

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
VICTORIA DIVISION**

In re:	§	Chapter 11
	§	
HII TECHNOLOGIES, INC., <i>et al.</i>	§	15-60070-H2-11 (DRJ)
Debtors	§	(Jointly Administered)

**DEBTORS' DISCLOSURE STATEMENT IN SUPPORT OF
JOINT PLAN OF REORGANIZATION**

IMPORTANT DATES

- Date by which Ballots must be received: 3:00 p.m., prevailing Central Time, [_____]
- Deadline by which objections to Confirmation of the Plan must be Filed and served: 3:00 p.m., prevailing Central Time, [_____]
- Hearing on Confirmation of the Plan: [__:___.m., prevailing Central Time, _____]

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

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Dated January 6, 2016

**Attorneys for the Debtors and Debtors in
Possession**

THE PLAN VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN DESCRIBED HEREIN IS [_____] AT 3:00 P.M., PREVAILING CENTRAL TIME, UNLESS THE DEBTORS EXTEND THIS DATE PRIOR TO THE PLAN VOTING DEADLINE. TO BE COUNTED, COUNSEL FOR THE DEBTORS MUST RECEIVE YOUR BALLOT ON OR BEFORE THE PLAN VOTING DEADLINE.

THE DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN AND CERTAIN OTHER DOCUMENTS AND FINANCIAL INFORMATION. THE INFORMATION INCLUDED IN THE DISCLOSURE STATEMENT IS PROVIDED FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF THE PLAN AND SHOULD NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER AND HOW TO VOTE ON THE PLAN.

EACH HOLDER OF A CLAIM OR INTEREST ENTITLED TO VOTE ON THE PLAN SHOULD CAREFULLY REVIEW THE PLAN, THE DISCLOSURE STATEMENT, AND THE PLAN SUPPLEMENT IN THEIR ENTIRETY BEFORE CASTING A BALLOT. THE DISCLOSURE STATEMENT DOES NOT CONSTITUTE LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. ENTITIES DESIRING SUCH ADVICE OR ANY OTHER ADVICE SHOULD CONSULT WITH THEIR OWN ADVISORS.

NO ONE IS AUTHORIZED TO GIVE ANY INFORMATION WITH RESPECT TO THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THE DISCLOSURE STATEMENT. ANY INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN AN ACCEPTANCE OF THE PLAN THAT ARE OTHER THAN AS SET FORTH, OR INCONSISTENT WITH THE INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT OR THE DOCUMENTS ATTACHED TO THE DISCLOSURE STATEMENT AND THE PLAN, SHOULD NOT BE RELIED UPON BY ANY HOLDER OF A CLAIM OR INTEREST.

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

WITH RESPECT TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER PENDING, THREATENED, OR POTENTIAL LITIGATION OR OTHER ACTIONS, THE DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN THE CONTEXT OF SETTLEMENT NEGOTIATIONS PURSUANT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE.

THE PROJECTIONS PROVIDED IN THE DISCLOSURE STATEMENT, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS THAT, THOUGH CONSIDERED REASONABLE BY THE DEBTOR AND ITS PROFESSIONALS, MAY NOT BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET, AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE DEBTORS' CONTROL. THE DEBTORS CAUTION THAT NO REPRESENTATIONS CAN BE MADE AS TO THE ACCURACY OF THESE PROJECTIONS OR TO THE ABILITY TO ACHIEVE THE PROJECTED RESULTS. NEITHER THE DEBTORS NOR THEIR COUNSEL CAN WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS WITHOUT INACCURACIES. NEITHER THE

DEBTORS NOR THEIR COUNSEL HAVE VERIFIED ALL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, ALTHOUGH THEY DO NOT HAVE ACTUAL KNOWLEDGE OF ANY INACCURACIES.

THE BANKRUPTCY COURT HAS SCHEDULED THE CONFIRMATION HEARING TO COMMENCE ON [_____, 2016, AT __:__.M.] PREVAILING CENTRAL TIME BEFORE THE HONORABLE DAVID R. JONES, UNITED STATES BANKRUPTCY JUDGE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS, VICTORIA DIVISION, 515 RUSK STREET, HOUSTON, TEXAS 77002. THE CONFIRMATION HEARING MAY BE ADJOURNED FROM TIME TO TIME BY THE BANKRUPTCY COURT WITHOUT FURTHER NOTICE EXCEPT FOR AN ANNOUNCEMENT OF THE ADJOURNED DATE MADE AT THE CONFIRMATION HEARING OR ANY ADJOURNMENT OF THE CONFIRMATION HEARING.

TO BE COUNTED, THE BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED BY COUNSEL FOR THE DEBTORS, NO LATER THAN 3:00 P.M. PREVAILING CENTRAL TIME, ON [____], 2016.

OBJECTIONS TO CONFIRMATION OF THE PLAN MUST BE FILED AND SERVED ON OR BEFORE 3:00 P.M. PREVAILING CENTRAL TIME ON [_____,2016.] UNLESS OBJECTIONS TO CONFIRMATION ARE TIMELY SERVED AND FILED IN COMPLIANCE WITH THE ORDER APPROVING THE DISCLOSURE STATEMENT, THEY MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

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

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	Except as otherwise provided in this Plan, no Holder of a Claim or Interest or other party in interest, none of their respective agents, employees, representatives, financial advisors, attorneys or affiliates, and no successors or assigns of the foregoing, shall have any Rights of Action, claim, cause of action, or other legal or equitable right against the following parties for any act or omission in connection with, relating to, or arising out of the Bankruptcy Case, the decision to file Bankruptcy, the DIP Order, the Prepetition Secured Claims, the pursuit of confirmation of the Plan, the consummation of the Plan, the administration of the Plan or the Case against (a) the Debtors; (b) the DIP Lenders; (c) The Official Committee of Unsecured Creditors; and (d) the Professionals retained by Court Order in the Bankruptcy Case and those acting in reliance upon them.	42
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TABLE OF EXHIBITS¹

<u>Exhibit</u>	<u>Name</u>
A	Plan of Reorganization
B	Statement of Financial Affairs Disclosure of Transfers
C	Pro Forma
D	Liquidation Analysis
E	Litigation Trust Agreement [Omitted]
F	[Intentionally Omitted]
G	Order Approving the Disclosure Statement

¹ To the extent the referenced Exhibits are not attached to the Disclosure Statement, they will be filed as part of the Plan Supplement.

ARTICLE I DEFINITIONS

The definitions used in the Plan, attached hereto, apply to this Disclosure Statement. Definitions used in the Bankruptcy Code (*i.e.*, 11 U.S.C. § 101) apply to this Disclosure Statement, unless such definitions conflict with the Plan Definitions.

ARTICLE II INTRODUCTION

This Disclosure Statement is being provided in order to disclose important and necessary information to allow a reasonably informed decision by creditors receiving distribution under the Plan to exercise its rights to vote on the Plan. The purpose of this summary is to answer questions which are most often asked by a party receiving a Disclosure Statement. Unless otherwise stated, the information contained herein is current as of October 31, 2015, which is at the end of the Debtor's most recently reported accounting period. Any forecasts provided with the Disclosure Statement are figured around that date as well. A term used in this Disclosure Statement and not defined herein has the meaning assigned to that term in either the Plan or the Bankruptcy Code.

In addition to reviewing this Disclosure Statement, all persons receiving the Disclosure Statement are urged to review fully the provisions of the Plan and all attachments to the Disclosure Statement.

This Disclosure Statement is not intended to replace careful review and analysis of the Plan. Rather, it is submitted as an aid and supplement in your review of the Plan and in an effort to explain the terms and implications of the Plan on file with the Bankruptcy Court. Every effort has been made to explain fully the various aspects of the Plan as it may affect all creditors and holders of interest. If you have any questions, the Debtors urge you to contact the Debtors' legal counsel and every effort will be made to assist you.

[On _____ the Bankruptcy Court entered an order approving the Disclosure Statement as containing information of a kind and in sufficient detail, adequate to enable creditors whose votes on the Plan are being solicited to make an informed judgment whether to accept or reject the Plan.] [the Disclosure Statement has not yet been approved]

ARTICLE III SUMMARY OF PLAN

On January 6, 2016, the Debtors filed their Joint Plan of Reorganization² (the “Plan”) which proposes to reorganize each of the Debtors, and transfer certain assets of the Debtors including cash provided by the DIP Lenders, causes of action to a Litigation Trust. The Litigation Trust will investigate and pursue Causes of Action, and distribute any proceeds from such Causes of Action to the DIP Lenders and holders of Allowed General Unsecured and Subordinated Claims pursuant to the DIP Order and the terms of the Plan.

Under the Plan, each Allowed Secured Claim will be paid in full to the extent of the value of the Collateral securing such Claim. The DIP Lenders shall receive on account of their over \$11 Million super-priority Administrative Expense, (i) repayment of the Postpetition Obligations (as defined in the Plan) in cash, (ii) Distributable Cash (as defined in the Plan), (iii) 95% of the stock of the reorganized HIIT, (iv) fifty-five (55%) of the beneficial interests in the Litigation Trust and the Litigation Trust Assets, and (v) 100% of the insurance proceeds of their collateral.

Other Allowed Administrative Expenses and all Allowed Priority Tax Claims will be paid in full, on or promptly after the Effective Date. Holders of Allowed General Unsecured Claims will share *pro rata* in (i) 5% of the stock of the reorganized HIIT, and (ii) the remaining forty-five (45%) of the Litigation Trust and the Litigation Trust Assets. To the extent holders of Allowed Claims in senior Classes are paid in full, holders of Allowed Subordinated Claims will share any remaining proceeds of Causes of Action. Existing Equity Interests in the Debtors will be cancelled, all stock de-listed, and no SEC filings will be required. The Debtors’ tax attributes will be preserved and it will continue operating.

The Plan is also a motion requesting that the Bankruptcy Code substantively consolidate the Debtors’ estates solely for the purposes of voting and making distributions, as more fully set forth below. The Plan is also a motion to compromise with the DIP Lenders on the amount of their superpriority administrative expense of over \$11 Million, accepting less than full payment in exchange for payment under the Plan. The Plan must meet the requirements of section 1129 of the Bankruptcy Code with respect to the Debtors on a consolidated basis in order to be confirmed

ARTICLE IV BACKGROUND

Section 4.01 Introduction

HII Technologies, Inc.; Apache Energy Services LLC, dba AES Water Solutions, and its division AES Safety Services; Sage Power Solutions, Inc.; Aqua Handling of Texas LLC, dba AquaTex; and Hamilton Investment Group (collectively, “the Debtors”) submit the following Joint Disclosure Statement pursuant to Bankruptcy Code section 1125 for the purpose of soliciting votes to accept or reject the Debtors’ Plan. A copy of the Plan is attached hereto as

² Capitalized terms used in this Disclosure Statement and not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

Exhibit A. The Disclosure Statement describes certain aspects of the Plan, including the treatment of holders of Claims and Interests, and also describes certain aspects of the Debtors' operations, financial projections, and other related matters.

On September 18, 2015 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 – 1532 (as amended, the "Bankruptcy Code"). The Debtors continue to maintain their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. On September 9, 2015, the United States Trustee for the Southern District of Texas filed a Notice of Appointment of Committee of Unsecured Creditors. The current members of the Committee are Power Reserve Corp., Bold Production Services, L.L.C., and Worldwide Power Products, L.L.C.

Section 4.02 Description of Debtors' Businesses and Assets

The Debtors operate through wholly-owned subsidiaries of HIIT. The table below provides an overview of the current subsidiaries and their oilfield service activities:

<u>Name</u>	<u>Doing Business As (dba):</u>	<u>Business</u>
Apache Energy Services, LLC	AES Water Solutions	Frac Water Management Solutions
	AES Safety Services	Oilfield Safety Services
Aqua Handling of Texas, LLC	AquaTex	Frac Water Management Solutions
Hamilton Investment Group	Hamilton Water Transfer	Frac Water Management Solutions
Sage Power Solutions, Inc.	Sage Power, South Texas Power, or STP	Oilfield Power Management Solutions

HIIT is a publicly-traded oilfield services company which entered the hydraulic fracturing ("frac") water management business via the acquisition of Apache Energy Services dba AES Water Solutions in September 2012. Previous to HIIT's frac water operations, the company operated an oilfield machining and manufacturing company known as Shumate Machine Works and a proprietary industrial valve product line company known as the Hemiwedge Cartridge valve. In 2008, HIIT sold Shumate Machine Works, and in May 2011, HIIT sold the Hemiwedge valve product line and related assets including trademarks. HIIT subsequently changed its name to "HII Technologies, Inc." in connection with the sale of Hemiwedge's oilfield valve technology and HIIT's strategy to reposition the company to focus on oilfield services, especially frac water management solutions. HIIT believed the frac water, portable oilfield power and safety consultancy market areas as necessary services to support exploration and production ("E&P") company operators with their domestic U.S. horizontal drilling and related hydraulic fracturing activities. HIIT also endeavored to commercialize certain new technologies in frac water management to complement its legacy services to build a sustained market advantage. HIIT sought to scale its business quickly through the acquisition

of numerous small oilfield service providers with unique product and service offerings as part of a roll-up strategy.

In September 2012, HIIT purchased 100% of the membership interests of Apache Energy Services, LLC dba AES Water Solutions. AES Water Solutions managed the logistical and transportation associated with water used typically during hydraulic fracturing and completion of horizontally drilled oil and gas wells. In December 2012, HIIT established a new subsidiary specialized in oilfield power solutions under the name of South Texas Power, which was subsequently renamed in 2014 to Sage Power Solutions (“Sage”). Sage operated a fleet of mobile generators, light towers and related oilfield rental equipment for in-field power where remote locations provide little or no existing electrical infrastructure. In January 2013, HIIT expanded its service offering with AES Safety Services which provided safety consulting services to oil and gas operating companies in Texas, Ohio and West Virginia. AES Safety Services provided in-classroom training for SafeLand, Hydrogen Sulfide safety training, and other certification programs.

In November 2013, 2013, in furtherance of its roll-up strategy, HIIT purchased 100% of the membership interests of Aqua Handling of Texas, LLC dba AquaTex, a frac water transfer company that provided lay flat, hose and aluminum pipe for the high volume transfer of salt and fresh water necessary for hydraulic fracturing operations.

The most recent acquisition took place on August 12, 2014, when HIIT purchased 100% of the capital stock of Hamilton Investment Group of Guthrie Oklahoma, (“Hamilton”) which performed frac water transfer services in Oklahoma.

HIIT’s corporate office is located at 8588 Katy Freeway, Suite 430, Houston, Texas, 77024, and its most recent regions of operations included Texas, Oklahoma, Ohio and West Virginia.

Section 4.03 Debtor’s Corporate Structure

The HIIT is a Delaware corporation that is publicly-traded company traded on the OTC marketplace under the symbol HIIT. HIIT is owned by an estimated 350 stockholders. Total outstanding common stock as of the Petition Date was approximately 58 million shares of stock prior to the conversion, if completed, of Series “A” and Series “B” convertible preferred shares into common HIIT shares. Total insider ownership is estimated at less than 20% before dilution of the convertible preferred stock.

HIIT used convertible preferred stock, common stock, lines of credit, senior term loan financing, convertible debentures and equipment leases, both capital and operating leases, to finance its growth over the last three years. A summary of Company’s material capitalizations over the last three years is as follows:

- Convertible Debenture – Numerous accredited individual investors participated and yielded proceeds of \$1 million in November 2013.
- Revolving Line of Credit with Rosenthal & Rosenthal – Originally closed at \$2 million credit amount; closed on June 26, 2013; raised to \$5 million during the period.

- Series A Convertible Preferred Stock – Numerous individual accredited investors and institutional investors participated and yielded proceeds of \$4 million; closed July 8, 2014.
- Senior Term Loan with Heartland Bank, as Agent – Senior secured credit facility comprised of a \$12 million term loan; closed August 12, 2014.
- Line of Credit/Account Purchase Agreement with Heartland Bank, as Agent – \$6 million line of credit (replacing the Rosenthal Line of Credit); closed August 12, 2014.
- Series B Convertible Preferred Stock – Numerous individual accredited investors and institutional investors participated and yielded proceeds of \$3.05 million; closed May 12, 2015.

HIIT is the sole shareholder of the other four Debtors.

Section 4.04 The Debtor's Pre-Petition Indebtedness

(a) *Secured Debt*

On August 12, 2014, the Debtors entered into a senior secured credit facility (the "Facility" or "Pre-Petition Senior Loan") with Heartland Bank as Agent, consisting of two parts:

(a) that certain Credit Agreement dated as of August 12, 2014, as amended and modified (the "Prepetition Credit Agreement"), by and between HII Technologies, Inc., a Delaware corporation, Apache Energy Services, LLC, a Nevada limited liability company, Aqua Handling of Texas, LLC, a Texas limited liability company, Hamilton Investment Group, an Oklahoma corporation, KMHVC, Inc n/k/a Sage Power Solutions, Inc., a Texas corporation (collectively, the "Borrowers"), and Heartland Bank, an Arkansas state bank ("Heartland"), as administrative agent (the "Prepetition Agent"), and McLarty Capital Partners SBIC, L.P., a Delaware limited partnership ("MCP"), together with Heartland, as lenders (collectively, the "Prepetition Term Lenders"); and

(b) that certain Account Purchase Agreement dated as of August 12, 2014, as amended (the "Prepetition A/R Agreement" and together with the Prepetition Credit Agreement, the "Prepetition Loan Documents"), by and between HII Technologies, Inc., a Delaware corporation, Apache Energy Services, LLC, a Nevada limited liability company, Aqua Handling of Texas, LLC, a Texas limited liability company, Hamilton Investment Group, an Oklahoma corporation, KMHVC, Inc, a Texas corporation (collectively, the "A/R Borrowers") and Heartland, as administrative agent, and certain financial institutions and their successors and assigns (collectively, "Prepetition A/R Lenders", and together with the Prepetition Term Lenders, the "Prepetition Lenders"), which replaced the Debtors' previous senior secured revolving facility.

The Pre-Petition Senior Loan was incurred in the Debtors' ordinary course of business; the proceeds of the financing were used to fund the acquisition of Hamilton in furtherance of HIIT's roll-up strategy, to refinance existing indebtedness, and to provide working capital for business operations.

