the outstanding fees and costs it incurred from October 2003 to January 2003, prior to the January 15, 2004 formation of the Ephedra Claimants Committee and said Committee's retention of BIPC as its counsel, said fees and expenses being incurred in connection with BIPC's representation of an Unofficial Ad Hoc Committee of Ephedra Claimants and said committee's efforts in connection with the Chapter 11 Cases to, *inter alia*, protect the interests of all ephedra claimants of Debtors and seek the formation of an official committee of such ephedra claimants;

(iv) The Trustee shall provide to the District Court the "Payer Statement" and pay to the District Court the assessment for the "Fee Fund" in accordance with paragraph 2(c) of the Status Order (Including Case Management Order No. 7) in *In re: Ephedra Products Liability Litigation*, 04 M.D. 1598 (S.D.N.Y.) (JSR) ("Case Management Order No.7") (as such terms are defined therein) and any other applicable Order of the District Court.

(v) The Trustee shall pay the following expenses which were incurred for the benefit of the Beneficiaries during the proceedings, mediation and negotiations that led to and resulted in the 2002-2004 Ephedra PI Settlement Agreement: (A) the Beneficiaries' portion of the cost of the mediator (Justice Trotter) in accordance with the Bankruptcy Court's October 8, 2004 Order Regarding Mediation of the 2002-2004 Cases, (B) travel and lodging expenses of the Representative Members of the Special Mediation Subcommittee of the Ephedra Claimants Committee incurred in connection with said Members' travel and attendance at the mediation

sessions and (C) the cost of experts retained for the Beneficiaries' benefit, including legal ethics experts, insurance experts and physician consultants.

(b) As soon as practicable after the Effective Date of the Plan, the Trustee shall distribute to each Beneficiary, such amounts from the Trust funds remaining after the distributions set forth in section 5.01(a) as may be determined by the Claims Resolution Facility Referee in accordance with Section 5.02 of this Agreement and the Claims Resolution Facility.

5.02 Payment of the 2002-2004 Ephedra PI Claims; the Beneficiaries' Attorneys' Fees and Costs; Allocation Determinations Regarding Minors

(a) Claims shall be assessed and paid by the Trust as provided under the Claims Resolution Facility; *provided, however*, that no payment shall be made to any Beneficiary unless and until such Beneficiary shall have executed a release of all Persons deemed to be released pursuant to the provisions of Section 5.1 of the Plan and paragraph 1 of the 2002-2004 Ephedra PI Settlement Agreement. A Beneficiary's execution of the 2002-2004 Ephedra PI Settlement Agreement shall constitute satisfaction of the Beneficiary's obligation as set forth in this section 5.02(a).

(b) If a Beneficiary's attorney claims a portion of the Beneficiary's distribution under the Claims Resolution Facility for attorneys' fees and expenses, the Trustee shall withhold and reserve payment to such Beneficiary until the Trustee receives written notice that the District Court has approved and authorized payment of the amount due to the attorney in accordance with paragraph 2(d) Case Management Order No. 7. Upon receipt of said written notice of District Court approval, the Trustee shall make distribution to the Beneficiary in the manner directed by the Beneficiary's attorney of record.

(c) If the Beneficiary is a minor, the Trustee shall withhold and reserve payment of the allocated distribution to such minor Beneficiary until the Trustee receives notice that the District Court had approved said distribution to said minor Beneficiary in accordance with the terms and procedures set forth in section 5.2 of the Plan, and the Trustee shall make payment of the distribution to the minor Beneficiary in the manner ordered by the District Court pursuant to section 5.2 of the Plan.

(d) In the event that the minor Beneficiary's parent, guardian, guardian ad litem, adult spouse, next friend, or other representative of the minor Beneficiary does not so move for approval of the allocation within thirty (30) days of the Confirmation Order, the Trustee shall be invested with authority to move before the District Court for approval of the allocation to such minor Beneficiary in accordance with the terms and procedures set forth in section 5.2 of the Plan.

ARTICLE VI GENERAL PROVISIONS

6.01 *Irrevocability.* The Trust is irrevocable. Neither Debtor nor the Settling Third Parties, nor any affiliate thereof, may hold any beneficial interest in the income or corpus of the Trust.

6.02 *Recordation.* This Agreement shall be recorded in such places as Debtors or the Trustee shall deem necessary or advisable.

6.03 *Termination.*

(a) The Trust shall terminate automatically upon the date on which the Settled Claims have been finally disposed of and paid out, the payments identified in section 5.01(a) have been made and the Trustee has certified that, in his/her judgment, the purposes of the Trust have been fulfilled.

6.04 *Severability.* Should any provision of this Agreement be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of this Agreement.

6.05 *Headings.* The headings used in this Agreement are inserted for convenience only and shall not affect the construction of any provisions of this Agreement.

6.06 *Amendment.* When necessary to carry out the purposes of the Trust, this Trust Agreement may be amended by an instrument signed by the Trustee then in office; *provided, however,* that any such amendment must be consistent with the Plan; and *provided, further,* that such amendment shall become effective only with the approval of the Bankruptcy Court, and after such notice and hearing as the Bankruptcy Court may direct.

6.07 *Governing Law.* The laws of New York shall govern the interpretation and validity of the provisions of this Agreement and all questions relating to management, administration and investment of the Trust and the Trust estate.

6.08 *Trust Location.* The Trust shall maintain its principal offices in Los Angeles, California.