The Debtors subsequently entered into certain modification and waiver agreements as to the Prepetition Loan Documents with the Prepetition Agent in which the Prepetition Lenders waived certain existing defaults, waived default interest, and agreed to the distribution of proceeds of an equity raise. Under the Third Modification and Waiver Agreement of the Prepetition Loan Documents, the interest rate was increased to a non-variable 13.75%, and the principal payment terms were changed to monthly payments of \$110,000. A balloon payment remained due on the August 12, 2017 (the maturity date). The Debtors were in default under the Prepetition Loan Documents, which were extended by numerous forbearances between July 1, 2015 and the Petition Date.

(b) ***Unsecured Debt***

(i) **Equipment and Vehicle Leases.**

The Debtors have a series of equipment and vehicle leases, some of which may have been disguised financing transactions. If a lease, the lessor may file a damage claim for the rejection of the lease and loss of any leased equipment. If a financing transaction, the lessor may file a claim for breach of contract. All known equipment and vehicle leases were rejected as of the Petition Date. Some of the significant leases are listed below:

BCL Lease On June 30, 2014, the Debtors entered into a lease agreement with BCL-Equipment Leasing, LLC ("BCL") under which it leased equipment with a capitalized cost of \$3,244,976. The lease term is for 24 months, with an automatic 12-month extension if the purchase option is not elected at the end of year. The purchase price is for the greater of fair market value or 20% of the total capitalized cost. The monthly payments under the lease are \$150,769 and Debtors paid a security deposit of \$657,243 and an origination fee of \$32,347. The equipment under the lease consisted of lay flat hose which is used in frac water transfer service related activities.

Nations Fund Lease On July 10, 2014, the Debtors entered into a lease agreement with Nations Fund I, LLC ("NEF") under which we leased equipment with a value of \$1,908,542. The lease requires 36 monthly payments during such term of \$52,485 per month and a purchase at the end of term of \$572,563. The lease contains a purchase option at the end of the initial 36-month term, granting the Company the right to purchase all equipment covered under the lease for its fair market value. The equipment under the leases consisted of flowback equipment, evaporation units, and generators which are used in the Debtors' flowback, evaporation, and portable power service revenue activities.

Enterprise Vehicle Lease The Debtors also leased vehicles from Enterprise FM Trust. Those leases were all rejected on the Petition Date. The vehicles were turned over, made available, or reported stolen.

Axis Capital Lease The Debtors leased equipment from Axis Capital and has returned much of the equipment. To the extent it is missing, the Debtor has cooperated with filing police reports or insurance claims.

(ii) **General Unsecured Debt.**

As set forth in more detail in the First Day Declaration, as of the Petition Date, the Debtors had aggregate outstanding unsecured debt of approximately \$3 Million arising in connection with trade debt, accounts payable, accrued and other liabilities. Since then, the Debtors have learned of approximately \$12 Million in additional claims arising from loss of collateral, rejection of leases, or otherwise non-routine items.

(iii) **Intercompany Debts.**

HIIT managed a centralized accounting system and unified cash management system that required significant amounts to be registered between the Debtors as Intercompany Debt.

(c) ***Equity/Subordinated Convertible Debt***

Series B Shares. On May 20, 2015, HII issued a total of 2,735 shares of series B convertible preferred stock and warrants to acquire an aggregate of 3,418,750 shares of common stock to 14 accredited investors for an aggregate gross purchase price of \$2,735,000. Each share of series B convertible preferred stock had a par value of \$1,000 and was convertible into shares of common stock. The investors also received warrants to purchase additional shares of common stock.

From these proceeds, approximately \$1.97 million was used for payment of accounts payable and \$757,575 were deposited into a restricted account with Heartland Bank which will be used for payment on the Company's term loan with Heartland Bank. The remainder was used to pay the costs and expenses associated with the offering and for working capital and general corporate expenses.

Series A Shares. From June 21, 2014 through July 8, 2014, HII sold 4,000 shares of Series A stock to 22 accredited investors at a price of \$1,000 per Series A Unit for total gross proceeds of \$4,000,000. Each Series A share consisted of convertible shares and warrants to acquire more shares. The Series A Conversion Shares and the Series A Warrant Shares contained standard piggy back registration rights.

The Debtor used \$242,700 of these proceeds as payment for nonexclusive placement agent fees to FINRA registered broker-dealers. In addition, approximately \$500,000 was used to repay outstanding indebtedness under 10% promissory notes. The remaining proceeds were used for working capital and general corporate purposes and to fund growth opportunities.

Treated as Equity Interests for all Purposes Bankruptcy courts consider the claims of convertible equity to be simply equity³ or, if converted to claims, as subordinated claims treated as stock. Under 11 U.S.C. §510(b) certain securities claims are automatically subordinated and treated as equity. Under that statute or other law, the Series A and Series B shares are treated either as equity interests (shares) or subordinated debt treated as equity.

³ Compare 11 U.S.C. §101(5) and §101(17); *In re Charter Company*, 44 B.R. 256, 258 (Bankr. M.D. Fla. 1984).

Section 4.05 Debtor's Management

On the Petition Date, the following persons were employed as senior management of the Debtor:

Matt Fleming, President and Chief Executive Officer
Loretta Cross, Chief Restructuring Officer

Under the Plan, Loretta Cross will continue as the Chief Executive Officer of each of the reorganized Debtors.

Section 4.06 Events Precipitating the Bankruptcy Case

As the market for frac water management and related services grew in 2013 and 2014, HIIT grew its annual revenues from approximately \$14.5 million to approximately \$35 million, respectively. Full year 2014 HIIT revenues, on a pro forma basis inclusive of full-year Hamilton results, were \$44 million and EBITDA was \$6 million. HIIT entered into the above described Pre-Petition Senior Loan and the financing proceeds were used to pay for the purchase price due at closing for the Hamilton acquisition, refinancing of existing indebtedness, and for working capital purposes.

The 2014 pro forma EBITDA actual results, determined after January 2015, were below original estimates and did not achieve the needed financial ratios within the loan agreements. The Debtors were in default of their loan agreements by February 2015.

During 2015, the oilfield services market continued to decline in activity and pricing due to the macroeconomic environment, in particular the sharp decline in oil prices. Consecutive operating losses at HIIT developed monthly in 2015. The Debtors responded by shutting down non-profitable divisions and areas with an objective to move their idle equipment to remaining active areas including the Permian basin in West Texas. This "shrink-to-the-core" strategy left intact the division known as AES Water Solutions' Flowback operations, located near Midland, Texas.

In the first quarter of 2015, the Debtors engaged Roth Capital, broker dealer, to assist in raising new capital via a private placement in an effort to help resolve the Debtors' default issues related to EBITDA results and other covenants.

Notwithstanding the substantial, industry-wide oilfield activity decline which began in late 2014 and continued into 2015, HIIT was able to close on a Series B convertible preferred equity raise on May 12, 2015, in the amount of \$3.05 million. The Debtors entered into a waiver and modification agreement on May 20, 2015, with its lenders that in connection with the Series B equity raise the company would waive covenants for quarterly periods ending December 31, 2014 and March 31, 2015 and reset covenant ratios for the remaining quarters of 2015.

Despite the preferred equity raise, the Debtors were quickly back in default. Loretta Cross was appointed Chief Restructuring Officer on July 30, 2015. Between July 30, 2015 and the Petition Date, the Debtors sought an alternative out-of-court transaction that would avoid a

bankruptcy filing. Unfortunately, the Debtors were unable to avoid filing these Bankruptcy Cases.

ARTICLE V THE CHAPTER 11 CASE

Section 5.01 Overview of Chapter 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Chapter 11 authorizes a debtor to reorganize its business for the benefit of its creditors, equity interest holders, and other parties in interest. Commencing a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a “debtor in possession.”

The principal objective of a chapter 11 case is to consummate a plan of reorganization. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by a bankruptcy court binds a debtor, any issuer of securities thereunder, any person acquiring property under the plan, any creditor or equity interest holder of a debtor, and any other person or entity the bankruptcy court may find to be bound by such plan.

Prior to soliciting acceptances of a proposed plan of reorganization, Bankruptcy Code section 1125 requires a debtor to prepare a disclosure statement containing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the plan of reorganization. This Disclosure Statement is submitted in accordance with Bankruptcy Code section 1125.

Section 5.02 Administration of the Chapter 11 Case

(a) First-day Motions

On the Petition Date, or soon thereafter, the Debtors filed first-day motions requesting, among other things, authority to (i) jointly administer the separate chapter 11 cases of each of the Debtors, (ii) pay pre-petition compensation, wages, salaries and other reimbursable employee expenses, as well as to continue certain workers’ compensation programs and insurance programs, and (iii) use cash collateral of their lenders and provide adequate assurance for the use of same.

(b) Retention of Professionals

The Debtors filed several applications to retain professionals. Specifically, the Debtors retained (i) McKool Smith, PC, as their general bankruptcy and restructuring counsel; (ii) Indeglia & Carney LLP as their corporate and securities counsel; (iii) Wells & Cuellar P.C. as special collections counsel; (iv) Loretta Cross and the firm of Stout Risius Ross, Inc. as Chief

Restructuring Officer and management and restructuring firm, respectively, and (v) Garden City Group as notice and solicitation agent.

The Debtors estimate that, as of the Effective Date, the total amount of unpaid professional compensation Administrative Expenses will be approximately [\$_____].

(c) Appointment of Official Committee of Unsecured Creditors

The United States Trustee appointed one official committee to represent the interest of unsecured creditors in these Chapter 11 Cases. The Committee was reconstituted and currently consists of a representative of Power Reserve Corp., Bold Production Services, LLC., and Worldwide Power Products, L.L.C. The Committee is represented by Locke Lord, LLP.

(d) Post-Petition Secured Financing

The Debtors have limited ability to pay for the expenses of maintaining and marketing of its assets, as well as for the administration of these estates. Absent funding to estate expenses the Debtors would have been unable to conduct a reorganization.

On the Petition Date, the Debtors sought an order for cash collateral usage and post-petition financing that has permitted the Chapter 11 reorganization to proceed forward. The Motion (docket #7) sought an order:

a) authorizing the Debtors, pursuant to sections 105(a) and 364(c) and (d) of the Bankruptcy Code and Bankruptcy Rules 2002, 4001, 6004 and 9014, to use “cash collateral,” as defined in section 363(a) of the Bankruptcy Code (“Cash Collateral”) and to obtain from McLarty Capital Partners SBIC, L.P., a Delaware limited partnership (“MCP”), as the administrative and collateral agent, and Heartland Bank, an Arkansas state bank (“Heartland”) and MCP, as lenders (collectively, the “DIP Lenders”) a senior secured superpriority debtor-in-possession term loan facility (the “DIP Facility”) with a commitment in an aggregate principal amount of up to \$12 Million (the “Commitment”), comprised of (i) an amount up to \$500,000 in respect of new money funding (the “New Money Loan”); (ii) a dollar-for-dollar roll-up as Cash Collateral is used by the Debtors, subject to and in accordance with the approved budget (the “Budget”) subject to Permitted Variances (as defined below) based on written consent by MCP as the administrative and collateral agent under the DIP Facility under a collateral agreement acting for the DIP Lenders (the “DIP Agent”) from the date of the entry of the interim order (the “Interim Order”) until the date of the entry of the final order (the “Final Order”, and together with the Interim Order, the “DIP Order”); and (iii) a roll-up in the amount of \$11.5 million in respect of outstanding loans and obligations under the Prepetition Credit Agreement and Prepetition A/R Agreement (the “Roll-Up Loan”) occurring promptly upon the entry of the Final Order, in accordance with the DIP Facility Term Sheet set forth herein;

b) authorizing the Debtors to execute and deliver the DIP Facility Term Sheet and to perform such other and further acts as may be necessary and appropriate in connection

therewith and, on an interim basis, in accordance with the Budget, to use Cash Collateral and to access the DIP Facility, pursuant to the DIP Facility Term Sheet;

c) authorizing the Debtors, pursuant to the DIP Facility Term Sheet, to use the DIP Facility, solely in accordance with the Budget, and not otherwise prohibited under the DIP Facility Term Sheet, (i) for working capital purposes and payment of administrative fees, costs and expenses incurred in the Cases; (ii) to pay all principal, interest, fees, expenses and other amounts payable to the DIP Lenders under the DIP Facility as such amounts become due and payable, as provided hereunder and in the DIP Documentation; and (iii) to repay in full all loans, obligations, and other amounts outstanding under the DIP Loans, Prepetition Credit Agreement and/or Prepetition A/R Agreement;

d) entering orders, first at an interim and then at a final hearing, pursuant to sections 364(c)(1), (2), (3) and 364(d) of the Bankruptcy Code, to provide that the obligations of the Debtors to the DIP Lenders under the DIP Facility Term Sheet (the “DIP Obligations”) (i) be granted an allowed superpriority administrative expense claim against each Debtor (the “Superpriority Claim”) pursuant to section 364(c)(1) of the Bankruptcy Code, having priority over any and all administrative expense claims of any kind asserted against the Debtors, including, but not limited to, the kinds specified in or arising or ordered under sections 105(a), 326, 328, 330, 331, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 552(b), 726(b), 1113 and 1114 of the Bankruptcy Code, subject only to the Carve-Out; (ii) subject only to the Carve-Out, be secured (A) under section 364(d) of the Bankruptcy Code, by valid, fully perfected, unavoidable, priming first-priority security interest in the Collateral (as defined herein); (B) under section 364(c)(2) of the Bankruptcy Code, by valid, fully perfected, unavoidable, first priority, senior security interests in and liens on all of the all of the Collateral; and (C) under section 364(c)(3) of the Bankruptcy Code, by valid, fully perfected, unavoidable, junior priority, security interests in and liens on all of the Debtors’ currently owned and after acquired encumbered property (collectively, the “Post-Petition Liens”);

e) granting to the Prepetition Lenders (as defined below), as adequate protection for any diminution in the value of their collateral resulting from the Debtors’ use of cash collateral, the priming liens in favor of the DIP Obligations, or otherwise, (i) replacement liens on all collateral, subordinate only to the liens in favor of the DIP Obligations and the Carve-Out, (ii) superpriority administrative expense claims junior only to the superpriority administrative expense claims of the DIP Lenders and subject to the Carve-Out, and (iii) payment of fees and expenses of the Prepetition Agent and Prepetition Lenders, which shall be reimbursed in cash on a current basis (collectively, “Prepetition Lenders’ Replacement Liens and Protections”);

f) authorizing, with respect to the proceeds of the DIP Facility, the refinancing in full, on the Closing Date (as defined below), of the outstanding principal amount of the Pre-Petition Senior Secured Loans, subject to the reservation of rights of parties in interest under the Interim Order;

- g) authorizing (i) the DIP Agent to terminate the funding commitments under the DIP Agreement, and (ii) the DIP Agent to terminate the Debtors' sale, use, or lease of Cash Collateral, each upon the occurrence and continuance of an Event of Default (as defined in the DIP Facility) on the terms specified herein;
- h) subject to the entry of the Final Order, authorizing the waiver of the Debtors' right to assert any claims to surcharge the DIP Collateral under section 506(c) of the Bankruptcy Code;
- i) modifying the automatic stay imposed under section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the DIP Facility, the Interim Order, and, as later applicable, the Final Order;
- j) waiving any applicable stay (including under Rule 6004 of the Bankruptcy Rules) and the provision of immediate effectiveness of this Interim Order, and as later applicable, the Final Order;
- k) scheduling an emergency interim hearing (the "Interim Hearing") on the Motion for the Court to consider entry of the Interim Order; and
- l) scheduling, pursuant to Bankruptcy Rule 4001, a final hearing (the "Final Hearing") on the Motion for a date that is before the 45th day after the Petition Date (as defined below) to consider entry of the Final Order authorizing the Debtors to use Cash Collateral and to obtain, on a final basis, the DIP Facility, pursuant to the DIP Facility Term Sheet.

The Court entered orders granting interim relief. Objections were filed by several parties, including the Ad Hoc Committee of AES. The AES Ad Hoc Committee argued that the DIP Order improperly released valuable claims against the DIP Lenders.

After a contested evidentiary hearing on October 14, 2015, the Court overruled the objections of the Ad Hoc Committee of AES and granted final relief as set forth on Docket #149 granting substantially all the relief sought. As a result, the DIP Lenders have loaned over \$11 Million to the Debtors post-bankruptcy, which consists of

Cash Collateral Usage according to a budget

A New Money Loan of approximately \$500,000 to help pay the expenses of the case to the extent not covered as cash collateral

A Roll Up Loan of approximately \$11 Million that fully terminated the pre-bankruptcy Term Loan and Account Purchase Agreement indebtedness.

Prepetition, the Debtors jointly pledged all assets to the secured Prepetition Lenders under the Pre-petition Senior Loan. The Debtors waived all claims against the DIP Lenders repeatedly in loan modification agreements, which were each unanimously authorized by the board of directors of HIIT and as sole shareholder of each subsidiary entity. As permitted by the

DIP Order, the Official Committee of Unsecured Creditors investigated claims against the DIP Lenders and negotiated a direct recovery of 45% from all Avoidance Actions. The Official Committee conducted an investigation of potential claims against the DIP Lenders, but declined to make any claim after significant investigation. The time to challenge the rights of the DIP Lenders has expired.

The Debtors believe that the resulting DIP Order permitted the Debtors to propose this reorganization and was in the best interests of the estate.

(e) Sale of Non-Core Assets to ENSERVCO

Before the bankruptcy, the Debtors had been approached by Enservco to be acquired as an operating business. The Debtors had not accepted the offer, but continued expressions of interest up until the bankruptcy.

As set forth in the DIP Order, the Debtors were planned to monetize some assets within certain milestones established by the Order. Therefore, the Debtors engaged Hilco Industrial, LLC as an auctioneer to conduct a live auction *in situ* with court approval. Hilco began marketing the Debtors' assets in newspapers, electronic media, and through direct contact. Hilco also made promotional materials. Hilco's sole compensation for this work would be 18% charged as a buyer's premium.