6.09 *No Adverse Action.* No Trustee shall take any action that will adversely affect the qualification of the Trust as a "Qualified Settlement Fund" within the meaning of Treasury Regulations § 1.468B-1 et seq.

6.10 *Notice to Trustee.* All notices, requests, and demands to or upon the Trustee to be effective shall be in writing (including by facsimile transmission) and unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed to the Trustee at the address set forth in section 3.01 herein.

IN WITNESS WHEREOF, Debtors have caused this Agreement to be executed by a duly authorized officer or representative of them and attested by another duly authorized officer of Debtors, and the Initial Trustee has executed this Agreement, all as of _____, 2005.

TRUSTORS

TL ADMINISTRATION CORP.
(f/k/a Twinlab Corporation)

By: _____

TL ADMINISTRATION INC
(f/k/a Twin Laboratories, Inc.)

By: _____

TL ADMINISTRATION (UK) Ltd.
(f/k/a Twin Laboratories (UK) Ltd.)

By _____

SETTLEMENT ESCROW AGENT

By: _____

TRUSTEE

[Name of Trustee]

EXHIBIT A TO EPHEDRA PERSONAL INJURY TRUST AGREEMENT

2002-2004 EPHEDRA PI CLAIMS

Alcantar v. Twin Laboratories Inc., et al., Case No. 03CV09169
Alexander v. Twin Laboratories Inc., et al., Case No. 04CV00095
Baines v. Twin Laboratories Inc., et al., Case No. 04CV00094
Bale v. TL Administration Corp., et al., Case No. 04CV05684
Barrett v. GN OLDSCO Corp., Case Nos. 04CV05810; 04CV07713
Bell, Kenneth v. TL Administration Corp., et al., Case No. 04CV05644
Bellew v. TL Administration Corp., et al., Case No. 04CV05642
Bigley v. General Nutrition Corporation, et al., Case No. 04CV03429
Bloch v. TL Administration Corp., et al., Case No. 04CV05682
Bonner, et al. v. O'Leary Health Food Distributor Co., Inc., et al., Case No. 03CV09275
Carrero, et al. v. Twin Laboratories Inc., et al., Case No. 04CV01276
Castillo v. TL Administration Corp., et al., Case No. 04CV05683
Coleman v. TL Administration Corp., et al., Case No. 04CV05647
Corfman v. Twinlab Corporation, et al., Case No. 04CV06669
Dias v. TL Administration Corp., et al., Case No. 04CV05685
Downing v. TL Administration Corp., Case No. 04CV05519
Feazell v. Twinlab Corporation, et al., Case No. 04CV06668
Fenner v. TL Administration Corp., et al., Case No. 04CV05648
Filardi, et al. v. Twin Laboratories Inc., et al., Case No. 04CV00093
Forbes, et al. v. Twin Laboratories Inc., et al., Case No. 03CV09272
Fulton v. Twin Laboratories Inc., et al., Case No. 03CV09271
Garvin v. Twin Laboratories Inc., et al., Case No. 04CV02379
Garza v. Twin Laboratories Inc., et al., Case No. 04CV04581
Green v. TL Administration Corp., et al., Case No. 04CV05607
Hall v. TL Administration Corp., et al., Case No. 04CV05649
Hinkle v. TL Administration Corp., et al., Case No. 04CV05609
Holleman v. TL Administration Corp., Case No. 04CV05543
Jennings v. Twinlab Corporation, et al., Case No. 04CV06667
Joyner-Wiggins v. Twin Laboratories Inc, et al., Case No. 03CV09285

Knight v. Twinlab Laboratories, et al., Case No. 04CV05542
Korizis, et al. v. Twin Laboratories Inc., et al., Case No. 03CV09284
Lohner, et al. v. TL Administration Corp., et al., Case No. 04CV05686
Malenica v. TL Administration Corp., et al., Case No. 04CV05639
Mattson v. TL Administration Corp., Case NO. 04CV05640
McCall v. TL Administration Corp., et al., Case No. 04CV05608
McMillan, et al. v. Twin Laboratories Inc., et al., Case No. 03CV09267
Millan v. Twin Laboratories Inc., et al., Case No. 04CV01988
Niedenthal v. Twinlab Corporation, et al. Case No. 04CV06663
Parks v. Twin Laboratories Inc., et al., Case No. 04CV01037
Perrine v. TL Administration Corp., et al., Case No. 04CV05687
Perrine v. GN Oldco Corp. et al., Case No. 05CV00028
Petrovich, et al. v. Twin Laboratories Inc., et al., Case No. 04CV02498
Poling v. TL Administration, Inc., et al., Case No. 04CV05613
Rawert, et al. v. Twin Laboratories Inc., et al., Case No. 03CV09265
Rodriguez, Ronnie v. Twin Laboratories Inc., et al., Case No. 03CV09283
Sells v. TL Administration, Inc., et al., Case No. 04CV06103
Singh v. Twinlab Corporation, et al., Case No. 04CV06662
Smith, Jahn v. Twin Laboratories Inc., et al., Case No. 04CV01039
Smith, James v. TL Administration Corp., Case No. 04CV05641
Smith, Richard v. Twinlab Corporation, et al., Case No. 04CV06670
Southerland v. TL Administration Corp., Case No. 04CV05642
Stokes v. TL Administration Corp., et al., Case No. 04CV05520
Thrower v. TL Administration Corp., et al., Case No. 04CV05681
Underwood v. TL Administration Corp., et al., Case No. 04CV05541
Welch, et al. v. Twin Laboratories Inc., et al., Case No. 04CV00091
Wells, et al. v. TL Administration Corp., et al., Case No. 04CV05688