Meanwhile, the Debtors and Hilco continued to discuss the possibility of a sale with Enservco, who expressed interest in non-core equipment used in the Debtors' frac water operations, including an exclusive distribution agreement for HydroFLOW water treatment equipment. The Debtors eventually accepted an offer to acquire some frac water treatment assets for \$1.225 Million. As part of this reorganization, the Debtors would retain certain core business assets and enter into leasing arrangements for future business with Enservco and an additional revenue stream.

The Debtors sought approval of the sale and leases, which was opposed by the Ad Hoc Committee of AES on the basis that the assets should not be sold to Enservco. After hearing evidence at a lengthy contested hearing, the Court determined that the sale was in the best interests of all creditors and overruled the objection and authorized the sale of non-core assets and retention of core assets and the new leasing agreements. This sale of non-core assets to Enservco closed on January 4, 2016.

(f) Emergency Turnover Relief against alleged Contemnors

The Bankruptcy Code embodies an "Automatic Stay" in 11 U.S.C. §362. 11 U.S.C. § 362(a)(3) prevents "any act to obtain possession of property of the estate or to exercise control over property of the estate." Any property rights of the Debtors are property of the estate.

The Debtors learned of property being held by Calen Baucom (member of the Ad Hoc Committee of AES), Brent Mulliniks (member of the Ad Hoc Committee of AES), and Billy Cox (and their entities). Debtors also learned of property held by William Mark Hamilton and Craig Hamilton in Oklahoma. After several requests, the Debtors felt it necessary to ask the Bankruptcy Court to enforce the automatic stay and show cause why these individuals should not

be held in contempt. The Court entered show cause orders and, after some negotiations, many truckloads property was turned over by Calen Baucom and Brent Mulliniks, including valuable HydroFLOW units. The Hamiltons have denied intentionally holding property but agreed to turn assets and records over as they were identified.

(g) **Motions of the Ad Hoc Committee of AES to Appoint Chapter 11 Trustee, Appoint a Separate Committee for Apache Energy Services, and to Terminate Exclusivity**

The Ad Hoc Committee of AES unsecured creditors (which includes Mr. Baucom and Mr. Mulliniks) takes the position that AES should not be part of the bankruptcy of the other debtors. They have opposed the DIP Order, the sale of non-core assets to Enservco, the leases with Enservco, and several other actions. Any one of these actions would constitute a breach of the DIP Order and permit the foreclosure on all Collateral by the DIP Lenders.

The Ad Hoc Committee of AES has filed motions seeking the following relief:

To extend the challenge deadline under the DIP Order to challenge the DIP Lenders' rights. (The Debtors, the Official Committee appointed by the United States Trustee, and the DIP Lenders filed oppositions to the motion)

To appoint an official committee of unsecured creditors of AES only. (The Debtors, the Official Committee appointed by the United States Trustee, the United States Trustee's office, and the DIP Lenders filed oppositions to the motion)

to terminate the Debtors' exclusive period to propose a plan to propose a standalone plan for AES. (The Debtors, the Official Committee appointed by the United States Trustee, and the DIP Lenders filed oppositions to the motion)

To appoint a Chapter 11 Trustee to operate AES (The Debtors, the Official Committee appointed by the United States Trustee, and the DIP Lenders filed oppositions to the motion)

To reconsider the DIP Order (The Debtors, the Official Committee appointed by the United States Trustee, and the DIP Lenders filed oppositions to the motion)

The Ad Hoc Committee of AES has these motions set for consideration, or they are already under consideration.

(h) **Preference Analysis and Other Potential Avoidance Actions**

The Bankruptcy Code preserves the Debtors' rights to prosecute claims and causes of action which exists outside of bankruptcy, and also empowers the Debtors to prosecute certain claims which are established by the Bankruptcy Code, including claims to avoid and recover preferential transfers and fraudulent conveyances. As described below, the Plan preserves all of the Debtors' rights in respect of all Causes of Action, including Avoidance Actions, transfers the Debtors' rights in respect of such Causes of Action and Avoidance Actions to the Litigation Trust, and empowers the Litigation Trustee to prosecute, collect, and/or settle the Causes of

Action and Avoidance Actions, as deemed appropriate. To date, the Debtors have not conclusively identified and/or investigated potential Causes of Action and Avoidance Actions except as set forth later herein.

IN REVIEWING THIS DISCLOSURE STATEMENT AND THE PLAN, AND IN DETERMINING WHETHER TO VOTE IN FAVOR OF OR AGAINST THE PLAN, HOLDERS OF CLAIMS AND INTERESTS (INCLUDING PARTIES THAT RECEIVED PAYMENTS FROM THE DEBTORS WITHIN NINETY (90) DAYS PRIOR TO THE PETITION DATE) SHOULD CONSIDER THAT A CAUSE OF ACTION MAY EXIST AGAINST THEM, THAT THE PLAN PRESERVES ALL CAUSES OF ACTION, AND THAT THE PLAN AUTHORIZES THE LITIGATION TRUSTEE TO PROSECUTE THE SAME. A COPY OF THE LISTS FOR EACH DEBTOR AS DISCLOSED ON THE STATEMENT OF FINANCIAL AFFAIRS OF EACH DEBTOR IS ATTACHED AS EXHIBIT B.

(i) *Claims against Insiders*

The Debtors, Committee and DIP Lenders have worked to investigate potential claims and have identified the following categories of claims that are specifically preserved (including any that are generally preserved) and will be conveyed to the Litigation Trust in the Plan in Section 19.05. Those claims include claims against Brent Mulliniks, Calen Baucom, Billy Cox, Carlos Buchanan, Mark Hamilton, Craig Hamilton, the entities they control and those in active concert with them based on alleged breaches of duty, fraudulent transfers, diversion of assets and other tortious, contractual, and statutory wrongs that the Debtors may pursue.

**ARTICLE VI
CLASSIFICATION AND TREATMENT
OF CLAIMS AND INTERESTS**

Section 6.01 Introduction

The categories of Claims and Equity Interests set forth below classify Claims and Equity Interests for all purposes, including for purposes of voting, Confirmation and distribution pursuant to the Plan and Bankruptcy Code sections 1122 and 1123(a)(1). A Claim or Equity Interest shall be deemed classified in a particular Class only to the extent that it qualifies within the description of such Class, and shall be deemed classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other Classes. Notwithstanding anything to the contrary in the Plan, a Claim or Equity Interest shall be deemed classified in a Class only to the extent that such Claim or Equity Interest has not been paid, released, or otherwise settled prior to the Effective Date.

All Claims (except for Administrative Claims and Priority Tax Claims, which are not classified pursuant to Bankruptcy Code section 1123(a)(1)) are classified in Section 6.06 below.

Section 6.02 Voting; Acceptance by Impaired Classes

Each Impaired Class of Claims that will (or may) receive or retain property or any interest in property under the Plan shall be entitled to vote to accept or reject the Plan. An

Impaired Class of Claims shall have accepted the Plan if (i) the holders (other than any holder designated under Bankruptcy Code section 1126(e)) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan, and (ii) the holders (other than any holder designated under Bankruptcy Code section 1126(e)) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan. An impaired Class of Equity Interests shall have accepted the Plan if the holders (other than any holder designated under Bankruptcy Code section 1126(e)) of at least two-thirds in amount of the Allowed Equity Interests actually voting in such Class have voted to accept the Plan. All classes are impaired under the Plan except for Secured Claims and Priority Non-Tax Claims.

Section 6.03 Administrative Expenses

Except to the extent a holder of an Allowed Administrative Expense 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, in full satisfaction of such Allowed Administrative Expense, an amount of Cash equal to the Allowed amount of such Administrative Expense, except for the DIP Lender Claims which are specifically dealt with below.

Except for the DIP Lender Claims, all entities seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 327, 328, 330, 331 (503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code (i) shall file their respective final applications for allowance of compensation for service rendered and reimbursement of expenses incurred by the date that is thirty (30) days after the Confirmation Date, and (ii) shall be paid in full such amounts as are allowed by the Bankruptcy Court (A) on the date on which the order relating to any such Administrative Expenses is entered or (B) upon such other terms as may be mutually agreed upon between the holder of such Administrative Expense and the Debtors.

Section 6.04 Priority Tax Claims

Except to the extent a holder of an Allowed Priority Tax Claim agrees to a different treatment, or 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.

Section 6.05 The DIP Lender Claims

The DIP Lenders shall have an allowed Super Priority Administrative Expense for the total amount due under the DIP Credit Agreement, which is stipulated by the Debtors to be over \$11 Million (more precisely identified in the Plan Supplement) as of the Effective Date, ratably in accordance with their respective interests in the DIP Credit Agreement Claims, subject to any applicable provisions of the Final Order approving the DIP Credit Agreement.

The DIP Lenders shall receive on account of the DIP Lender Claims (i) repayment of the Postpetition Obligations, (ii) fifty-five percent (55%) of the beneficial interests in the Litigation Trust and the Litigation Trust Assets, (iii) all Distributable Cash, (iv) 95% of the stock of the

New HIIT Stock, to be issued as convertible participating and voting preferred stock with a dividend that will be specified in the Plan Supplement, convertible into 95% of the stock of the Reorganized HIIT. The DIP Lenders will also receive 100% of the insurance proceeds attributable to the loss of their collateral directly from the insurer, provided however, that the DIP Lenders are not entitled to more than 100% payment on account of their collateral loss from any source or combination of sources.

Section 6.06 Classes and Treatments

(a) Class 1: Secured Claims

Classification: Class 1 consists of all Allowed Secured Claims.

Treatment: Except to the extent a holder of an Allowed Secured Claim agrees to a different treatment, 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, net of the costs of disposition of such Collateral, (iii) the Collateral securing such Allowed Secured Claim, (iv) such 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 as necessary to satisfy the requirements of section 1129 of the Bankruptcy Code. In the event a Secured Claim is treated under clause (i) or (ii) of the section, the liens secured such Secured claim shall be deemed released.

Insurance Proceeds. Secured claims will receive the insurance proceeds attributable to their collateral directly from the carrier, but only to the extent of their collateral value and in no event will the secured creditor receive more than 100% of the value of lost collateral from any source or set of sources. If there is any dispute regarding the insurance proceeds or claims to them, the Litigation Trust Administrator must be notified and the Bankruptcy Court will be the exclusive forum to resolve the dispute.

Voting: Claims in Class 1 are Unimpaired. Each holder of an Allowed Claim in Class 1 shall be conclusively deemed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f), and, therefore, shall not be entitled to vote to accept or reject the Plan.

(b) Class 2: Priority Non-Tax Claims

Classification: Class 2 consists of all Allowed Priority Non-Tax Claims.

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

Voting: Claims in Class 2 are Unimpaired. Each holder of an Allowed Claim in Class 2 shall be conclusively deemed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f), and, therefore, shall not be entitled to vote to accept or reject the Plan.

(c) Class 3: General Unsecured Claims

Classification: Class 3 consists of all Allowed General Unsecured Claims.

Treatment: The Holders of Allowed General Unsecured Claims receive a pro-rata share of 45% of the beneficial interest in the Litigation Trust Assets. As such, (A) As soon as is reasonably practicable after the Effective Date, to the extent it is determined that the holders of Allowed General Unsecured Claims are entitled to any proceeds of the Litigation Trust Assets, each holder of an Allowed General Unsecured Claim as of the Distribution Record Date shall receive from the Litigation Trust, to the extent not already distributed, (i) its Pro Rata Share of such proceeds based on the beneficial interest, and (ii) its Pro Rata Share of the remaining 5% of the New HIIT Stock, and (B) the Litigation Trust shall make subsequent distribution of any proceeds of the Litigation Trust Assets to holders of Allowed General Unsecured Claims as of the Distribution Record Date for Holders whose Claims are subsequently Allowed.

Notwithstanding anything to the contrary, all proceeds of the Causes of Action shall be applied first to pay the amount of the Postpetition Obligations and Litigation Trust Administrative Cash.

Voting: Class 3 Claims are impaired. Each holder of an Allowed Claim in Class 3 shall be entitled to vote to accept or reject the Plan.

(d) Class 4: Subordinated Claims

Classification: Class 4 consists of Allowed Subordinated Claims.

Treatment: As soon as reasonably practicable after the Effective Date (but no earlier than the first Business Day following the Distribution Record Date), each holder of an Allowed Subordinated Claim on the Distribution Record Date shall receive from the Litigation Trust its Pro Rata Share of such after holders of all Allowed Administrative Expenses, including the DIP Lender Claims, and all Allowed Priority Tax Claims and all Allowed Claims in Classes 1, 2, 3 and 4 are paid in full.

Voting: Class 4 Claims are impaired. Each holder of an Allowed Claim in Class 5 shall be entitled to vote to accept or reject the Plan.

(e) Class 5: Equity Interests

Classification: Class 5 consists of all Allowed Equity Interests and Claims that are subordinated the tranche of equity.

Treatment: All Equity Interests in the Debtors shall be cancelled on the Effective Date. Each holder of an Equity Interest shall neither receive nor retain any property or interest on account of such Equity Interest.

Voting: Class 5 Equity Interests are Impaired. Each holder of an Allowed Interest in Class 6 shall be deemed to reject the Plan.

ARTICLE VII MEANS FOR IMPLEMENTATION OF THE PLAN

Section 7.01 Substantive Consolidation of the Debtors

Entry of the Confirmation Order shall constitute the approval, pursuant to section 105(a) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of HII Technologies, Inc., Apache Energy Services, LLC, Aqua Handling of Texas, LLC, Sage Power Solutions, Inc., and Hamilton Investment Group Inc., and their respective estates, into HII Technologies for voting, confirmation, and distribution purposes under the Plan. Solely for such purposes, on and after the Effective Date, (i) all asserts and all liabilities of the Debtors shall be deemed merged into HII Technologies, (ii) all guaranties of any Debtor of the payment, performance, or collection of obligations of another Debtor shall be eliminated and cancelled, (iii) 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 consolidated Debtors, (iv) 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 consolidated Debtors, (v) shall be treated and allowed only as a single Claim against the consolidated Debtors, (v) all Claims between or among the Debtors shall be cancelled, and (vi) each Claim filed in the Chapter 11 Case of any Debtor shall be deemed filed against the consolidated Debtors and a single obligation of the consolidated Debtors on and after the Effective Date.

The substantive consolidation and deemed merger effected pursuant to the Plan shall not affect (other than for purposes related to funding distributions under the Plan and as set forth in Section 6.1(a) thereof, (i) the legal and organizational structure of the Debtors, (ii) defenses to any Causes of Action or requirements for any third party to establish mutuality to assert a right of setoff, and (iii) distributions out of any insurance policies or proceeds of such policies.

Section 7.02 Appointment of Litigation Trust Administrator

On or before the Effective Date, the Liquidating Trust Agreement shall be executed by the Debtor and the Litigation Trust Administrator, and all other necessary steps shall be taken to establish the Litigation Trust. The Litigation Trust Agreement is subject to approval of the Court. The Litigation Trust shall be governed by the Litigation Trust Agreement. The initial Litigation Trust Administrator shall be _____. The salient terms of the employment of the Litigation Trust Administrator, including duties and compensation, to the extent not set forth in the Plan, shall be set forth in the Litigation Trust Agreement or the Confirmation Order. The Litigation Trust Agreement shall contain provisions customary to litigation trust agreements utilized in comparable circumstances. The Litigation Trust and the Litigation Trust Administrator shall be bound by the Plan and shall not challenge any provision of the Plan. The Litigation Trust Agreement shall be filed as an exhibit to the Plan Supplement, and its express terms shall govern distributions.

Section 7.03 Duties of the Litigation Trust Administrator

In furtherance of and consistent with the purpose of the Litigation Trust and the Plan, the Litigation Trust Administrator shall (i) have the power and authority to hold, invest, borrow against, pledge and/or manage the Litigation Trust Assets, (ii) hold the Litigation Trust Assets for the benefit of the Litigation Trust Beneficiaries, (iii) have the power and authority to prosecute and resolve Causes of Action, in the name of the Debtors, (iv) have the power to object to, settle, compromise, withdraw or litigate to judgment any objections to Claim or Interests, (v) have the power and authority distribute to the Litigation Trust Beneficiaries any Litigation Trust Assets after payment of the Postpetition Obligations, and (vi) have the power and authority to perform such other functions as are provided in the Plan and the Litigation Trust Agreement. The Litigation Trust Administrator shall be responsible for all decisions and duties with respect to the Litigation Trust and the Litigation Trust Assets. In all circumstances, the Litigation Trust Administrator shall act in the best interests of the Litigation Trust Beneficiaries and in furtherance of the purpose of the Litigation Trust.

The Litigation Trustee shall not be required to obtain a bond.

Section 7.04 Cancellation of Existing Secured Claims

Upon the full payment or other satisfaction of an Allowed Secured Claim, or promptly thereafter, the holder of such Allowed Secured Claim shall deliver to the Litigation Trustee any collateral or other property of any Debtor held by such holder, and any termination statements, instruments of satisfactions, or releases of all security interests with respect to its Allowed Secured Claim that may be reasonably required in order to terminate any related financing statements, mortgages, mechanic's liens, or *lis pendens*.

Section 7.05 Employee Benefit Plans

Prior to the Effective Date, all Employee Benefit Plans shall be terminated in accordance with the applicable provisions of the state and federal law. The Litigation shall have no liability for any obligations under any Employee Benefit Plan.

ARTICLE VIII THE SOLICITATION; VOTING PROCEDURES

Section 8.01 Solicitation Package

Accompanying this Disclosure Statement for the purpose of soliciting votes on the Plan are copies of (i) the Plan; (ii) the Order approving this Disclosure Statement giving notice of, among other things, the time for submitting Ballots to accept or reject the Plan, the date, time, and place of the hearing to consider Confirmation of the Plan and related matters, and the time for filing objections to Confirmation of the Plan; and, as applicable, (iii) a Ballot or Ballots (and return envelope(s)) that you may use in voting to accept or to reject the Plan), or a notice of non-voting status, (collectively the "Solicitation Package"). Only Holders eligible to vote in favor of or against the Plan will receive a Ballot(s) as part of their Solicitation Package. If you did not receive a Ballot and believe that you should have, please contact the Debtors' counsel at the address or telephone number set forth in Section 19.08 hereof.

Section 8.02 Voting Instructions

After carefully reviewing the Plan and this Disclosure Statement, and the Exhibits thereto, and the detailed instructions accompanying your Ballot, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed Ballot. Please complete and sign your Ballot and return it in the envelope provided so that it is RECEIVED by the counsel for Debtors on or before the Plan Voting Deadline set forth on the Ballot.