OTHER PARTICIPATING EPHEDRA CLAIMS

Baduske, et al. v. TL Administration Corp., et al., Case No. 04-CV-07624
Bell, Bessie, et al. v. Metabolife International, Inc., et al., Case No. 05-CV-01003
Bunting v. Cytodyne Technologies, Inc., etc., et al., Case No. 04-CV-09708
Marks v. General Nutrition Corporation, et al., Case No. 04-CV-06845
Thai v. Muscletech Research & Development Inc. et al., Case No. 04-CV-08253
Dobson v. Twinlab Corporation, et al., Case No. 04CV07716
Greve, et al. v. Twin Laboratories Inc., et al., Case No. 03CV9278
Kallus v. Europa Sports Products, Inc., et al., Case No. 04CV07711
Longoria v. Metabolife International, Inc., et al., Case No. 04CV08317
Roland v. Wal-Mart Corporation, et al., Case No. 04CV09081
Vereen v. Twin Laboratories Inc., et al., Case No. 04CV05241
Wright v. Twin Laboratories, Inc., et al., Case No. 04CV08953
Houghton, et al. v. Twin Laboratories Inc., et al., Case No. 03CV09290
Ashment v. Twinlab Corp., et al., Case No. 04CV00538

EXHIBIT B TO EPHEDRA PERSONAL INJURY TRUST AGREEMENT

CLAIMS RESOLUTION FACILITY

THIS CLAIMS RESOLUTION FACILITY is established in accordance with the Debtors' Joint Plan of Liquidation under Chapter 11 of the Bankruptcy Code (the "Plan") and the TL Ephedra Personal Injury Trust Agreement (the "Trust Agreement"), the latter of which establishes the TL Ephedra Personal Injury Trust.¹

A. Debtors filed a petition for reorganization under chapter 11 of the Code on September 4, 2003.

B. The Plan provides, pursuant to, *inter alia*, Sections 4.4 and 5.1 thereof thereof, for the resolution, disposition and satisfaction of certain Ephedra Personal Injury Claims and Other Participating Ephedra Claims, as defined and identified herein, pursuant to the Trust Agreement and this Claims Resolution Facility.

C. The Trust Agreement is to establish, pursuant to the Confirmation Order of the Plan, the Ephedra Personal Injury Trust (the "Trust"), the principal purpose of which is to resolve, dispose of and satisfy the 2002-2004 Ephedra PI Claims and the Other Participating Ephedra Claims which are identified and described in Exhibit A annexed to the Trust Agreement and in Schedule A annexed hereto (the "Settled Claims") against (i) Debtors and (ii) against the Settling Third Parties, all of which Settled Claims arise out of personal injury, death, or property damage.

D. The purpose of this Claims Resolution Facility is to provide the holders of the Settled Claims (each a "Beneficiary" and, collectively, the "Beneficiaries") a fair and reasonable distribution from the Trust for valid Ephedra Personal Injury Claims and/or Other Participating

¹ Unless the context otherwise requires, all capitalized terms used in this Claims Resolution Facility and not otherwise defined herein shall have the meanings assigned to them in the Plan.

Ephedra Claims held by said Beneficiaries. This purpose is to be achieved by providing efficient, fair and economical mechanisms, processes and procedures, with a minimum cost to the Trust, for evaluating each of the Settled Claims and expeditiously distributing the net funds of the Trust to the Beneficiaries in accordance with that evaluation and pursuant to section 5.02 of the Trust Agreement.

E. To facilitate, effectuate and implement the purposes of this Claims Resolution Facility, the Honorable John K. Trotter (Retired) (the “Claims Resolution Facility Referee”) is hereby retained and appointed by the Trust, pursuant to the Trust Agreement, to evaluate each of the Settled Claims in accordance with the guidelines and procedures contained herein. After considering the materials and information made available to him, as identified below, and after affording any Beneficiary who so elects sufficient and reasonable time to present their position and supporting proofs in person or via audio- or video-conference to the Claims Resolution Facility Referee, as provided below, the Claims Resolution Facility Referee shall determine and render a final allocation of the available Trust funds on a schedule certified by him (the “Certified Allocation Schedule”), which Certified Allocation Schedule shall be delivered to the Trustee named in the Trust Agreement and thereafter annexed as Schedule B to this Claims Resolution Facility for inclusion in the Plan and the Trust Agreement for the purpose of enabling the Trustee to make distributions to the Beneficiaries in accordance with section 5.02 of the Trust Agreement.

F. Each Beneficiary who is entitled to vote on the Plan in accordance with the terms of the Plan and any order of the Bankruptcy Court or District Court retains such voting rights thereunder. The Claims Resolution Facility Referee shall receive as compensation from the Trust for his services a monthly fee at the rate of \$_____ per hour and shall be reimbursed by

the Trust for his reasonable expenses, including travel expenses, reasonably required and incurred in the performance of his or her duties.