If you have any questions about the procedure for voting your eligible Claim or with respect to the Solicitation Package that you have received, please contact counsel for the Debtor:

McKool Smith, PC
Attn: Hugh M. Ray, III
600 Travis Street, Suite 7000
Houston, Texas 77002
Telephone: 713.485.7300

IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR VOTE MUST BE ACTUALLY RECEIVED BY COUNSEL FOR THE DEBTORS ON OR BEFORE 3:00 P.M., PREVAILING CENTRAL TIME, ON _____, 2016, AT THE ABOVE ADDRESS. EXCEPT TO THE EXTENT ALLOWED BY THE BANKRUPTCY COURT OR DETERMINED OTHERWISE BY THE DEBTORS, BALLOTS RECEIVED AFTER THE PLAN VOTING DEADLINE WILL NOT BE ACCEPTED OR USED IN CONNECTION WITH THE DEBTORS' REQUEST FOR CONFIRMATION OF THE PLAN OR ANY MODIFICATION THEREOF.

ONLY BALLOTS WITH ORIGINAL SIGNATURES WILL BE COUNTED. BALLOTS WITH COPIED SIGNATURES WILL NOT BE ACCEPTED OR COUNTED. YOU MAY NOT SUBMIT A BALLOT ELECTRONICALLY, INCLUDING VIA EMAIL OR FACSIMILE. ONLY ORIGINAL BALLOTS (INCLUDING BALLOTS FORWARDED BY MASTER BALLOTING AGENTS) RECEIVED BY COUNSEL FOR THE DEBTORS BY THE PLAN VOTING DEADLINE WILL BE COUNTED.

Section 8.03 Voting Tabulation

Under the Bankruptcy Code, for purposes of determining whether the requisite acceptances have been received, only holders of Claims and Equity Interests who actually vote will be counted. The failure of a holder to deliver a duly executed Ballot will be deemed to constitute an abstention by such holder with respect to voting on the Plan and such abstentions will not be counted as votes for or against the Plan.

If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or another Person acting in a fiduciary or representative capacity, such Person should indicate such capacity when signing and, unless otherwise determined by the Debtors, must submit proper evidence satisfactory to the Debtors of authority to so act.

The period during which Ballots with respect to the Plan will be accepted by the Debtors will terminate on the Plan Voting Deadline. Except to the extent permitted by the Bankruptcy

Court, Ballots that are received after the Plan Voting Deadline will not be counted or otherwise used by the Debtors in connection with the Debtors' request for Confirmation of the Plan (or any permitted modification thereof). IN NO CASE SHOULD A BALLOT BE DELIVERED TO ANY ENTITY OTHER THAN COUNSEL FOR THE DEBTORS.

ARTICLE IX FEASIBILITY, BEST INTEREST OF THE CREDITORS AND LIQUIDATION

Section 9.01 Feasibility of the Plan

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successors to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan. The Plan proposed by the Debtor provides for a preservation of the Debtor's remaining business. The ability of the Litigation Trust Administrator to make the Distributions described in the Plan does not depend on future earnings of the Debtor.

The reorganized Debtor will remain in the oilfield services business and continue to provide water management services through the rental of its water transfer equipment. It will exit bankruptcy with lease agreements that will extend into 2018. These agreements will allow the company a steady revenue stream that will offset the cost of operations. In addition, the company will have additional equipment available for lease including an excavator and a portable evaporation facility. Over the next two years the company may have additional opportunities to act as the leasing agent for Enservco for HydoFlow units in the future. If additional equipment is recovered, those units will either be available for lease operations or for sale.

The proforma (**Exhibit C**) shows the company's operations with only the existing lease agreements at the time of the restructure. The company will be funded with adequate liquidity to maintain its operations for the next two years while it identifies the appropriate strategic business candidates for growth via merger and/or acquisition, or grows organically with the addition of equipment leases to its existing fleet.

The reorganized debtor will relinquish its public listing and become a private organization, decreasing its costs of operation considerably.

Accordingly, the Debtors believe that the Plan is feasible and meets the requirements of section 1129(a)(11) of the Bankruptcy Code.

Section 9.02 Best Interest of Creditors Test

Before the Plan may be confirmed, the Bankruptcy Court must find (with certain exceptions) that the Plan provides, with respect to each Class, that each holder of a Claim or Equity Interest in such Class either: (i) has accepted the Plan or (ii) will receive or retain under

the Plan property of a value, as of the Effective Date, that is not less than the amount that such person would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. In chapter 7 liquidation cases, unsecured creditors and interest holders of a debtor are paid from available assets generally in the following order, with no junior Class receiving any payments until all amounts due to senior Classes have been paid fully or any such payment is provided for:

- Secured creditors (to the extent of the value of their collateral);
- Administrative and other priority creditors;
- Unsecured creditors;
- Debt expressly subordinated by its terms, by agreement or by order of the Bankruptcy Court; and
- Interest holders.

As described in the liquidation discussion set forth in Section 12.01 hereof, the Debtors believe that the Plan provides significant value above a hypothetical liquidation under chapter 7. As described in Article 1 above, and as set forth in the DIP Order, the secured claims of the Prepetition Lenders totaled approximately \$11 million. As shown in Exhibit D, the value of the Debtors' assets in a hypothetical liquidation would be significantly less than the Prepetition Lenders' Claims. Accordingly, under a hypothetical chapter 7 liquidation there would be no distribution to any creditor other than the Prepetition Lenders.

Under the Plan, holders of Allowed General Unsecured Claims will receive their *pro rata* share of the Litigation Trust Assets, including a share of proceeds of Causes of Action, and stock in the reorganized HIIT. Additionally, the Plan provides that the Debtors will receive a commitment from the DIP Lenders (subject to the terms of the Litigation Trust Agreement and Confirmation Order) for up to \$500,000 for the Litigation Trust on the Effective Date. None of these assets would be available to unsecured creditors under a hypothetical chapter 7 liquidation.

ARTICLE X CONFIRMATION PROCEDURES

Section 10.01 The Confirmation Hearing

Bankruptcy Code section 1128(a) requires the Bankruptcy Court, after notice, to hold a Confirmation Hearing. Bankruptcy Code section 1128(b) provides that any party in interest may object to Confirmation of the Plan.

The Bankruptcy Court has scheduled the Confirmation Hearing for _____, 2010, at ____:____.m., prevailing Central Time, before the Honorable David R. Jones, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of Texas at the United States Courthouse, 515 Rusk Street, Houston, Texas 77002.

Objections to Confirmation of the Plan must be filed and served on the Debtors and the other parties set forth in the order approving the Disclosure Statement, and certain other parties, by no later than _____, 2016, at 3:00 p.m. prevailing Central Time, in accordance with the order approving the Disclosure Statement (attached hereto as **Exhibit G**). THE BANKRUPTCY COURT MAY NOT CONSIDER OBJECTIONS TO CONFIRMATION OF THE PLAN IF ANY SUCH OBJECTIONS HAVE NOT BEEN TIMELY SERVED AND FILED IN COMPLIANCE WITH THE ORDER APPROVING THE DISCLOSURE STATEMENT.

The notice of the Confirmation Hearing will contain, among other things, the deadline to object to Confirmation of the Plan, the Plan Voting Deadline, and the date and time of the Confirmation Hearing.

Section 10.02 Statutory Requirements for Confirmation of the Plan

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

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtors, as Plan proponents, have complied with the applicable provisions of the Bankruptcy Code.
- The Plan has been proposed in good faith and not by any means forbidden by law.
- Any payment made or promised under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plan and incident to the case, has been disclosed to the Bankruptcy Court, and any such payment: (a) made before the Confirmation of the Plan is reasonable or (b) is subject to the approval of the Bankruptcy Court as reasonable if it is to be fixed after the Confirmation of the Plan.
- The Debtors, as Plan proponents, have disclosed the identity and affiliations of any individual proposed to serve, after Confirmation of the Plan, as a director, officer, or voting trustee of the Debtors, any affiliate of the Debtors participating in the Plan with the Debtors, or successor to the Debtors under the Plan, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and equity security holders and with public policy.
- The Debtors, as Plan proponents, have disclosed the identity of any insider (as defined in Bankruptcy Code section 101) that will be employed or retained by the Litigation Trust, and the nature of any compensation for such insider.
- The Plan does not propose any rate change that is subject to approval by a governmental regulatory commission.

- Either each holder of an impaired Claim or Equity Interest has accepted the Plan, or will receive or retain under the Plan on account of that Claim or Equity Interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that the Holder would receive or retain if the Debtors were liquidated on that date under chapter 7 of the Bankruptcy Code.
- Each Class of Claims that is entitled to vote on the Plan has either accepted the Plan or is not impaired under the Plan, or the Plan can be confirmed without the approval of each voting Class pursuant to Bankruptcy Code section 1129(b).
- Except to the extent that the holder of a particular Claim will agree to a different treatment of its Claim, the Plan provides that Administrative Claims, Priority Tax Claims and, Priority Non-Tax Claims will be paid in full, in Cash, on the Effective Date, or as soon thereafter as practicable.
- At least one Class of impaired Claims will accept the Plan, determined without including any acceptance of the Plan by any insider holding a Claim of that Class.
- Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors or any successors thereto under the Plan unless such a liquidation or reorganization is proposed in the Plan.
- All fees of the type described in 28 U.S.C. § 1930, including the fees of the United States Trustee, will be paid as of the Effective Date.
- The Debtors have no retirement benefit obligations.

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

(a) Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to Confirmation, that, except as described in the following section, each Class of Claims or Equity Interests that is Impaired under the Plan accept the Plan. A class that is not impaired under a plan of reorganization is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. A class is impaired unless the plan: (i) leaves unaltered the legal, equitable and contractual rights to which the claim or interest entitles the holder of that claim or equity interest, or (ii) notwithstanding any contractual provision or applicable law that entitles the holder of such claim or interest after the occurrence of a default—(a) cures any such default that occurred before or after the commencement of the case under this title, other than a default of a kind specified in section 365(b)(2) of this title or of a kind that section 365(b)(2) expressly does not require to be cured; (b) reinstates the maturity of such claim or interest as such maturity existed before such default; (c) compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or

such applicable law; (d) if such claim or such interest arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A), compensates the holder of such claim or such interest (other than the debtor or an insider) for any actual pecuniary loss incurred by such holder as a result of such failure; and (e) does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder of such claim or interest.

(b) Confirmation Without Acceptance by All Impaired Classes

Bankruptcy Code section 1129(b) allows a bankruptcy court to confirm a plan, even if an impaired class entitled to vote on the Plan has not accepted it, provided that the Plan has been accepted by at least one impaired Class. If any impaired Class does not accept the Plan, the Debtors intend to seek confirmation of the Plan pursuant to Bankruptcy Code section 1129(b). Bankruptcy Code section 1129(b) states that, notwithstanding an impaired class's failure to accept a plan of reorganization, the plan shall be confirmed, at the plan proponent's request, in a procedure commonly known as "cram down," so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is Impaired under, and has not accepted, the plan.

The condition that a plan be "fair and equitable" with respect to a non-accepting class of secured creditors includes the following requirements that either: (i) the plan provides that holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such claims and that each holder of a claim of such class receive on account of such claims deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder's interest in the estate's interest in such property; (ii) the plan provides for the sale, subject to 363(k) of this title, of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under (i) or (iii) of this paragraph; or (iii) the plan provides for the realization by such holders of the indubitable equivalent of such claims.

The condition that a plan be "fair and equitable" with respect to a non-accepting class of unsecured claims includes the following requirement that either: (i) the plan provides that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim or (ii) the holder of any claim or equity interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or equity interest any property.

The Debtors reserve the right to alter, amend, modify, revoke or withdraw the Plan or any Exhibit or Schedule, including the right to amend or modify it to satisfy Bankruptcy Code section 1129(b), if necessary.

Section 10.03 Identity of Persons to Contact for More Information

Any interested party desiring further information about the Plan should contact counsel for the Debtors at the phone number and/or address listed in Section 8.02 of this Disclosure Statement.

ARTICLE XI CERTAIN RISK FACTORS AFFECTING THE DEBTORS

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, ALL HOLDERS OF IMPAIRED CLAIMS SHOULD READ AND CAREFULLY CONSIDER THE FACTORS SET FORTH BELOW, AS WELL AS ALL OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

Section 11.01 Risks Related to Value of Trusts Assets Available for Distribution to General Unsecured Creditors

(a) Holders of Allowed General Unsecured Claims will receive their *pro rata* share of the 5% of New HIIT Stock allocated to their claims. As set forth in Exhibit D, the Debtors believe that the stock will have value. However, the value of the New HIIT Stock is dependent upon the ability of the reorganized HIIT to profit in the highly competitive and volatile oil and gas service industry. If the reorganized HIIT is less successful than projected the value of the New HIIT Stock will be less than projected.

(b) Holders of Allowed General Unsecured Claims will also receive their *pro rata* share of the forty-five percent (45%) of proceeds from Causes of Action, if any. Article II, above, sets forth the Debtors' analysis of potential Causes of Action. At this time, the value of these Causes of Action is extremely speculative. If the proceeds from the Causes of Action are less than projected the distribution to holders of General Unsecured Claims would be less than projected.

ARTICLE XII ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

If the Plan is not confirmed and consummated, the alternatives to the Plan include: (i) liquidation of the Debtors under chapter 7 of the Bankruptcy Code, and (ii) an alternative plan of reorganization.

Section 12.01 Liquidation Under Chapter 7

If no plan can be confirmed, the Debtors' Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed (or elected) to liquidate the Debtors' assets for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on the recoveries of holders of Claims and Equity Interests is set forth below. The

Debtors believe that liquidation under chapter 7 would result in no distributions to creditors other than the Prepetition Lenders because the secured claims of the Prepetition Lenders exceeded the value of the Debtors' assets.

Additionally, the Debtors' costs of liquidation under chapter 7 of the Bankruptcy Code would include the fees payable to a chapter 7 trustee, as well as those fees that might be payable to attorneys and other Professionals that such a trustee might engage. In addition, claims would arise by reason of the breach or rejection of obligations incurred by the Debtors during the pendency of the Chapter 11 Cases. The foregoing types of claims and other claims that might arise in a liquidation case or result from the pending Chapter 11 Cases, including any unpaid expenses incurred by the Debtors during the Chapter 11 Cases such as compensation for attorneys, financial advisors and accountants, would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay prepetition Allowed Claims or Allowed Equity Interests.

To determine if the Plan is in the best interests of each impaired Class, the value of the distributions from the proceeds of a liquidation of the Debtors' unencumbered assets and properties, after subtracting the amounts attributable to the foregoing claims, are then compared with the value of the property offered to such Classes of Claims and Equity Interests under the Plan.

After considering the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to the holders of Claims and Equity Interests in the Chapter 11 Cases, including (i) the lack of unencumbered assets available to creditors, (i) the increased costs and expenses of a liquidation under chapter 7 of the Bankruptcy Code arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee; (iii) the likely erosion in value of assets in a chapter 7 case in the context of an expeditious liquidation and the "forced sale" atmosphere that would prevail under a chapter 7 liquidation; and (iv) the substantial increases in Claims which would be satisfied on a priority basis or on parity with creditors in the Chapter 11 Cases, the Debtors have determined that Confirmation of the Plan will provide each holder of an Allowed Claim or Equity Interest with a recovery that is not less than such holder would receive pursuant to a liquidation of the Debtors under chapter 7 of the Bankruptcy Code.

The Debtors' Liquidation Analysis is attached hereto as **Exhibit D**. The information set forth in Exhibit D provides a summary of the liquidation values of the Debtors' assets, assuming a chapter 7 liquidation in which a trustee appointed by the Bankruptcy Court would liquidate the assets of the Debtors' estates.

Underlying the liquidation analysis is a number of estimates and assumptions that, although developed and considered reasonable by management, are inherently subject to significant economic and competitive uncertainties and contingencies beyond the control of the Debtors and their management and advisors. The liquidation analysis is also based on assumptions with regard to liquidation decisions that are subject to change. Accordingly, the values reflected might not be realized if the Debtors were, in fact, to undergo such liquidation. The chapter 7 liquidation period is assumed to be a period of twelve (12) months, allowing for, among other things, the sale of assets, collection of receivables, and prosecution of claims.

Section 12.02 Alternative Plan of Reorganization

If the Plan is not confirmed, the Bankruptcy Court could confirm a different plan. A different plan might involve either a reorganization and continuation of the Debtors' businesses or an orderly liquidation of the Debtors' assets, or some combination of the two. The Debtors believe that the Plan, as described herein, enables holders of General Unsecured Claims to realize the highest and best value under the circumstances. The Debtors believe that any alternative form of chapter 11 plan is a much less attractive alternative than the Plan because of the far greater returns provided by the Plan. Other alternatives could involve diminished recoveries, significant delay, uncertainty, and substantial additional administrative costs.

ARTICLE XIII EXECUTORY CONTRACTS, UNEXPIRED LEASES, AND OTHER AGREEMENTS

Section 13.01 Assumption/Rejection

On the Effective Date, and to the extent permitted by applicable law, all of the Debtors' executory contracts and unexpired leases will be rejected unless such executory contract or unexpired lease: (i) is being assumed pursuant to the Plan; (ii) is the subject of a motion to assume Filed on or before the Confirmation Date; or (iii) has been previously rejected or assumed.

Section 13.02 Cure Costs

The Debtors are not assuming any executory contracts of unexpired leases so there are no associated cure costs.

Section 13.03 Claims Based on Rejection of Executory Contracts and Unexpired Leases

Unless otherwise provided by a Bankruptcy Court order, any proofs of claim asserting Claims arising from the rejection of executory contracts and unexpired leases pursuant to the Plan or otherwise must be filed no later than thirty (30) days after the Confirmation Date. Any Claims arising from the rejection of executory contracts or unexpired leases that are not timely filed and served shall be disallowed automatically, forever barred from assertion, and shall not be enforceable against the Debtors or the Litigation Trust without the need for any objection by any Person or further notice to or action, order, or approval of the Bankruptcy Court, and any Claim arising out of the rejection of the executory contract or unexpired lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of executory contracts and unexpired leases shall be classified as General Unsecured Claims and shall be treated in accordance with the particular provisions of the Plan.