**GUIDELINES, PROCESSES AND PROCEDURES
OF THE CLAIMS RESOLUTION FACILITY**

A. Introduction

On October 8, 2004, Bankruptcy Judge Blackshear signed and entered an Order in the Debtors' chapter 11 cases regarding the mediation and potential settlement of the 2002-2004 Ephedra PI Claims and the Other Participating Ephedra Claims relating thereto (the "Mediation Order"). As part of the Mediation Order, Judge Blackshear appointed Justice Trotter to mediate these claims "for the purpose of attempting to negotiate a global settlement of these cases" (Paragraph 4) and "conduct an allocation of the global settlement as to each of the individual cases" (Paragraph 11).

After consulting with ethics counsel, the Beneficiaries' counsel thereafter obtained the consent of each of their clients to enter into a mediation program, the result of which would be the presentation of a single aggregate settlement offer to all Beneficiaries and an allocation plan overseen by Justice Trotter, in the event the Claims Resolution Facility Referee herein, in the event that the single, aggregate settlement offer was accepted by the Beneficiaries. Once the Beneficiaries' counsel obtained the appropriate consent to mediate the Beneficiaries' claims in the aggregate, the parties to that mediation (the Beneficiaries, Debtors and the Settling Third Parties) worked to come to an agreement in principle as to a global settlement amount with respect to the Settled Claims (the Debtors and Settling Third Parties shall henceforth collectively be referred to as the "Defendants").

B. Ethical Considerations

When the settlement discussions commenced, the Beneficiaries' counsel had intended to settle their cases individually by negotiating for individual settlement amounts on each individual case. However, Defendants' counsel insisted upon negotiating a single aggregate amount to settle all of the cases. The Beneficiaries' counsel expressed a concern as to the parties' ethical responsibilities in circumstances where settlements are negotiated for multiple plaintiffs with different interests. The Beneficiaries' counsel therefore worked to insure that the manner in which settlement was reached complied with the ethical obligations of all of the attorneys on both sides. In so doing, the Beneficiaries' counsel retained and consulted with experts in the field of legal ethics (i) to determine if acceptance of a global, aggregate settlement offer from the Defendants' would be in the best interests of all of their clients, and (ii) to construct a fair and equitable means of apportioning any global settlement offer which would comply with the Beneficiaries' counsels' ethical obligations. Those experts included Seton Hall University School of Law Professor Howard Erichson. Professor Erichson has published numerous articles on complex litigation, civil procedure, and legal ethics. He currently serves as a member of the New Jersey Civil Practice Committee, and he has recently served as a member of the District Ethics Committee, the Third Circuit Task Force on Selection of Class Counsel and as co-reporter for the Mass Tort Litigation Manual of the American College of Trial Lawyers. He is the immediate past chair of the Civil Procedure Section of the Association of American Law Schools.

The Beneficiaries' counsel have also consulted with and retained the Settlement Law Group, a tax-law firm that plans, documents and administers settlements in personal injury, product liability and environmental cases. Pursuant to the Trust Agreement, David M. Higgins

of that firm will be appointed and serve as the Trustee of the Trust. The responsibilities and obligations of the Trustee are set forth in the Trust Agreement.

1. Rules Regarding Aggregate Settlements

There are a number of important ethical considerations which are part of any proposed aggregate settlement.

Rule 1.8(g) of the Model Rules of Professional Conduct provides:

“(g) A lawyer who represents two or more clients shall not participate in making an aggregate settlement of the claims of or against the clients, or in a criminal case an aggregated agreement as to guilty or nolo contendere pleas, unless each client gives informed consent, in a writing signed by the client. The lawyer’s disclosure shall include the existence and nature of all the claims or pleas involved and of the participation of each person in the settlement.”

This rule has been adopted in many states verbatim, although California has a slightly modified version in California Professional Conduct Rule 3-310, which provides:

(A) For purposes of this rule:

(1) “Disclosure” means informing the client or former client of the relevant circumstances and of the actual and reasonably foreseeable adverse consequences to the client or former client;

(2) “Informed written consent” means the client’s or former client’s written agreement to the representation following written disclosure;

(3) “Written” means any writing as defined in Evidence Code section 250. . . .

(D) A member who represents two or more clients shall not enter into an aggregate settlement of the claims of or against the clients without the informed written consent of each client. . . .”

2. Mediation Toward A Global Settlement

As a result of these consultations and recommendations by ethics experts, the Beneficiaries’ counsel determined that the optimal method of implementing a settlement which would be in the best interests of all of their clients, and which would comply with all applicable ethical requirements, would be to establish a settlement program, all phases of which would be overseen by Justice Trotter as a court-appointed neutral third-party experienced in oversight of such a settlement.

Pursuant to the Mediation Order, Justice Trotter supervised and oversaw the mediation program, and, as Claims Resolution Facility Referee, Justice Trotter shall oversee implementation of the allocation process regarding the settlement proceeds (the Trust funds) and determine a fair and equitable apportionment among the Beneficiaries. This process requires Justice Trotter, with the assistance of Beneficiaries’ counsel, to review and insure that the procedures of this Claims Resolution Facility, and the allocation to be undertaken by Justice Trotter thereunder, complies with all ethical obligations, including necessary disclosures, conflict waivers, settlement authority [and informed written consent of all Beneficiaries]. Pursuant to the Plan and Trust Agreement, the Trustee shall administer the settlement proceeds through a Qualified Settlement Fund within the meaning of Treasury Regulations § 1.468B-1 et seq., and make distributions to the Beneficiaries as per the terms of the Trust Agreement and this Claims Resolution Facility. Under the Plan, Trust Agreement and Claims Resolution Facility, each Beneficiary shall receive his/her individually allocated portion of the net Trust proceeds in

exchange for dismissing his/her case and providing releases to the Defendants as set forth in the Plan. Allocations shall be determined by Justice Trotter, as Claims Resolution Facility Referee, based upon categorization of each individual's injuries and documentation of those injuries, as well as a variety of other factors. The allocations, and the valuations therein, shall be arrived at through extensive review and analysis of each individual case and through individual and joint discussions among attorneys within the offices of Beneficiaries' counsel, co-counsel, experts and counsel for the Defendants.

3. Consent to Mediate and Receive Aggregate Settlement Offer

The Beneficiaries' counsel provided the Beneficiaries with information relating to the case evaluation process as set forth herein and obtained from each of the Beneficiaries informed written consent to mediate and receive an aggregate settlement offer from the Defendants. In addition, each Beneficiary consented in writing that in the event the parties come to a proposed agreement, the Beneficiaries would enter an allocation process under the supervision and authority of Justice Trotter, as Claims Resolution Facility Referee. The allocation as between cases shall be based upon objective criteria which is verifiable by medical records, *inter alia*, discovery responses or other documentation. Before any allocations are finally determined by Justice Trotter, each Beneficiary shall be provided with an appropriate disclosure of the criteria used, the categories of cases and process by which valuations will be determined with respect to the Settled Claims. Prior to the delivery to the Trustee by Justice Trotter of the Certified Allocation Schedule, the Beneficiaries shall have a reasonable and fair opportunity to be heard regarding any questions or concerns by and to present their proofs and positions to Justice Trotter, who, as Claims Resolution Facility Referee, shall be the ultimate

arbitrator of, and shall have conclusive authority to determine the allocation contained in the Certified Allocation Schedule..

C. Individual Case Evaluation Process

Prior to commencing the mediation process with the Defendants, the Beneficiaries' counsel individually evaluated each case. The Beneficiaries also presented each of the Settled Claims to the Defendants on an individual basis.

Background – The Ephedra litigation presents a number of complex issues. The consuming population included individuals with a variety of medical problems. Accordingly, many of these individuals have a difficult clinical history. Evaluating the Beneficiaries' health status prior to taking ephedra was sometimes difficult. Therefore, the individual evaluation of each case took a considerable amount of time and effort. After several meetings with the attorneys for the Defendants and various Beneficiaries' counsel and conferences with the Beneficiaries' experts, the Beneficiaries developed objective criteria for the evaluation of each individual case.

Product Usage – Evidence is required to establish product usage and will be evaluated as part of the qualifying criteria below.

Documentation of Injuries – The Beneficiaries' counsel conducted an analysis of the medical records and other documents provided to the Beneficiaries' counsel to determine to what extent the claimed injuries were supported by the records. The Defendants also thoroughly analyzed the documentation that the Beneficiaries provided. Despite the complexities of the medical evaluations, there was consistency between the Beneficiaries' overall evaluation of the documents and the Defendants' evaluation regarding the medical presentation of the ephedra user. In most instances, the actual diagnosis of cardiovascular events (*e.g.*, stroke, heart attack,

arrhythmia) was not as controversial as proving the connection between ephedra and that event. The differences between the parties' analysis of these cases were more global (*i.e.*, the strength of causation, the nature and extent of residual injuries, etc.).

Case Categorization and Case Specific Causation Analysis – Upon completion of the review of the medical records and other documentation in each individual case, all of the cases were categorized to group together ephedra users with similar injuries after considering objective criteria to analyze the cases. The cases were preliminarily categorized as follows:

1. Stroke
2. Heart injuries
3. Seizure
4. PPH
5. Psychosis

Each case was then individually evaluated to determine the strength of causation (*i.e.*, the ability to scientifically and medically prove that ephedra caused or contributed to the injury). The causation categorizations were arrived at through (i) extensive review and evaluation of each individual case, (ii) individual and joint discussions among the Beneficiaries' attorneys within the various offices, including consultation with medical and scientific experts and discussions with independent Beneficiaries' counsel and counsel for the Defendants, and (iii) the work of a Beneficiaries' Special Mediation Subcommittee of the Ephedra Claimants Committee (the "Beneficiaries' Mediation Committee") that reviewed and approved the proposed objective criteria. All of the cases were reviewed and summarized. This evaluation process took several months and independent reviews of each case were completed using the following factors:

- Exposure and proof of product identification (length of ingestion, *i.e.*, days/weeks/months)

- Dose
- Latency (time period from when drug was first ingested to onset of signs and symptoms)
- Other alternative causes of injury documented by physicians
- Present condition of client (death, disability status, cognitive deficits, etc.)
- Extraordinary factors such as medical bills, past wage loss claims and future loss of earnings
- Head of household

The evaluation process also considered several other relevant factors, including (i) the specific facts of each of the Beneficiaries' individual cases, (ii) the Defendants' general contentions regarding liability and causation, (iii) the Defendants' reviews of each case, (iv) the jurisdiction in which the case was filed or is likely to be tried, (v) verdicts in similar cases in that venue and (vi) the status of court rulings regarding issues relating to evidence. Based upon conversations with the Beneficiaries' experts, consultants and a review of the Defendants' documents, where applicable, and FDA documents, the Beneficiaries' counsel also considered additional important factors in the case analysis such as residual injuries.

All of this information was provided to the Beneficiaries and their counsel as part of the informed written consent to mediate the cases in the aggregate.