Section 13.04 Nonoccurrence of Effective Date

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request by the Debtors to extend the deadline for assuming or rejecting unexpired leases pursuant to Bankruptcy Code section 365(d)(4).

ARTICLE XIV
PROCEDURES FOR RESOLVING DISPUTED,
CONTINGENT, AND UNLIQUIDATED CLAIMS

Section 14.01 Objections to Claims

(a) Authority

Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, on and after the Effective Date, the Debtors shall have the right to the exclusion of all others (except as to applications for allowances of compensation and reimbursement of expenses under sections 330 and 503 of the Bankruptcy Code) to object to Administrative Expenses, Priority Tax Claims, Priority Non-Tax Claims, and Secured Claims.

On and after the Effective Date, the Litigation Trust Administrator shall have the exclusive right to object, and/or continue prosecution of objections to General Unsecured Claims and Subordinated Claims and to pay the Postpetition Obligations.

(b) Objection Deadline

The Debtor or the Litigation Trust Administrator, as applicable, shall serve a copy of each objection upon the holder of the Claim to which the objection is made as soon as practicable, but in no event later than one hundred eighty (180) days after (i) the Effective Date for all Claims, and (ii) such date as may be fixed by the Bankruptcy Court, whether fixed before or after the dates specified in clause (i) above. The Bankruptcy Court shall have the authority on request of the Debtors or the Litigation Trust Administrator, as applicable, to extend the foregoing dates *ex parte*. On and after the Effective Date, the Debtors shall continue to have the power and authority to prosecute and resolve objections to Disputed Administrative Expenses, Disputed Priority Tax Claims, Disputed Priority Non-Tax Claims, and Disputed Secured Claims. All objections shall be litigated to a Final Order except to the extent the Debtors or the Litigation Trust Administrator, as applicable, elects to withdraw any such objection or the Debtors or the Litigation Trust Administrator, as applicable, and the holder of a Claim elect to compromise, settle, or otherwise resolve any such objection, in which event they may compromise, settle, or otherwise resolve any Disputed Claim without approval of the Bankruptcy Court.

Section 14.02 Estimation of Claims

The Debtors or the Litigation Trust Administrator, as applicable, may at any time request that the Bankruptcy Court estimate any contingent, unliquidated, or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtors or the Litigation Trust Administrator previously object to such Claim, and the Bankruptcy Court shall retain 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 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 Debtors or the Litigation Trust Administrator, as applicable, may pursue supplementary proceedings to object to

the allowance of such Claim. All the aforementioned objection, estimation, and resolution procedures are indented to be cumulative and not exclusive of one another. On and after the Confirmation Date, Claims that have been estimated may be compromised, settled, withdrawn, or otherwise resolved subsequently, without further order of the Bankruptcy Court.

Section 14.03 No Distributions Pending Allowance

Notwithstanding any other provision of the Plan, if any portion of a Claim is a Disputed Claim, no payment or distribution provided hereunder to the holder thereof shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim. Until such time, with respect to General Unsecured Claims, the Litigation Trust Administrator shall withhold from the property to be distributed to holders of beneficial interests in the Litigation Trust the portion of such property allocable to such Disputed General Unsecured Claims. If any Disputed General Unsecured Claims are disallowed, the Litigation Trust Assets held in the Litigation Trust shall be released as and to the extent the Litigation Trust Administrator determines such property is no longer necessary to fund unresolved Disputed General Unsecured Claims, and such Litigation Trust Assets shall be distributed in accordance with Section 6.2 of the Plan.

Section 14.04 Distributions After Allowance

If, on or after the Effective Date, any Disputed Claim becomes, in whole or in part, an Allowed Claim, the Debtors or the Litigation Trust Administrator, shall, on the next applicable distribution date following when the Disputed Claim becomes an Allowed Claim, distribute to the holder thereof the distributions, if any, that such holder would have received had its Claim been Allowed on the Effective Date, except as otherwise provided in the Plan.

Section 14.05 Reduction of Claims

Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated and not contingent shall be reduced by the amount, if any, that was paid by the Debtor prior to the Effective Date, including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Schedules, such Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in the Plan shall preclude the Litigation Trust Administrator from paying Claims that the Debtor was authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Effective Date.

Section 14.06 Compliance with Tax Requirements/Allocations

In connection with the Plan, to the extent applicable, the Litigation Trust Administrator shall comply with all tax withholding and reporting requirements imposed on it by any governmental unit, and all distributions pursuant hereto shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Litigation Trust Administrator shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of a distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes with respect to such distribution, withholding distributions pending receipt of information necessary to facilitate such distribution, or establishing any other mechanisms it believes are

reasonable and appropriate. The Litigation Trust Administrator reserves the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens and encumbrances.

ARTICLE XV
CONDITIONS PRECEDENT TO CONFIRMATION
AND CONSUMMATION OF THE PLAN

Section 15.01 Conditions Precedent to Confirmation

The following are conditions precedent to the occurrence of Confirmation, each of which must be satisfied or waived in accordance with Section 15.04 below:

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

Section 15.02 Conditions Precedent to Effective Date

The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or waived in accordance with Section 15.04 below:

(a) The Confirmation Order shall be in full force and effect, and no stay thereof shall be in effect;

(b) The Litigation Trust Agreement shall have been executed;

(c) The Litigation Trust Assets shall have been transferred to the Litigation Trust; and

(d) The Debtors shall have sufficient Cash to pay the sum of (i) Allowed Administrative Expenses, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, and, if applicable, Allowed Secured Claims, and the professional fees of the Debtors and the Committee that have not been paid (unless otherwise agreed), (ii) an amount that would be required to distribute to the holders of Disputed Administrative Expenses, Disputed Priority Tax Claims, Disputed Priority Non-Tax Claims, and, if applicable, Disputed Secured Claims if all such Claims are subsequently Allowed, as set forth more fully in Article VII hereof, (iii) the amount required to fund the Litigation Trust, and (iv) Distributable Cash.

Section 15.03 Substantial Consummation

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

Section 15.04 Waiver of Conditions

Each of the conditions set forth in Section 15.01 and Section 15.02 hereof may be waived in whole or in part by the Debtors. The failure to satisfy or waive any condition to Confirmation or the Effective Date may be asserted by the Debtors regardless of the circumstances giving rise to the failure of such condition to be satisfied. 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 that any of the conditions precedent set forth in Section 9.2 hereof cannot be satisfied and the occurrence of such conditions 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. Notwithstanding the foregoing, the Debtors reserve, in their sole discretion, the right, with the written consent of the Committee, to waive the occurrence of any of the conditions precedent set forth in Section 9.2(b) or (c) hereof or to modify any of such conditions precedent. Any such written waiver of such condition precedents may be effected at any time, without notice or leave or order of the Bankruptcy Court, and without any formal action other than proceeding to consummate the Plan.

ARTICLE XVI AMENDMENTS AND MODIFICATIONS

The Debtors may alter, amend, or modify the Plan or any exhibits thereto under Bankruptcy Code section 1127(a) at any time prior to the Confirmation Date; provided, however, that where the Plan requires a document to be acceptable to, consented to, agreed to or otherwise satisfactory to the Committee or the DIP Lenders, the Debtors may not modify such document without the written consent of the Committee or DIP Lender, as applicable. After the Confirmation Date and prior to “substantial consummation” of the Plan, as defined in Bankruptcy Code section 1101(2), the Debtors may, under Bankruptcy Code section 1127(b), institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and such matters as may be necessary to carry out the purposes and effects of the Plan, so long as such proceedings do not materially adversely affect the treatment of holders of Claims or Equity Interests under the Plan; provided, however, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Bankruptcy Court.

ARTICLE XVII RETENTION OF JURISDICTION

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 with respect to a Cause of Action or Avoidance Action;
- (c) To ensure that distributions to holders of Allowed Claims are accomplished as provided herein;
- (d) 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 other of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purpose 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 or related to the interpretation, implementation, or enforcement of the Plan, the Confirmation Order, the Litigation Trust Agreement, any transactions or payments contemplated hereby;

(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, property of the Debtors' estates, and the Litigation Trust Assets, 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 or reserve established in furtherance of the Plan);

(n) To enforce all orders previously entered by the Bankruptcy Court;

(o) 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;

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

ARTICLE XVIII COMPROMISES AND SETTLEMENTS

Pursuant to Bankruptcy Code section 363 and Bankruptcy Rule 9019, and in consideration for the classification, distribution and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Interests and controversies resolved pursuant to the Plan, including, without limitation, all Claims arising prior to the Petition Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, arising out of, relating to or in connection with the business or affairs of, or transactions with, the Debtors. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of all compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Debtors, their estate, Creditors and other parties in interest, and are fair, equitable and within the range of reasonableness.

ARTICLE XIX MISCELLANEOUS PROVISIONS

Section 19.01 Bar Dates for Certain Actions

(a) Administrative Expenses; Substantial Contribution Claims

The Confirmation Order will establish a bar date for filing requests seeking payment of all Administrative Expenses, including substantial contribution claims (but not including Professional Fee Claims and claims for Administrative Expenses in section (b) or (c) below), which date will be thirty (30) days after the Confirmation Date (the "Administrative Expense Bar Date"). Holders of asserted Administrative Expenses, other than Professional Fee Claims, claims for U.S. Trustee fees under 28 U.S.C. §1930, administrative tax claims and administrative ordinary case liabilities described in section (b) below, must submit proofs of Administrative Claim on or before such Administrative Claims Bar Date or forever be barred from doing so. A notice prepared by the Debtors will set forth such date and constitute notice of this Administrative Claims Bar Date. The Debtors shall have forty-five (45) days (or such longer period as may be allowed by order of the Bankruptcy Court) following the Administrative Claims Bar Date to review and object to such Administrative Claims before a hearing for determination of allowance of such Administrative Claims.

(b) Administrative Ordinary Course Liabilities

Holders of Administrative Claims that are based on liabilities incurred and paid by any Debtors in the ordinary course of the applicable Debtors' businesses (other than Claims of governmental units for taxes and for interest and/or penalties related to such taxes) on and after the Petition Date shall not be required to file any request for payment of such Administrative Claims. For the avoidance of doubt, holders of Administrative Claims pursuant to Bankruptcy Code section 503(b)(9) shall be required to File a proof of Administrative Claim on or before the Administrative Claims Bar Date.

(c) Administrative Tax Claims

All requests for payment of Administrative Claims by a governmental unit for taxes (and for interest and/or penalties related to such taxes) for any tax year or period, all or any portion of which occurs or falls within the period from and including the Petition Date through and including the Effective Date, and for which no Bar Date has otherwise been previously established, must be Filed and served on the Litigation Trust Administrator and any other party specifically requesting a copy in writing on or before the later of (i) thirty (30) days following the Effective Date, and (ii) one hundred and twenty (120) days following the Filing of the tax return for such taxes for such tax year or period with the applicable governmental unit. Any Holder of any such Claim that is required to File a request for payment of such taxes and does not File and properly serve such a claim by the applicable Bar Date shall be forever barred from asserting any such claim against the Debtor, the Liquidating Trust, or their property, regardless of whether any such Claim is deemed to arise prior to, on, or subsequent to the Effective Date. Any interested party desiring to object to an Administrative Claim for taxes must File and serve its objection on counsel to the Liquidating Trust and the relevant taxing authority no later than ninety (90) days after the taxing authority Files and serves its application.

(d) Compensation and Reimbursement Claims

All final requests for compensation or reimbursement of professional fees pursuant to Bankruptcy Code sections 327, 328, 330, 331, 363, 503(b) or 1103 for services rendered to or on behalf of the Debtor prior to the Effective Date (other than substantial contribution claims under Bankruptcy Code section 503(b)(4)) must be Filed and served on the Litigation Trust Administrator and their counsel no later than forty-five (45) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Objections to applications of such Professionals or other entities for compensation or reimbursement of expenses must be Filed and served on the Debtor and its counsel and the requesting Professional or other entity no later than forty-five (45) days (or such longer period as may be allowed by order of the Bankruptcy Court) after the date on which the applicable application for compensation or reimbursement was served.

Section 19.02 Payment of Statutory Fees

On the Effective Date, and thereafter as may be required, the Debtors, and after the Effective Date, the Litigation Trust Administrator, shall (i) pay all the respective fees payable pursuant to section 2930 of chapter 123 of title 28 of the United States Code and (ii) be responsible for the filing of post confirmation quarterly status reports with the Bankruptcy Court.

Section 19.03 Severability of Plan Provisions

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.

Section 19.04 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.

Section 19.05 Preservation of Rights of Action; Settlement

Except to the extent such rights, claims, causes of action, defenses, and counterclaims are otherwise dealt with in the Plan, the Confirmation Order or are expressly and specifically released in connection with the Plan, the Confirmation Order or in any settlement agreement approved during the Chapter 11 Case, or otherwise provided in the Confirmation Order or in any contract, instrument, release, indenture or other agreement entered into in connection with the Plan, in accordance with Bankruptcy Code section 1123(b): (a) any and all rights, claims, causes of action (including Avoidance Actions), defenses, and counterclaims of or accruing to the Debtors or their estates shall become assets of and vest in the Litigation Trust, whether or not litigation relating thereto is pending on the Effective Date, and whether or not any such rights, claims, causes of action, defenses and counterclaims have been listed or referred to in the Plan, the Schedules, or any other document filed with the Bankruptcy Court, and (b) the Litigation Trust Administrator does not waive, relinquish, or abandon (nor shall it be estopped or otherwise precluded from asserting) any right, claim, cause of action, defense, or counterclaim that constitutes property of the estates: (i) whether or not such right, claim, cause of action, defense, or counterclaim has been listed or referred to in the Plan or the Schedules, or any other document filed with the Bankruptcy Court; (ii) whether or not such right, claim, cause of action, defense, or counterclaim is currently known to the Debtors; and (iii) whether or not a defendant in any litigation relating to such right, claim, cause of action, defense or counterclaim filed a Claim in the Chapter 11 Cases, filed a notice of appearance or any other pleading or notice in the Chapter 11 Cases, voted for or against the Plan, or received or retained any consideration under the Plan. Without in any manner limiting the generality of the foregoing, notwithstanding any otherwise applicable principle of law or equity, without limitation, any principles of judicial estoppel, *res judicata*, collateral estoppel, issue preclusion, or any similar doctrine, the failure to list, disclose, describe, identify, or refer to a right, claim, cause of action, defense, or counterclaim, or potential right, claim, cause of action, defense, or counterclaim, in the Plan, the Schedules, or any other document filed with the Bankruptcy Court shall in no manner waive, eliminate, modify, release, or alter the Debtors' rights to commence, prosecute, defend against, settle, and realize upon any rights, claims, causes of action, defenses, or counterclaims that the Litigation Trust Administrator has, or may have, as of the Effective Date.

Likewise, as of the filing of this Disclosure Statement, the Debtors have not yet completed its review of Claims, and therefore, without limiting any other provision in the Disclosure Statement, Plan or Confirmation Order, the Debtors and the Litigation Trust

Administrator explicitly reserve any and all defenses, claims and causes of action related to any Claims asserted against the Debtors.

Likewise, as of the filing of this Disclosure Statement, the Debtors have not yet completed their review of accounts receivable owned by the Debtors, and therefore, without limiting any other provision in the Disclosure Statement, Plan or Confirmation Order, the Debtors and the Litigation Trust Administrator explicitly reserve any and all claims and causes of action related to all accounts receivable and the work giving rise to same.

Likewise, as of the filing of this Disclosure Statement, the Debtors have not yet completed their review of transfers made within 90 days, or, in the case of Insiders, one year of the Petition date in payment of obligations. Pursuant to Bankruptcy Code section 547(b), such transfers may be avoided as Preferences. Without limiting any other provision in the Disclosure Statement, Plan or Confirmation Order, the Debtors and the Litigation Trust Administrator explicitly reserve any and all claims and causes of action related to Preferences.

Likewise, as of the filing of this Disclosure Statement, the Debtors have not yet completed their review of potential fraudulent transfers. Pursuant to Bankruptcy Code section 544 and 548, such transfers may be avoided. Without limiting any other provision in the Disclosure Statement, Plan or Confirmation Order, the Debtors and the Litigation Trust Administrator explicitly reserve any and all claims and causes of action related to fraudulent transfers.

Likewise, the Debtors may have claims for contribution against co-obligors on claims against the Debtors listed on their respective Schedule H; and therefore, without limiting any other provision in the Disclosure Statement, Plan or Confirmation Order, the Debtors and the Litigation Trust Administrator explicitly reserve any and all claims and causes of action related to contribution claims.

The Debtors and Litigation Trust Administrator reserve the right to amend and supplement the preservation of rights described in this Section.

Subject to the above reservations, the Debtors explicitly reserve for the benefit of the estates and creditors the Causes of Action described below:

(a) *Claims against the Hamiltons*

(i) **Claims against Craig Hamilton:**

It appears that Mr. Hamilton continued to use HIIT-owned and leased equipment for frac water transfer jobs with former Hamilton customers, after the Hamilton Investment Group was shut down as part of the Debtors' "shrink to the core" strategy in 2015 and during the period that a temporary restraining order was in effect. Approximately 5 miles of HIIT's layflat hose was discovered being in use at a job site. The Debtors believe there is missing equipment of approximately \$1.4 Million. Craig Hamilton has admitted he took a equipment to a "hidely hole", which he subsequently disclosed. The Debtor believes it has causes of action againsr

Craig Hamilton for conversion, breach of fiduciary duty, bailment, fraudulent transfer, quantum meruit, and other claims based on these facts.

(ii) Claims against William “Mark” Hamilton and Sharon Hamilton:

Mark and Sharon Hamilton sold their company, Hamilton Investment Group, to HIIT August 12 2014. Hamilton had trailing twelve months EBITDA of approximately \$6 million. After the sale, EBITDA evaporated. Mark Hamilton did not disclose the risks he was obligated to disclose as part of the sale of his business. In addition, Mark Hamilton operated the business in violation of his employment agreement. The Debtors were rendered undercapitalized as a result of the acquisition of Hamilton and they did not receive reasonably equivalent value for the assets transferred. The Hamiltons may have actively diverted Debtor resources for their own use. Accordingly, the Hamiltons may be liable for fraud, breach of contract, breach of fiduciary duty, constructively fraudulent transfers, preferences, and other claims relating to their work with HIG.