Counsel for the Defendants also evaluated cases individually and conveyed to the Beneficiaries' counsel their evaluations of the cases and Defendants' contentions as to relative weaknesses and strengths of said cases over the mediation sessions which took place over five months commencing in November 2004 and ending in March 2005. The Defendants' evaluation of the individual cases was critical to the overall settlement. The Beneficiaries' counsel took each individual case analysis of the Defendants into account when negotiating the total aggregate sum.

D. Settlement and Allocation Process

On March 23, 2005, after five months of negotiations under the mediation program supervised by Justice Trotter, the parties agreed to present an aggregate settlement offer to the Beneficiaries in the amount of \$19,710,000.00 to resolve the Settled Cases. The Beneficiaries' counsel reached the conclusion that this amount was sufficient to provide a fair, reasonable and equitable distribution to each of the Beneficiaries under the Plan, the Trust Agreement and this Claims Resolution Facility. Each of the Beneficiaries then executed a Term Sheet Memorializing the general business terms of the global settlement, including the global settlement amount. Justice Trotter, as the Claims Resolution Facility Referee, and with the consent of the Beneficiaries, is commencing the process and procedures of apportionment that will lead to his determination of the Certified Allocation Schedule, including as follows: (i) oversight of all aspects of the Claims Resolution Facility set forth herein; (ii) collection of relevant data from both the Beneficiaries and the Defendants on case evaluations and values; (iii) holding meetings with the Beneficiaries' Mediation Committee for information and materials to facilitate the allocation process; (iv) coordination with the Trustee on the administration of the Trust; (v) communication with all Beneficiaries' counsel regarding the status of conditions precedent to distributions under the Plan, the Trust Agreement and the Claims Resolution Facility; (vi) review and execution of appropriate documentation in cases involving wrongful death claims in states where appropriate; and (vii) determination of all allocation issues, including issues between the Beneficiaries, heirs and/or co-plaintiffs.

This work had already been taking place over a period of several months, and by the time that the global, aggregate settlement offer was formally made by the Defendants, the Beneficiaries and the Defendants had already conducted a detailed analysis of each of the Settled Claims individually. Justice Trotter has also already met in person on several occasions with the

Beneficiaries' Mediation Committee, and he has spoken with members thereof by telephone on several other occasions.

1. Sources of Information

In addition to the case specific evaluations of the Beneficiaries' Mediation Committee, Justice Trotter has had and shall continue to have access to several other sources of data regarding case values including (i) the valuations rendered to the Ephedra Claimants Committee by the firm of Gentle Pickens & Turner in August to September 2004; (ii) the Defendants' case specific evaluations and valuations; and (iii) non-confidential prior settlement and verdict history in Ephedra cases. Justice Trotter will continue to gather information and documentation from the Beneficiaries' counsel to assist him in evaluation of the individual cases in order to determine the allocation of the net Trust funds among the Beneficiaries in accordance with the Trust Agreement and this Claims Resolution Facility. Justice Trotter is communicating with attorneys from several firms knowledgeable in matters relating to the Ephedra litigation who have reviewed the Defendants' documents produced in discovery, taken depositions of the Defendants' employees and various experts, prepared individual cases for trial and prepared experts to testify on the relationship between Ephedra and the specific injuries alleged in the Settled Claims. Justice Trotter is further gathering information from attorneys who have analyzed the issues relating to preexisting conditions and residual injury and have significant knowledge and understanding of liability and causation issues in Ephedra cases. Finally, Justice Trotter, with the assistance of the Beneficiaries' counsel, is consulting medical experts in the fields of ephedrine pharmacology, cardiology and stroke to assist in the case specific analysis including the analysis of damage claims and preexisting condition.

2. Due Process Rights

Prior to Justice Trotter rendering the Certified Allocation Schedule, counsel for all Beneficiaries, including independent co-counsel unaffiliated with firms or attorneys who are members of or representatives on the Beneficiaries' Mediation Committee or the Ephedra Claimants Committee, shall be provided with a sufficient and reasonable opportunity to be heard by Justice Trotter. Further, each Beneficiary and his/her counsel will have the right to meet with Justice Trotter in person or via audio- or video-conference and present any additional information or proofs that they feel may be important to the evaluation of the Beneficiaries' case prior to the rendering of the Certified Allocation Schedule by Justice Trotter.

3. Further Disclosure and Client Consent

The allocations, along with further disclosures regarding potential conflicts of interest, the existence and nature of all claims involved in the Settled Claims and the participation of other Beneficiaries, shall be provided in writing to all Beneficiaries. All Beneficiaries shall be advised in writing that they may seek independent legal advice with respect to their rights under the Plan, the Trust Agreement and the Claims Resolution Facility. There may well be competing methods to evaluate cases. There may be disagreements as to case values and resulting allocations as between the Beneficiaries and their counsel. In order to make the system of valuation as fair as possible under the circumstances, the Beneficiaries and their counsel agree to provide all medical and personal information necessary to allow Justice Trotter to make fully informed allocation decisions. This includes the results of any tests performed in the analysis of the case including toxicology, radiology, etc.

The Beneficiaries and their counsel understand and agree that Justice Trotter and those who assist Justice Trotter shall be given access to personal information regarding the

Beneficiaries, including the medical records of the Beneficiary or injured party in order to conduct the evaluation. At the end of the evaluation, said medical records shall be destroyed and discarded to protect confidentiality.