(iii) Claims against S&M Assets LLC

HIIT overpaid rent to S&M Assets LLC, an entity owned by Mark and Sharon Hamilton, for hose, office space, and other assets. The Debtors may seek to recover that overpayment as a constructively fraudulent transfer if made while the Debtors were undercapitalized or insolvent. The Debtors may have claims against S&M Assets LLC for other actions relating to its role as lessor, fiduciary, or bailor.

(b) *Claims against Calen Baucom, Brent Mulliniks, and Billy Cox*

Mr. Mulliniks is a current board member who has also acted as a member of the Ad Hoc Committee of AES and passed board information to the Ad Hoc Committee and actively opposed actions of the Debtors, including the sale to Enservco. He was in possession of property of the Debtors that required judicial intervention to obtain, including two delicate HydroFLOW units. Mr. Baucom likewise was in possession of property of the Debtors and provided it back under compulsion.

The Debtors believe that Mulliniks, Baucom and Cox worked together to divert resources from the Debtors while working with or for the Debtors. The Debtors believe that their assets, specifically including (but not limited to) vehicles and equipment were mis-used by Cox, Baucom and Mulliniks for other jobs and/or for personal use. It appears that one or more of them conspired with others to establish a competing company for the purpose of diverting business. Also, one or more of them have used names very similar to AES in a manner that confuses customers. In any case, the Debtors have been harmed by the disclosure of information, transfer or loss of use of assets, diversion of corporate assets and opportunities, and willful, gross, misconduct.

All of these actions cause the Debtors to conclude that numerous causes of action exist against Baucom, Cox, and Mulliniks, those in active concert with them, and the entities they control. Any causes of action against these individuals and the persons in active concert with them (including, but not limited to, Carlos Buchanan and Water Transfer, LLC) , and/or the entities they control, are expressly preserved and transferred to the Litigation Trust.

Section 19.06 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.

Section 19.07 De-Listing on Exchange, no Further SEC Reporting/Actions

The Plan and Confirmation Order will extinguish all shares of public HIIT stock and no new HIIT Shares will be listed for public sale on an exchange. The Debtors will not be required to file any reports, notices, or other documents with the SEC, and any filings that were past-due or that would require supplementation are will not be required and will be excused by the Confirmation Order. The discharges in the Confirmation Order and Plan will act as a bar to the SEC on taking any civil action by virtue of the Debtors' former status as a trading entity. The Debtors are determined to owe nothing further to the SEC or any exchange upon which the shares may have previously traded. The Debtors will become private companies.

Section 19.08 Notices

12.1. To be effective, all notices, requests, and demands to or upon the Debtors, the Committee, or the Litigation Trust Administrator shall be in writing (including by facsimile or electronic 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 or Reorganized Debtors:

Mark Joachim
Arent Fox LLP
1717 K Street NW
Washington, DC 20006
USA

AND

Hugh M. Ray, III
McKool Smith, P.C.
600 Travis, Suite 7000

Houston, Texas 77002
USA

If to the Committee:

Elizabeth Guffy
Locke Lord, LLP
600 Travis, Suite 2800
Houston, Texas, 77002
USA

If to the Litigation Trust Administrator:

[Insert]

Section 19.09 Setoffs

The Debtors and/or the Litigation Trust Administrator 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 and/or the Litigation Trust Administrator, as applicable, of any such claim the Debtors may have against the holder of such Claim.

In no event shall any holder of a Claim or Equity Interest be entitled to setoff any Claim or Equity Interest against any Claim, right, or cause of action of the Debtors or the Litigation Trust, as applicable, unless such holder has filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date, and notwithstanding any indication in any Proof of Claim or Interest or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to Bankruptcy Code section 553 or otherwise.

Section 19.10 Releases and Discharges

THE CLAIMS OF ALL HOLDERS OF CLAIMS AND INTERESTS AGAINST THE DEBTOR AND REORGANIZED DEBTOR WILL BE DISCHARGED, RELEASED AND FOREVER DISCHARGED EXCEPT AS SPECIFICALLY PROVIDED FOR IN THE PLAN.

(a) Discharge/Release of Debtors, DIP Lenders and Estate Representatives

Except as otherwise provided in this Plan, no Holder of a Claim or Interest or other party in interest, none of their respective agents, employees, representatives, financial advisors, attorneys or affiliates, and no successors or assigns of the foregoing, shall have any Rights of Action, claim, cause of action, or other legal or equitable right against the following parties for any act or omission in connection with, relating to, or arising out of the Bankruptcy Case, the decision to file Bankruptcy, the DIP Order, the Prepetition Secured Claims, the pursuit of confirmation of the Plan, the consummation of the Plan, the administration of the Plan or the Case against (a) the Debtors; (b) the DIP Lenders; (c) The Official Committee of Unsecured Creditors; and (d) the Professionals retained by Court Order in the Bankruptcy Case and those acting in reliance upon them.

The foregoing exculpation bars and discharges any and all Rights of Action, claims, and/or causes of action against the Debtors arising at any time pre-or postpetition. With respect to the Professionals retained in the Bankruptcy Case and any of such parties' agents, successors, and assigns, the foregoing exculpation bars rights of action, claims, or causes of action against such parties for acts that might be the subject of post-confirmation causes of action by parties in interest. In all instances, the Debtors' agents have been entitled to reasonably rely on the advice of counsel with respect to their duties and responsibilities relating to the actions regarding the Bankruptcy Case, Prepetition Secured Debt, DIP Loan, and/or Plan.

(b) *Limitation*

Notwithstanding anything in the Plan to the contrary, the exculpations and releases herein shall not apply to Brent Mulliniks, Billy Cox, Calen Baucom, William Mark Hamilton, Craig Hamilton, Sharon Hamilton, the entities they control or those in active concert with them, the auditors for the Debtor pre-petition, or any entity holding funds for the benefit of the Debtors. The Litigation Trust Administrator or Reorganized Debtor may bring whatever claims deemed prudent to pursue them and reserves all Rights of Action against them, including (but not limited to) Rights of Action for breach of duty, negligence, malpractice, negligent misrepresentation, fraudulent transfer, Avoidance Action and any other Right of Action.

(c) *Sole Venue for Disputes*

The Confirmation Order will provide that the United States Bankruptcy Court for the Southern District of Texas shall retain jurisdiction over any suit brought on any claim or cause of action related to the Bankruptcy Case, DIP Order or Prepetition Secured Claims that exists as of the Effective Date, including suit against the following parties: (i) the Debtor; (ii) members of the Debtor's Board of Directors in their representative capacity; (iii) any of the DIP Lenders; (iv) the Professionals retained in the Bankruptcy Case; and (v) any of such parties' agents, successors and assigns. Any person wishing to bring such a suit shall do so in the United States Bankruptcy Court (or, if necessary for the constitutional exercise of jurisdiction, the United States District Court) for the Southern District of Texas, if said court has jurisdiction. Any disputes over insurance proceeds relating to collateral or assets held by the Debtor will be determined by the Bankruptcy Court alone.

Section 19.11 Injunction against Enforcement of Preconfirmation Claims or Interests

Except as otherwise expressly provided elsewhere in the Plan, after the Effective Date, all Persons who have been, are, or may be holders of Claims against, or Equity Interests in, the Debtors arising before the Effective Date shall be enjoined from taking any of the following actions against or affecting the Debtors or their Estates, regarding such Claims or Equity Interests (other than actions brought to enforce any rights or obligations under the Plan):

- (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind against the Debtors or the Estates, which shall be deemed to be withdrawn or dismissed with prejudice) regarding any claim, debt, liability, or other cause of action;
- (ii) enforcing, levying, attaching, collecting, or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree, or order against the Litigation Trust, Reorganized Debtors, Debtors or their Estates;
- (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any lien against the Litigation Trust, Reorganized Debtors, Debtors or their Estates;
- (iv) asserting any right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the Debtors or their Estates; and
- (v) proceeding in any manner and in any place whatsoever that does not conform to or comply with the provisions of the Plan.

ARTICLE XX
CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

Section 20.01 Federal Income Tax Consequences of the Plan

The following discussion summarizes certain United States federal income tax consequences of the implementation of the Plan to the Debtors and certain Holders of Claims and Interests. The following summary is based on the Tax Code, Treasury Regulations promulgated thereunder, judicial decisions, and published administrative rules and pronouncements of the IRS, all as in effect on the date hereof. Changes to the Tax Code or new interpretations thereof may have retroactive effect and could significantly affect the tax consequences described below. The following summary does not address foreign, state, or local tax consequences of the Plan, nor does it address the United States federal income tax consequences of the Plan to the particular circumstances of any Holder or to Holders subject to any special income tax rules (such as banks, governmental authorities or agencies, pass through entities, brokers and dealers in securities, mutual funds, regulated investment companies, insurance companies, financial institutions, small business investment companies, trusts, estates, and tax-exempt organizations). Furthermore, this summary does not apply to Holders of Claims or Interests that are not United States persons (as such term is defined in the Tax Code).

The United States federal income tax consequences of the Plan are complex and are subject to significant uncertainties. No assurance can be given that legislative or administrative changes or court decisions may not be forthcoming which would require significant modification of the statements expressed in this section. The Debtors have not requested any ruling from the IRS or an opinion of outside tax 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.

Furthermore, this summary does not purport to cover all aspects of U.S. federal income taxation that may apply to the Debtor and the Holders of Claims or Interests. Additionally, this summary does not discuss any tax consequences that may arise under any laws other than U.S. federal income tax law, including under state, local, or foreign tax law.

ACCORDINGLY, THE FOLLOWING SUMMARY IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE PARTICULAR CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. EACH HOLDER OF A CLAIM AFFECTED BY THE PLAN SHOULD CONSULT HIS OR HER OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE PLAN WITH RESPECT TO THAT HOLDER'S CLAIM OR INTEREST. THE INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT MAY NOT BE USED OR QUOTED IN WHOLE OR IN PART IN CONNECTION WITH ANY OFFERING FOR SALE OF SECURITIES.

IN COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS, HOLDERS OF CLAIMS AND ALL OTHER INTERESTED PARTIES ARE HEREBY NOTIFIED THAT ANY DISCUSSION OF TAX ISSUES CONTAINED OR REFERRED TO IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE

TAX CODE AND WAS WRITTEN IN CONNECTION WITH AND FOR THE SOLE PURPOSE OF PROMOTION OF THE PLANS.

Section 20.02 Certain Tax Consequences to the Debtors [note: this section is subject to final review, amendment and completion]

(a) *Cancellation of Indebtedness Income*

Upon implementation of the Plan, the amount of the Debtors' aggregate outstanding indebtedness will be reduced substantially. In general, the discharge of a debt obligation in exchange for an amount of cash and other property having a fair market value (or, in the case of a new debt instrument, an "issue price") less than the "adjusted issue price" of the debt gives rise to cancellation of indebtedness ("**COD**") income to the debtor, unless the payment of the debt obligation would have given rise to a deduction for United States federal income tax purposes. COD income, however, is not taxable to the debtor if the debt discharge occurs in a Title 11 bankruptcy case pursuant to a confirmed plan of reorganization. Rather, under the Tax Code, such COD income instead will reduce certain of the Debtor's tax attributes, generally in the following order: (a) net operating losses ("**NOLs**") and NOL carryforwards; (b) general business credit carryforwards; (c) minimum tax credit carryforwards; (d) capital loss carryforwards; (e) the tax basis of the Debtors' depreciable and non-depreciable assets (but not below the amount of its liabilities immediately after the discharge); and (f) foreign tax credit carryforwards. The reduction in tax attributes occurs only after the tax for the year of the debt discharge has been determined (*i.e.*, such attributes may be available to offset taxable income that accrues between the date of discharge and the end of the Debtor's tax year). Any excess COD income over the amount of available tax attributes is not subject to United States federal income tax and has no other United States federal income tax impact.

Because some of the Debtors' outstanding indebtedness will be satisfied in exchange for property other than Cash under the Plan, the amount of COD income, and accordingly the amount of tax attributes required to be reduced, will depend, in part, on the fair market value of that property. The Debtors retain all NOL carryforwards, albeit perhaps adjusted. The ultimate values may not be known with any certainty until after the Effective Date. Thus, although it is expected that the Debtors will be required to reduce their tax attributes, the exact amount of such reduction cannot be predicted at this time. [Note: this section will be amended and expanded and is not complete].

Section 20.03 Certain Tax Consequences to Holders of Claims and Interests

The following discusses certain United States federal income tax consequences of the transactions contemplated by the Plan to Holders of Claims and Interests. The United States federal income tax consequences to Holders of Claims (including the character, timing, and amount of income, gain or loss recognized) will depend upon, among other things, (1) the manner in which a Holder acquired a Claim; (2) the length of time the Claim has been held; (3) whether the Claim was acquired at a discount; (4) whether the Holder has taken a bad debt

deduction with respect to the Claim (or any portion thereof) in the current or prior tax years; (5) whether the Holder has previously included in its taxable income accrued but unpaid interest with respect to the Claim; (6) the Holder's method of tax accounting; and (7) whether the Claim is an installment obligation for United States federal income tax purposes. Furthermore, if the Holder of a Claim or Interest is a partnership, the United States federal income tax consequences to an owner or partner in such partnership generally will depend on the status of such owner or partner and on the activities of such partnership. Therefore, Holders of Claims should consult their own tax advisors for information that may be relevant to their particular situations and circumstances and the particular tax consequences to them of the transactions contemplated by the Plan.

(a) ***Holders of Claims***

The Holder of a Claim that receives Cash or other property in discharge of its Claim pursuant to the Plan will recognize income, gain or loss for United States federal income tax purposes in an amount equal to the difference between (1) Cash and the fair market value on the Effective Date of any property received by such Holder in respect of its Claim, and (2) the Holder's adjusted tax basis in the Claim. The character of such gain or loss as 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, the nature of the Claim in such Holder's hands, whether the Claim constitutes a capital asset in the hands of the Holder, whether the Claim was purchased at a discount, and whether and to what extent the Holder has previously claimed a bad debt deduction with respect to its Claim. A Holder of a Claim recognizing a loss as a result of the Plan may be entitled to a bad debt deduction, either in the taxable year of the Effective Date or a prior taxable year. Any capital gain or loss would be long-term gain or loss if the Holder's holding period for its Claims was more than one (1) year on the Effective Date. A Holder's adjusted tax basis in property received in exchange for its Claim will generally be equal to the fair market value of such property on the Effective Date.

(b) ***Holders of Interests***

The Holder of an Existing Equity Interest in the Debtor will generally recognize a loss for United States federal income tax purposes in an amount equal to the stockholder's adjusted tax basis in its existing common stock of the Debtor cancelled under the Plan. The character of such loss as capital loss or as ordinary loss will be determined by a number of factors, including the tax status of the Holder and whether the Holder holds its equity interests in the Debtor as a capital asset.

Section 20.04 Information Reporting and Backup Withholding

Certain payments, including payments in respect of accrued interest or market discount, are generally subject to information reporting by the payor to the IRS. Moreover, such reportable payments are subject to backup withholding under certain circumstances. Under the Tax Code's backup withholding rules, a United States Holder may be subject to backup

withholding at the applicable rate with respect to certain distributions or payments pursuant to the Plan, unless the Holder (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates this fact, or (b) provides a correct United States taxpayer identification number and certifies under penalty of perjury that the Holder is a United States person, the taxpayer identification number is correct, and the Holder is not subject to backup withholding because of a failure to report all dividend and interest income.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a Holder's United States federal income tax liability, and a Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the Internal Revenue Service.

Section 20.05 Importance of Obtaining Professional Tax Assistance

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON THE PARTICULAR CIRCUMSTANCES OF THE HOLDER OF THE CLAIM OR INTEREST. ACCORDINGLY, HOLDERS OF CLAIMS OR INTERESTS ARE STRONGLY URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE UNITED STATES FEDERAL, STATE, AND LOCAL, AND ANY APPLICABLE FOREIGN, INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN, INCLUDING WITH RESPECT TO TAX REPORTING AND RECORD KEEPING REQUIREMENTS.

ARTICLE XXI CONCLUSION AND RECOMMENDATION

The Debtors believe that the Plan is in the best interests of all creditors, and urges those holders of Claims entitled to vote to accept the Plan and to evidence such acceptance by returning their Ballots so they will be RECEIVED by counsel for the Debtors no later than 3:00 p.m., prevailing Central Time on [_____, 2016]. If the Plan is not confirmed, or if holders in those Classes do not vote to accept the Plan, the holders in those Classes may not receive a distribution.

Dated: _____, 2016

HII Technologies, Inc., Apache Energy Services, LLC, Aqua Handling of Texas, LLC, Sage Power Solutions, Inc., and Hamilton Investment Group, Inc.

By: _____ [signature requires court approval]

Name: _____

Title: _____ Chief Restructuring Officer

EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
VICTORIA DIVISION**

In re:	§	Chapter 11
	§	
HII TECHNOLOGIES, INC., <i>et al.</i>	§	15-60070-H2-11 (DRJ)
Debtors	§	(Jointly Administered)

DEBTORS' JOINT PLAN OF REORGANIZATION

McKool Smith, P.C.

600 Travis St., Suite 7000
Houston, TX 77002
Telephone: (713) 485-7300
Telecopy: (713) 485-7344

ATTORNEYS FOR DEBTORS

Dated: January 6, 2016

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
VICTORIA DIVISION**

In re:	§	Chapter 11
	§	
HII TECHNOLOGIES, INC., <i>et al.</i>¹	§	15-60070-H2-11 (DRJ)
Debtors	§	(Jointly Administered)

DEBTORS' JOINT PLAN OF REORGANIZATION

HII Technologies, Inc., Apache Energy Services, LLC, Aqua Handling of Texas, LLC, Sage Power Solutions, Inc., and Hamilton Investment Group Inc., the above captioned debtors, propose the following joint chapter 11 plan pursuant to section 1121(a) of title 11 of the United States Code for the resolution of outstanding Claims against and Equity Interests in each of the Debtors. Reference is made to the Disclosure Statement distributed with this Plan for a discussion of the Debtors' history, businesses, assets, operations, risk factors, a summary and analysis of this Plan, and certain related matters. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code, the Debtors respectfully reserve the right to alter, amend, modify, revoke or withdraw this Plan prior to consummation.

SUBSTANTIVE CONSOLIDATION

The Plan is proposed as a joint chapter 11 plan for all of the Debtors. Claims against, and Equity Interests in, the Debtors (other than Administrative and Priority Unsecured Tax Claims) are classified in Article III and treated in Article IV.

The Plan is also a motion requesting that the Bankruptcy Code substantively consolidate the Debtors' estates solely for the purposes of voting and making distributions, as more fully set forth below. The Plan must meet the requirements of section 1129 of the Bankruptcy Code with respect to the Debtors on a consolidated basis in order to be confirmed.

ARTICLE I

DEFINITIONS

Defined Terms. The following terms shall have the meanings set forth below (such meanings to be equally applicable to both the singular and plural, masculine and feminine forms of the terms defined).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's tax identification number, are: (i) Apache Energy Services, LLC (4404); (ii) Aqua Handling of Texas, LLC (4480); (iii) HII Technologies, Inc. (3686); (iv) Sage Power Solutions, Inc. fka KMHVC, Inc. (1210); and (v) Hamilton Investment Group, Inc. (0150).

1.1. **Administrative Expense** means costs or expenses of administration of any of the Chapter 11 Cases allowed under section 503(b) and 507(a)(1) of the Bankruptcy Code that have not already been paid by the Debtors, 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, and indebtedness or obligations incurred or assumed by the Debtors, as debtors in possession, during the Chapter 11 Cases, any 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 pursuant to section 1930, chapter 123 of title 28 of the United States Code, but excluding the DIP Lender Claims.

1.2. **Allowed** means with reference to any Claim, (a) any Claim against any Debtor that was listed by such Debtor in its Schedules, as such Schedules may be amended 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, (b) any Claim listed on the Schedules or timely filed proof of Claim, as to which no objection to allowance has been interposed in accordance with Section 7.1 of this Plan or such other applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, of 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, or (c) any Claim expressly allowed by a Final Order.

1.3. **Avoidance Action** means any action commenced, or that may be commenced, before or after the Effective Date pursuant to sections 542, 543, 544, 545, 547, 548, 549, 550, 551 or 553 of the Bankruptcy Code.

1.4. **Ballot** means the forms of ballot provided to holders of impaired Claims or Equity Interests pursuant to Bankruptcy Rule 3017(d), by which each holder may indicate acceptance or rejection of the Plan.

1.5. **Bankruptcy Code** means title 11 of the United States Code, as amended, as applicable to these Chapter 11 Cases.

1.6. **Bankruptcy Court** means the United States Bankruptcy Court for the Southern District of Texas, having jurisdiction over these Chapter 11 Cases.

1.7. **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, as applicable to these Chapter 11 Cases, including applicable local rules of the Bankruptcy Court.

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

- 1.9. **Cash** means legal tender of the United States of America.
- 1.10. **Causes of Action** means the Avoidance Actions and 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 on any act or omission or other event occurring prior to the Petition Date or during the course of the Chapter 11 Cases, including through the Effective Date.
- 1.11. **Chapter 11 Cases** means the above captioned reorganization cases of the Debtors under Chapter 11 of the Bankruptcy Code.
- 1.12. **Claim** has the meaning set forth in section 101(5) of the Bankruptcy Code.
- 1.13. **Class** means any group of Claims or Equity Interests classified by the Plan pursuant to section 1123(a)(1) of the Bankruptcy Code.
- 1.14. **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.
- 1.15. **Committee** means the statutory committee of unsecured creditors appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code.
- 1.16. **Confirmation Date** means the date of entry of the Confirmation Order.
- 1.17. **Confirmation Hearing** means the hearing to be conducted by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code and Bankruptcy Rule 3020(b) to consider confirmation of the Plan, as the same may be continued from time to time.
- 1.18. **Confirmation Order** means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.
- 1.19. **Debtors** means Apache Energy Services, LLC, Aqua Handling of Texas, LLC, HII Technologies, Inc., Sage Power Solutions, Inc. fka KMHVC, Inc., and Hamilton Investment Group, Inc.
- 1.20. **DIP Credit Agreement** means that certain Credit Agreement, as amended, among the Debtors, as borrower, and the DIP Lenders, as lenders, and any of the documents and instruments relating thereto including, without limitation, the DIP Order.
- 1.21. **DIP Lenders** means Heartland Bank and McLarty Capital Partners SBIC, L.P., as lenders under the DIP Order.
- 1.22. **DIP Lender Claims** means all Claims in favor of the DIP Lenders arising under the DIP Order, including the Super Priority Administrative Expense Claim under 11 U.S.C. §

364(c)(1), consisting of the Rollup Claim and the New Money Claims, as those terms are defined in the DIP Order.

1.23. **DIP Order** means that Final Order of the Bankruptcy Court entered on October 14, 2015 as docket number 149.

1.24. **Disclosure Statement** means the written statement, as amended, supplemented, or modified from time to time, describing the Plan that is approved and distributed in accordance with section 1125 of the Bankruptcy Code.

1.25. **Disputed** means, with respect to any Claim that 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: 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; or
- (b) if a proof of Claim or request for payment of an Administrative Expense has been filed by the applicable deadline: (i) a Claim for which a corresponding Claim has been or hereafter is listed on the Schedules as disputed, contingent, or unliquidated, or (ii) a Claim for which a timely objection or request for estimation is interposed by the Debtors or any other party in interest which has not been withdrawn or determined by a Final Order. Any Claim expressly allowed by a Final Order shall be an Allowed, not a Disputed Claim.

1.26. **Disputed Claims Reserve** means the portion of the Litigation Trust Assets that will be reserved for Disputed Claims.

1.27. **Distributable Cash** means any and all Cash held by the Debtors after reserving for (i) the Litigation Trust Administrative Cash, and (ii) the payment of all Administrative Expenses (other the DIP Lender Claims), Secured Claims, Priority Non-Tax Claims and Priority Tax Claims that will be paid on the Effective Date.

1.28. **Distribution Record Date** means five (5) Business Days after the Effective Date.

1.29. **Effective Date** means the first Business Day on or after the Confirmation Date specified by the Debtors on which all conditions to the effectiveness of the Plan in Section 12.1 have been satisfied or waived. The Debtors shall file a notice of the Effective Date with the Bankruptcy Court and the Securities and Exchange Commission.

1.30. **Equity Interest** means the interest of any holder of an equity security of any of the Debtors represented by any issued and outstanding shares of common or preferred stock or other instrument evidencing a present ownership interest in any of the Debtors, whether or not

transferrable, or any option, warrant, or right, contractual or otherwise, to acquire any such interest.

1.31. **Final Order** means an order or judgment of the Bankruptcy Court or any other court or adjudicative body 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 or other court or adjudicative body 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. The susceptibility of a Claim to a challenge under section 502(j) of the Bankruptcy Code shall not render a Final Order not a Final Order.

1.32. **General Unsecured Claim** means any Claim against any of the Debtors that is not an Administrative Expense, Priority Tax Claim, Secured Claim, Priority Claim, or a Subordinated Claim.

1.33. **Lien** means any mortgage, lien, charge, security interest, encumbrance, or other security device of any kind affecting any asset or property of the Debtors contemplated by section 101(37) of the Bankruptcy Code.

1.34. **Litigation Trust** means the trust established pursuant to the Plan and the Litigation Trust Agreement.

1.35. **Litigation Trust Administrator** means the entity appointed by the Debtors, with the consent of the DIP Lenders and the Committee to serve as administrator of the Litigation Trust. The identity of the Litigation Trust Administrator will be disclosed in the Plan Supplement.

1.36. **Litigation Trust Administrative Cash** means the Cash held and maintained by the Litigation Trust Administrator for the purpose of paying the expenses incurred by the administrator (including fees and expenses for professionals retained by the Litigation Trust) in connection with the Litigation Trust and any obligations imposed on the Litigation Trust Administrator or the Litigation Trust, including expenses relating to the performance of the Litigation Trust Administrator's obligations under the Litigation Trust Agreement and Section 6.2 of this Plan. The Debtors will receive a commitment from the DIP Lenders (subject to the terms of the Litigation Trust Agreement and Confirmation Order) for up to \$500,000 for the Litigation Trust on the Effective Date.

1.37. **Litigation Trust Assets** means all Causes of Action, including the Avoidance Actions, transferred by the Debtors to the Litigation Trust on the Effective Date, and any proceeds thereof, and the Litigation Trust Administrative Cash.

1.38. **Litigation Trust Agreement** means that certain trust agreement to be executed by the Debtors and the Litigation Trust Administrator, substantially in the form included in the Plan Supplement, which must be satisfactory to the Committee and the DIP Lenders in form and substance.

1.39. **Litigation Trust Beneficiaries** means the DIP Lenders and holders of Allowed General Unsecured Claims. In the event Allowed General Unsecured Claims are paid in full, holders of and Allowed Subordinated Claims shall be Litigation Trust Beneficiaries, entitled to distribution from Litigation Trust Assets pursuant to Section 4.4, below.

1.40. **New HIIT Stock** means the stock of the reorganized Debtor, HII Technologies, Inc.

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

1.42. **Petition Date** means September 18, 2015.

1.43. **Plan** means this chapter 11 plan, as the same may be amended, supplemented, or modified from time to time in accordance with the provisions of the Bankruptcy Code and the terms hereof.

1.44. **Plan Supplement** means the forms of documents effectuating the transactions contemplated by this Plan, which documents shall be filed with the Bankruptcy Court no later than ten (10) days prior to the Confirmation Hearing. Upon filing with the Bankruptcy Court, the Plan Supplement may be inspected at the Office of the Clerk of the Bankruptcy Court during normal court hours. Holders of Claims and Equity Interests may obtain a copy of the Plan Supplement upon written request to the undersigned counsel.

1.45. **Prepetition Secured Claims** has the meaning set forth in the DIP Order and includes, but is not limited to, claims based on the Prepetition Loan Documents as defined in the DIP Order.

1.46. **Postpetition Obligations** means all amounts advance or incurred under the DIP Facility Postpetition that are in excess of the Roll-Up Loan (as defined in the DIP Order) and the postpetition interest on the Roll-Up Loan but including, without limitation, all fees, costs and expenses (including, without limitation, all attorneys' fees and expenses) incurred by the DIP Lenders.

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

1.48. **Priority Tax Claim** means any Claim of a governmental unit of the kind entitled to priority in payment as specified in section 502(i) and 507(a)(8) of the Bankruptcy Code other than any Priority Tax Claim that New HIIT is liable for under the Plan.

1.49. **Pro Rata Share** means the ratio (expressed as a percentage) of (i) the amount of any Allowed Claim in a particular Class to (ii) the sum of (x) the aggregate amount of all Allowed Claims in such Class and (y) the aggregate amount of Disputed Claims in Such Class.

1.50. **Rejection Claim** means any Claim arising under a lease or executory contract that the Debtors have rejected or will reject pursuant to section 365 of the Bankruptcy Code, including but not limited to any Claim arising under section 502(g) of the Bankruptcy Code as a consequence of such rejection, reduced by the limitations on such Claim provided by section 502(b)(6) of the Bankruptcy Code and any limitations on such Claim provided by applicable non-bankruptcy law.

1.51. **Schedules** means the schedules of assets and liabilities and the statement of financial affairs filed by the Debtors pursuant to section 521 of the Bankruptcy Code, Bankruptcy Rule 1007, and the Official Bankruptcy Forms of the Bankruptcy Rules as such schedules or statements may be amended through the Confirmation Date.

1.52. **Secured Claim** means any 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 valid rights of setoff of the holder under section 553 of the Bankruptcy Code.

1.53. **Solicitation Procedures** means the procedures relating to the solicitation and tabulation of votes with respect to the Plan.

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

1.55. **Subordinated Claim** means any Claim that is subordinated by Final Order of the Bankruptcy Court pursuant to section 510 of the Bankruptcy Code.

1.56. **Voting Deadline** means the date set by the Bankruptcy Court by which all completed Ballots must be received.

MISCELLANEOUS INTERPRETIVE PROVISIONS

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

1.58. **Interpretation**. Unless otherwise specified, all section, article and exhibit references in this Plan are to the respective section in, article of, or exhibit to, the Plan as the

same may be amended, waived, or modified from time to time. The headings in the Plan are for convenience and reference only and shall not limit or otherwise affect the provisions hereof.

1.59. **Plan Controls.** In the event of an inconsistency between the Plan and the Disclosure Statement or the Plan Supplement, the Plan shall control.

1.60. **Other Terms.** The words “herein,” “hereof,” “hereto,” “hereunder,” and others of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan. A term used herein that is not defined herein shall have the meaning ascribed to that term, if any, in the Bankruptcy Code. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the Plan.

ARTICLE II

ADMINISTRATIVE EXPENSES AND PRIORITY TAX CLAIMS

2.1. **Administrative Expenses.** Except to the extent a holder of an Allowed Administrative Expense 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, in full satisfaction of such Allowed Administrative Expense, an amount of Cash equal to the Allowed amount of such Administrative Expense.

2.2. **Compensation and Reimbursement Claims.** All entities seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 327, 328, 330, 331 (503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code (i) shall file their respective final applications for allowance of compensation for service rendered and reimbursement of expenses incurred by the date that is thirty (30) days after the Confirmation Date, and (ii) shall be paid in full such amounts as are allowed by the Bankruptcy Court (A) on the date on which the order relating to any such Administrative Expenses is entered or (B) upon such other terms as may be mutually agreed upon between the holder of such Administrative Expense and the Debtors.

2.3. **Priority Tax Claims.** Except to the extent 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.

2.4. **DIP Lender Claims.**

The DIP Lenders shall have an allowed Super Priority Administrative Expense for the total amount due under the DIP Credit Agreement, which is stipulated by the Debtors to be over \$11 Million (more precisely identified in the Plan Supplement) as of the Effective Date,

ratably in accordance with their respective interests in the DIP Credit Agreement Claims, subject to any applicable provisions of the Final Order approving the DIP Credit Agreement.

The DIP Lenders shall receive on account of the DIP Lender Claims (i) repayment of the Postpetition Obligations, (ii) fifty-five percent (55%) of the beneficial interests in the Litigation Trust and the Litigation Trust Assets, (iii) all Distributable Cash, (iv) 95% of the stock of the New HIIT Stock, to be issued as convertible participating and voting preferred stock with a dividend that will be specified in the Plan Supplement, convertible into 95% of the stock of the Reorganized HIIT. The DIP Lenders will also receive 100% of the insurance proceeds attributable to the loss of their collateral directly from the insurer, *provided however*, that the DIP Lenders are not entitled to more than 100% payment on account of their collateral loss from any source or combination of sources.

ARTICLE III CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

The following table designates the Classes of Claims against and Equity Interests in the Debtors and specifies which of those Classes are (i) impaired or unimpaired by the Plan, (ii) entitled to vote to accept or reject the Plan in accordance with section 11226 of the Bankruptcy Code, and (iii) deemed to reject the Plan.

Class	Designation	Impairment	Entitled to Vote
Class 1	Secured Claims	Unimpaired	No (deemed to accept)
Class 2	Priority Non-Tax Claims	Unimpaired	No (deemed to accept)
Class 3	General Unsecured Claims	Impaired	Yes
Class 4	Subordinated Claims	Impaired	Yes
Class 5	Equity Interests	Impaired	No (deemed to reject)

For convenience of identification, the Plan classifies the Allowed Claims in Class 1 as a single Class. Class 1 is actually a group of subclasses, depending on the underlying property securing such Allowed Claims, and each subclass is treated as a distinct Class for voting and distribution purposes.

ARTICLE IV TREATMENT OF CLAIMS AND EQUITY INTERESTS

4.1. **Class 1 – Secured Claims.** Except to the extent a holder of an Allowed Secured Claim agrees to a different treatment, 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, net of the costs of disposition of such Collateral, (iii) the Collateral securing such Allowed Secured Claim, (iv) such 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 as necessary to satisfy the requirements of section 1129 of the Bankruptcy Code. In the event a Secured Claim is treated under clause (i) or (ii) of the section, the liens secured such Secured claim shall be deemed released.

- (a) **Insurance Proceeds.** Secured claims will receive the insurance proceeds attributable to their collateral directly from the carrier, but only to the extent of their collateral value and in no event will the secured creditor receive more than 100% of the value of lost collateral from any source or set of sources. If there is any dispute regarding the insurance proceeds or claims to them, the Litigation Trust Administrator must be notified and the Bankruptcy Court will be the exclusive forum to resolve the dispute.

4.2. **Class 2 – Priority Non-Tax Claims.** Except to the extent a holder of an Allowed Priority Non-Tax Claim agrees to a different treatment², on the Effective Date, or as soon thereafter as is reasonably practicable, each such holder shall receive, in full satisfaction of such Claim, an amount in Cash equal to the Allowed amount of such Claim.

4.3. **Class 3 – General Unsecured Claims.**

(a) The Holders of Allowed General Unsecured Claims receive a pro-rata share of 45% of the beneficial interest in the Litigation Trust Assets. As such, (A) As soon as is reasonably practicable after the Effective Date, to the extent it is determined that the holders of Allowed General Unsecured Claims are entitled to any proceeds of the Litigation Trust Assets, each holder of an Allowed General Unsecured Claim as of the Distribution Record Date shall receive from the Litigation Trust, to the extent not already distributed, (i) its Pro Rata Share of such proceeds based on the beneficial interest, and (ii) its Pro Rata Share of the remaining 5% of the New HIIT Stock, and (B) the Litigation Trust shall make subsequent distribution of any proceeds of the Litigation Trust Assets to holders of Allowed General Unsecured Claims as of the Distribution Record Date for Holders whose Claims are subsequently Allowed.

(b) Notwithstanding anything to the contrary in this section 4.3, all proceeds of the Causes of Action shall be applied first to pay the amount of the Postpetition Obligations and Litigation Trust Administrative Cash.