Prior to Justice Trotter's determination and rendering of the Certified Allocation Schedule, any Beneficiary, or his/her counsel, has the right to be heard by Justice Trotter as set forth above.

Consistent with ethical obligations, the Beneficiaries' counsel or their co-counsel shall again advise each Beneficiary in writing of the applicable ethical rules relating to aggregate settlements and the potential conflicts of interest involved in connection therewith. These procedures and disclosures were suggested and reviewed by ethics consultants and by Justice Trotter.

Each Beneficiary and their independent counsel shall be offered the opportunity to obtain information regarding the participation of other Beneficiaries in the allocation process, including the categories of cases, the total number of Beneficiaries in each category and the allocation given to each Beneficiary.

The disclosures to the Beneficiaries regarding this Claims Resolution Facility, have been, and shall continue to be, personally reviewed by Justice Trotter for completeness and compliance with the appropriate rules of ethics.

E. Right to Vote on Plan

Each Beneficiary who is entitled to vote on the Plan in accordance with the terms of the Plan and any order of the Bankruptcy Court or District Court retains such voting rights thereunder.

F. Notices to Justice Trotter

All notices, requests and communications to or upon Justice Trotter, as Claims Resolution Referee, to be effective shall be in writing (including by facsimile transmission) and unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice or communication by facsimile transmission, when received and telephonically confirmed, addressed to Justice Trotter at the address set forth below.

The Honorable John K. Trotter (Retired)
c/o JAMS
500 N. State College Blvd. - Suite 600
Orange, California 92868
Telephone: 714-937-8251
Telecopier: 714-939-0869

EXHIBIT D TO PLAN

OTHER PARTICIPATING EPHEDRA CLAIMS

1. *Baduske, et al. v. TL Administration Corp., et al.*, Case No. 04-CV-07624
2. *Bell, Bessie, et al. v. Metabolife International, Inc., et al.*, Case No. 05-CV-01003
3. *Bunting v. Cytodyne Technologies, Inc., etc., et al.*, Case No. 04-CV-09708
4. *Kallus v. Europa Sports Products, Inc., et al.*, Case No. 04CV07711
5. *Marks v. General Nutrition Corporation, et al.*, Case No. 04-CV-06845
6. *Thai v. Muscletech Research & Development Inc. et al.*, Case No. 04-CV-08253
7. *Dobson v. Twinlab Corporation, et al.*, Case No. 04CV07716
8. *Greve, et al. v. Twin Laboratories Inc., et al.*, Case No. 03CV9278
9. *Longoria v. Metabolife International, Inc., et al.*, Case No. 04CV08317
10. *Roland v. Wal-Mart Corporation, et al.*, Case No. 04CV09081
11. *Vereen v. Twin Laboratories Inc., et al.*, Case No. 04CV05241
12. *Wright v. Twin Laboratories, Inc., et al.*, Case No. 04CV08953
13. *Houghton, et al. v. Twin Laboratories Inc., et al.*, Case No. 03CV09290
14. *Ashment v. Twinlab Corp., et al.*, Case No. 04CV00538

EXHIBIT E TO PLAN

PRE-2002 EPHEDRA PI CLAIMS

1. *Bertsch, Timothy, et al. v. Twin Laboratories Inc.*, Case No. 03CV09287
2. *Broome v. TL Administration Corp., et al.*, Case No. 04CV05646
3. *Clark, Debra, as Personal Representative of the Estate of Kris Lawrence Wilson, Deceased v. Twin Laboratories, Inc.*, Case No. 03CV09286
4. *Cooper, Sallie Individually and as Administratrix of the Estate of Diane Cooper v. Vera Kunisch, et al.*, Case No. 03CV09262
5. *Doss, Joanne, et al. v. Twin Laboratories Inc., et al.*, Case No. 03CV09273
6. *Greenberg, Beverly Ann, v. Twin Laboratories Inc., et al.*, Case No. 04CV01041
7. *Harris v. General Nutrition Center, Inc.*, Case No. 04CV09887
8. *Harrod, Diana, et al. v. Twin Laboratories Inc., et al.*, Case No. 04CV00092
9. *Huebner v. TL Administration Corp., et al.*, Case No. 04CV05403
10. *Kambouris, Teddy v. Twin Laboratories Inc.*, Case No. 03CV09289
11. *Kirk, Angela, et al. v. Twin Laboratories Inc., et al.*, Case No. 03CV09269
12. *Levine, Harvey L. v. Twin Laboratories Inc.*, Case No. 03CV09268
13. *Loewen, et al. v. GNC, et al.*, Case No. 04CV5536
14. *Loftus v. Twinlab Corporation, et al.*, Case No. 04CV06666
15. *London v. Twinlab Corporation, et al.*, Case No. 04CV06665
16. *Michalowski, Joseph Stanley, Jr., as personal representative of the Estate of Joseph Stanley Michalowski, III, deceased v. Twin Laboratories Inc.*, Case No. 04CV01352
17. *Pierce, Shannon v. Twin Laboratories Inc., et al.*, Case No. 03CV09260
18. *Pizziferri, Mark v. Twin Laboratories Inc.*, Case No. 04CV01038
19. *Riding v. GN Oldco Corporation, et al.*, Case No. 05CV03839
20. *Riley, James v. Twin Laboratories Inc., et al.*, Case No. 03CV09276
21. *Robinson v. Twinlab Corporation, et al.*, Case No. 04CV06664
22. *Rodriguez, Irma v. Twin Laboratories Inc., et al.*, Case No. 04CV01042
23. *Rodriguez, Ramie Alonzo v. Twin Laboratories Inc.*, Case No. 04CV00669
24. *Sallis, Timothy, et al. v. Metabolife International, Inc., et al.*, Case No. 03CV09263
25. *Scheingold, Sarah v. Twin Laboratories Inc., et al.*, Case No. 03CV09262
26. *Smith, Tiffany v. Twin Laboratories Inc., et al.*, Case No. 03CV09282
27. *Thompson, Robin, et al. v. Changes International, et al.*, Case No. 04CV01353
28. *Vickrey, Jason v. Twin Laboratories Inc., et al.*, Case No. 04CV01040
29. *Wachovia Bank on Behalf of Estate of Susan Hale Young v. Twin Laboratories Inc., et al.*, Case No. 04CV01277
30. *Welsher v. TL Administration Corp., et al.*, Case No. 04CV05643
31. *Yranian, Layne v. Twin Laboratories Inc., et al.*, Case No. 03CV09270

EXHIBIT F TO PLAN

SETTLING THIRD PARTIES

1. Academy, Ltd.
2. Albertsons Inc., and/or its subsidiaries, including but not limited to Sav-On Drug Stores, Inc.
3. American International Specialty Lines Insurance Company, and any other company corporately affiliated with the American International Group (“AIG”) (except to the extent that AIG provides insurance to Debtors or Settling Third Party in the Pre-2002 Ephedra PI Cases listed on Exhibit C)
4. Apollo Management, L.P.
5. Bob O’Leary Health Food Distributor Co., Inc.
6. Contract Pharmacal
7. Europa Sports Products, Inc.
8. Evergood Products Corporation
9. Franchising Oldco, Inc.
10. GN OLDCO Corporation (f/k/a General Nutrition Corporation)
11. GNI OLDCO, Inc.
12. GNCI OLDCO, Inc. (f/k/a General Nutrition Companies, Inc.)
13. General Nutrition Center International, Inc.
14. General Nutrition Centers, Inc.
15. General Nutrition Companies, Inc.
16. General Nutrition Corporation
17. General Nutrition Distribution, L.P.
18. General Nutrition Distribution Company
19. General Nutrition Center Store #105199
20. General Nutrition Center Store #100340
21. General Nutrition Center Store #106742
22. General Nutrition Food Products, Inc.
23. General Nutrition Franchising, Inc. (on its own behalf and on behalf of all of its stores and franchisees)
24. General Nutrition, Inc.
25. General Nutrition, Incorporated
26. GNC Corporation
27. GNC Franchising, Inc.
28. H.E.B. Food Stores, Inc.
29. H.E.B., Inc.
30. H.E. Butt Grocery Company
31. HEB Grocery Company, L.P.
32. MET-Rx USA, Inc.
33. MU Oldco, Inc.
34. Muscletech Research & Development, Inc.
35. Nature Food Centres, Inc.
36. Navarro Discount Pharmacies, Inc.
37. NBTY, Inc.
38. NFC, Inc., a/k/a Nature Food Centres, Inc.
39. NMU Oldco, Inc.
40. Numico USA, Inc.
41. Nutricia USA
42. Nutricia USA, Inc.
43. Nutrition USA, Inc.
44. 103rd Street Family Center #105199
45. Pharr Gym
46. Phoenix Laboratories, Inc.
47. Rexall Sundown, Inc.
48. Richardson Labs, Inc.
49. R.S. OLDCO, Inc. (f/k/a Rexall Sundown, Inc.)
50. R.L. OLDCO, Inc. (f/k/a Richardson Labs, Inc.)
51. Royal Numico NV
52. Sav-On Drug Stores, Inc.
53. Styrka Botanics Co., Inc.
54. Summit Sports Club
55. 21st Century Laboratories, Inc.
56. Walgreen Co. and each of its subsidiaries
57. Wal-Mart Stores East, LP
58. Wal-Mart Stores, Inc.
59. Zurich American Insurance Company

ATTACHMENT D

TL Administration Inc.
c/o Alix Partners
9 West 57th Street, 16th Floor
New York, NY 10019

August 15, 2005

BY FIRST-CLASS MAIL

**Re: Initial Plan Distributions to Holders of Class 5 Allowed
General Unsecured Claims Pursuant to
TL Administration Corporation, et al (f/k/a Twinlab
Corporation, et al.),
Chapter 11 Case No. 03-15564 (RDD)**

Dear Creditor:

The First Amended Joint Plan of Liquidation¹ of TL Administration Corporation and its affiliated Debtors was confirmed by order, dated July 26, 2005, of the United States Bankruptcy Court for the Southern District of New York and the United States District Court for the Southern District of New York. The Plan of Liquidation became effective on August 15, 2005. Pursuant to the Plan of Liquidation you are entitled to receive cash in payment of your Allowed General Unsecured Claim. The initial distribution is being paid by the enclosed check.

Please be advised that such distribution should not be the entire distribution that you will receive under the Plan of Liquidation. There are Disputed Claims that have been filed in the chapter 11 cases for which the Debtors have set aside a reserve, as provided in the Plan of Liquidation. In the event such Disputed Claims are resolved in amounts less than the amounts reserved for, a subsequent distribution or distributions on account of your Claim may follow in accordance with the terms of the Plan of Liquidation.

Very truly yours,



Denis O'Connor
Plan Administrator

Enclosure

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan of Liquidation.