4.4. **Class 4 – Subordinated Claims.** As soon as reasonably practicable after the Effective Date (but no earlier than the first Business Day following the Distribution Record Date), each holder of an Allowed Subordinated Claim on the Distribution Record Date shall receive from the Litigation Trust its Pro Rata Share of such after holders of all Allowed Administrative Expenses, including the DIP Lender Claims, and all Allowed Priority Tax Claims and all Allowed Claims in Classes 1, 2, and 3 are paid in full.

² Such as the compromise with the Texas Comptroller regarding sale and franchise taxes.

4.5. **Class 5 – Equity Interests.** All Equity Interests in the Debtors shall be cancelled on the Effective Date. Each holder of an Equity Interest shall neither receive nor retain any property or interest on account of such Equity Interest.

ARTICLE V PROVISIONS GOVERNING DISTRIBUTIONS

5.1. **Distribution Record Date.** 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 agents, shall be deemed closed, and there shall be no further changes in the record holders of any of the Claims or Equity Interests.

5.2. **Method of Distributions Under the Plan.**

(a) **Payments and Transfers on the Effective Date.** On the Effective Date, or as soon thereafter as is reasonably practicable, the Debtors shall (i) remit to holders of Allowed Administrative Expenses, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, and, if applicable, Allowed Secured Claims and amount in Cash equal to the Allowed amount of such Claims, (ii) remit all Distributable Cash to the DIP Lenders, and (iii) transfer to the Litigation Trust Assets to the Litigation Trust free and clear of all liens, claims and encumbrances, but subject to any obligations imposed by this Plan.

(b) **Distributions of Cash.** At the option of the Debtors or the Litigation Trust Administrator, as applicable, any Cash payment to be made under the Plan or the Litigation Trust, as applicable, may be made by check or wire transfer or as otherwise required or provided in applicable agreements.

5.3. **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 or the Litigation Trust Administrator has 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. 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 Litigation Trust Administrator is 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, the amount represented by such undeliverable distribution shall irrevocably revert to the Debtors or the Litigation Trust, as applicable, and any Claim in respect of such undeliverable distribution shall be discharged and forever barred from assertion against the Debtors or the Litigation Trust, and their respective property.

5.4. **Withholding and Reporting Requirements.** In connection with the Plan and all instruments issued in connection therewith and distributed thereon, any party issuing any

instrument or making any distribution under the Plan shall comply with all applicable withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all distributions under the Plan and all related agreements shall be subject to any such withholding or reporting requirements. In the case of a non-Cash distribution under the Plan and all related agreements shall be subject to any such holding or reporting requirements. In the case of a non-Cash distribution that is subject to withholding, the distributing party may withhold an appropriate portion of such distributed property and sell such withheld property to generate Cash necessary to pay over the withholding tax. Notwithstanding the foregoing, each holder of an Allowed Claim or Equity Interest that receives a distribution under the Plan shall have responsibility for any taxes imposed by any governmental unit, including income, withholding, and other taxes, on account of such distribution.

5.5. **The Bar to Cash Payments.** Checks issued by the Debtors or the Litigation Trust Administrator, as applicable, in respect of Allowed Claims shall be null and void if not negotiated within one hundred eighty (180) days after the date of issuance thereof. Requests for re-issuance of any check shall be made to the Debtors or the Litigation Trust Administrator, as applicable, by the holder of the Allowed Claim to whom such check originally was issued. Any Claim in respect of such a voided check shall be made on or before thirty (30) days after the expiration of the one hundred eighty (180) day period following the date of issuance of such check. Thereafter, the amount represented by such voided check shall irrevocably revert to the Debtors or the Litigation Trust, as applicable, and any Claim in respect of such voided check shall be discharged and forever barred.

5.6. **Minimum Distributions and Fractional Shares or Units.** No payment of Cash less than \$25 shall be made by the Debtors or the Litigation Trust Administrator, as applicable, to any holder of an Allowed Claim. No fractional shares of New HIIT Stock shall be distributed. For purposes of distribution, fractional shares of New HIIT Stock shall be rounded down to the next whole number or zero, as applicable; *provided, however*, that if an Entity's fractional shares are rounded down to zero, such Entity shall receive one share of New HIIT Stock. If an Entity holds more than one Allowed Claim, such Entity's Allowed Claims shall be aggregated for purposes of rounding down pursuant to this Section 5.6. After all distributions under the Plan have been made, any New HIIT Stock that are undistributable as a result of the foregoing shall be sold by the Litigation Trust Administrator, and the Litigation Trust Administrator shall distribute the Cash proceeds to holders of Allowed General Unsecured Claims; *provided, however*, that if the Cash proceeds from the sale of the New HIIT Stock is less than a dollar figure to be designated in the Plan Supplement, such Cash shall be distributed to a charitable organization exempt from U.S. federal income tax under section 501(c)(3) of the Tax Code to be selected by, and unrelated to, the Litigation Trust Administrator.

5.7. **Setoffs.** The Debtors and/or the Litigation Trust Administrator 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 and/or the

Litigation Trust Administrator, as applicable, of any such claim the Debtors may have against the holder of such Claim.

5.8. **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.

ARTICLE VI

MEANS FOR IMPLEMENTATION AND EXECUTION OF THE PLAN

6.1. **Substantive Consolidation of the Debtors.**

(a) Entry of the Confirmation Order shall constitute the approval, pursuant to section 105(a) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of HII Technologies, Inc., Apache Energy Services, LLC, Aqua Handling of Texas, LLC, Sage Power Solutions, Inc., and Hamilton Investment Group Inc., and their respective estates, into HII Technologies for voting, confirmation, and distribution purposes under the Plan. Solely for such purposes, on and after the Effective Date, (i) all assets and all liabilities of the Debtors shall be deemed merged into HII Technologies, (ii) all guaranties of any Debtor of the payment, performance, or collection of obligations of another Debtor shall be eliminated and cancelled, (iii) 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 consolidated Debtors, (iv) 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 consolidated Debtors, (v) shall be treated and allowed only as a single Claim against the consolidated Debtors, (v) all Claims between or among the Debtors shall be cancelled, and (vi) each Claim filed in the Chapter 11 Case of any Debtor shall be deemed filed against the consolidated Debtors and a single obligation of the consolidated Debtors on and after the Effective Date.

(b) The substantive consolidation and deemed merger effected pursuant to Section 6.1(a) hereof shall not affect (other than for purposes related to funding distributions under the Plan and as set forth in Section 6.1(a) hereof), (i) the legal and organizational structure of the Debtors, (ii) defenses to any Causes of Action or requirements for any third party to establish mutuality to assert a right of setoff, and (iii) distributions out of any insurance policies or proceeds of such policies.

6.2. **The Litigation Trust.**

(a) **Execution of Litigation Trust Agreement.** On or before the Effective Date, the Litigation Trust Agreement, in a form acceptable to the Debtors, the Creditors' Committee, the DIP Lenders under the DIP Credit Agreement, and the Litigation Trust Administrator, shall be executed, and all other necessary steps shall be taken to establish the Litigation Trust and the beneficial interests therein, which shall be for the benefit of the holders

of Allowed General Unsecured Claims, and to the extent applicable, holders of Subordinated Claims. This Section 6.2 sets forth certain of the rights, duties, and obligations of the Litigation Trust Administrator. In the event of any conflict between the terms of this Section 6.2 and the terms of the Litigation Trust Agreement, the terms of the Litigation Trust Agreement shall govern.

(b) **Purpose of Litigation Trust.** The Litigation Trust shall be established for the sole purpose of liquidating and distributing its assets, in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

(c) **Litigation Trust Assets.** The Litigation Trust shall consist of the Litigation Trust Assets. On the Effective Date, the Debtors shall transfer all of the Litigation Trust Assets to the Litigation Trust free and clear of all liens, claims, interests and encumbrances. Except as specifically set forth herein, holders of Allowed Claims or Equity Interests shall look solely to the Litigation Trust Assets for satisfaction of their Claims or Equity Interests, and the Litigation Trust Assets shall be available for only the holders of such Allowed Claims or Equity Interests. Upon delivery, the Debtors and their successors and assigns shall be released from all liability with respect to the delivery of such assets.

(d) **The Litigation Trust Administrator.** The Litigation Trust Administrator shall be designated by the Debtors with the consent of the Committee and the DIP Lenders, and the identity of the Litigation Trust Administrator shall be disclosed in the Plan Supplement.

(e) **Role of the Litigation Trust Administrator.** In furtherance of and consistent with the purpose of the Litigation Trust and the Plan, the Litigation Trust Administrator shall (i) have the power and authority to hold, invest, borrow against, pledge and/or manage the Litigation Trust Assets, (ii) hold the Litigation Trust Assets for the benefit of the Litigation Trust Beneficiaries, (iii) have the power and authority to prosecute and resolve Causes of Action, in the name of the Debtors, (iv) have the power to object to, settle, compromise, withdraw or litigate to judgment any objections to Claim or Interests, (v) have the power and authority distribute to the Litigation Trust Beneficiaries any Litigation Trust Assets after payment of the Postpetition Obligations, and (vi) have the power and authority to perform such other functions as are provided in the Plan and the Litigation Trust Agreement. The Litigation Trust Administrator shall be responsible for all decisions and duties with respect to the Litigation Trust and the Litigation Trust Assets. In all circumstances, the Litigation Trust Administrator shall act in the best interests of the Litigation Trust Beneficiaries and in furtherance of the purpose of the Litigation Trust. No bond shall be required of the Litigation Trust Administrator.

(f) **Cash.** The Litigation Trust Administrator may invest Cash (including any earnings thereon or proceeds therefrom) as would be permitted by section 345 of the Bankruptcy Code were the Litigation Trust a debtor under the Bankruptcy Code, or as otherwise permitted by an order of the Bankruptcy Code, which may include the Confirmation Order.

(g) **Costs and Expenses of the Litigation Trust Administrator.** The costs and expenses of the Litigation Trust, including the fees and expenses of the Litigation Trust Administrator and its retained professionals, shall be paid out of the Litigation Trust Assets, subject to the provisions of the Litigation Trust Agreement.

(h) **Compensation of the Litigation Trust Administrator.** The Litigation Trust Administrator shall be entitled to reasonable compensation, subject to the provisions of the Litigation Trust Agreement, in an amount consistent with that of similar functionaries in similar types of bankruptcy cases. Such compensation shall be payable solely from the Litigation Trust Assets.

(i) **Distribution of Litigation Trust Assets.** After payment in full of the Postpetition Obligations, the Litigation Trust Administrator shall distribute to Litigation Trust Beneficiaries at least quarterly and in accordance with the Litigation Trust Agreement, beginning on the first Business Day following the Distribution Record Date, or as soon thereafter as is practicable, (i) the appropriate amount of New HIIT Stock (and other distributions of Cash, if any), and (ii) Cash from the Litigation Trust Assets (a) in amounts as reasonably necessary to meet contingent liabilities and otherwise address the expenses of the Litigation Trust, (b) to pay reasonable expenses (including, but not limited to, any taxes imposed on the Litigation Trust or in respect of the Litigation Trust Assets), and (c) to satisfy other liabilities incurred by the Litigation Trust in accordance with the Plan or the Litigation Trust Agreement.

(j) **Retention of Professionals by the Litigation Trust Administrator.** The Litigation Trust Administrator may retain and reasonably compensate counsel and other professionals to assist in their duties as Litigation Trust Administrator on such terms as they deem appropriate without Bankruptcy Court approval, but subject to the provisions of the Litigation Trust Agreement. The Litigation Trust Administrator may retain any professional who represented parties in interest, including the Debtors or the Committee, in the Chapter 11 Cases. All fees and expenses incurred in connection with the foregoing shall be payable solely from the Litigation Trust Assets and shall be subject to the provisions of the Litigation Trust Agreement.

(k) **Dissolution.** The Litigation Trust Administrator and the Litigation Trust shall be discharged or dissolved, as applicable, at such time as (i) all Disputed General Unsecured Claims have been resolved, (ii) all Litigation Trust Assets have been liquidated, and (iii) all distributions required to be made by the Litigation Trust Administrator under the Plan and the Litigation Trust Agreement have been made, but in no event shall the Litigation Trust be dissolved later than five (5) years from the Effective Date or such shorter or longer period authorized by the Bankruptcy Court in order to resolve all Disputed Claims.

(l) **Indemnification of the Litigation Trust Administrator.** The Litigation Trust Administrator (and its agents and professionals) shall not be liable for actions taken or omitted in its or their capacity as, or on behalf of, the Litigation Trust Administrator, or the Litigation Trust, except those acts arising out of its or their own willful misconduct, gross negligence, bad faith, self-dealing, breach of fiduciary duty, or *ultra vires* acts, and each shall be entitled to indemnification and reimbursement for fees and expenses in defending any and all of

its actions or inactions in its or their capacity as, or on behalf of, the Litigation Trust Administrator or the Litigation Trust, except for any actions or inactions involving willful misconduct, gross negligence, bad faith, self-dealing, or *ultra vires* acts. Any indemnification claim of the Litigation Trust Administrator and the other parties entitled to indemnifications under this subsection shall be satisfied from the Litigation Trust Assets. The Litigation Trust Administrator shall be entitled to rely, in good faith, on the advice of its retained professionals.

(m) **Closing of Chapter 11 Cases.** When all Disputed Claims filed against the Debtors have become Allowed Claims or have been disallowed by Final Order, and all of the Litigation Trust Assets have been distributed in accordance with the Plan, the Litigation Trust Administrator shall seek authority from the Bankruptcy Court to close the Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules.

(n) **Cooperation Regarding Insurance Matters.** The Debtors shall cooperate with the Litigation Trust and the Litigation Trust Administrator and use commercially reasonable efforts to take or cause to be taken all appropriate actions and do or cause to be done all things necessary or appropriate to effectuate the transfer of the Litigation Trust Assets to the Litigation Trust. By way of enumeration and not of limitation, the Debtors shall be obligated, to the extent practicable, to (i) provide the Litigation Trust with copies of insurance policies and settlement agreements included within or relating to the Litigation Trust Assets and (ii) execute further assignments or allow the Litigation Trust to pursue claims relating to the Litigation Trust Assets in its name, including by means of arbitration, alternative dispute resolution proceedings, or litigation, to the extent necessary or helpful to the efforts of the Litigation Trust to obtain insurance coverage under the Litigation Trust Assets.

6.3. Securities Law Matters. In reliance upon section 1145(a) of the Bankruptcy Code, the offer and/or issuance of the New HIIT Stock by HIIT, is exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”), and any equivalent securities law provisions under state law. The exemption from Securities Act registration provided by section 1145(a) of the Bankruptcy Code (as well as any equivalent securities law provisions under state law) also is available for the offer and/or issuance by the Litigation Trust of (i) beneficial interests in the Litigation Trust and (ii) New HIIT Stock in exchange for such beneficial interests as outstanding Disputed General Unsecured Claims are resolved in accordance with the Plan. The Debtors will not be required to file any reports, notices, or other documents with the SEC, and any filings that were past-due or that would require supplementation are will not be required and will be excused by the Plan and Confirmation Order. The discharges in the Confirmation Order and Plan will act as a bar to the SEC on taking any civil action by virtue of the Debtors’ former status as a trading entity. The Debtors are determined to owe nothing further to the SEC or any exchange upon which the shares may have previously traded. The Confirmation Order and Plan will act to delist, without further requirement, the HIIT Stock and abrogate any requirements for filing any past or future documents with the SEC or other exchange.

6.4. 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 all Indentures and bonds, debentures, and notes issued thereunder evidencing such Claims, all Note Claims, and any options or warrants to purchase Equity Interests, or obligating the Debtors to issue, transfer, or sell Equity Interests or any other capital stock of the Debtors, shall be cancelled and discharged. The Plan and Confirmation Order will extinguish all shares of public HIIT stock and no new HIIT Shares will be listed for public sale on an exchange.

6.5. Equity Interest in HIIT Subsidiaries Held by the Debtors. On the Effective Date, at the option of the Debtors, each respective Equity Interest in Apache Energy Services, LLC, Aqua Handling of Texas, LLC, Sage Power Solutions, Inc., and Hamilton Investment Group Inc. shall be unaffected by the Plan, in which case HIIT shall continue to hold such Equity Interests.

6.6. 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.

6.7. 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.

ARTICLE VII

PROCEDURES FOR DISPUTED CLAIMS

7.1. Objections to Claims and Resolution of Disputed Claims.

(a) Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, on and after the Effective Date, the Debtors shall have the right to the exclusion of all others (except as to applications for allowances of compensation and reimbursement of expenses under sections 330 and 503 of the Bankruptcy Code) to object to Administrative Expenses, Priority Tax Claims, Priority Non-Tax Claims, and Secured Claims.

(b) On and after the Effective Date, the Litigation Trust Administrator shall have the exclusive right to object, and/or continue prosecution of objections to General Unsecured Claims and Subordinated Claims.

(c) The Reorganized Debtors, Debtors, or the Litigation Trust Administrator, as applicable, shall serve a copy of each objection upon the holder of the Claim to which the objection is made as soon as practicable, but in no event later than one hundred eighty (180) days

after (i) the Effective Date for all Claims, and (ii) such date as may be fixed by the Bankruptcy Court, whether fixed before or after the dates specified in clause (i) above. The Bankruptcy Court shall have the authority on request of the Debtors or the Litigation Trust Administrator, as applicable, to extend the foregoing dates *ex parte*. On and after the Effective Date, the Debtors shall continue to have the power and authority to prosecute and resolve objections to Disputed Administrative Expenses, Disputed Priority Tax Claims, Disputed Priority Non-Tax Claims, and Disputed Secured Claims. All objections shall be litigated to a Final Order except to the extent the Debtors or the Litigation Trust Administrator, as applicable, elects to withdraw any such objection or the Debtors or the Litigation Trust Administrator, as applicable, and the holder of a Claim elect to compromise, settle, or otherwise resolve any such objection, in which event they may compromise, settle, or otherwise resolve any Disputed Claim without approval of the Bankruptcy Court.

7.2. No Distribution Pending Allowance. Notwithstanding any other provision hereof, if any portion of a Claim is a Disputed Claim, no payment or distribution provided hereunder to the holder thereof shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim. Until such time, with respect to General Unsecured Claims, the Litigation Trust Administrator shall withhold from the property to be distributed to holders of beneficial interests in the Litigation Trust the portion of such property allocable to such Disputed General Unsecured Claims. If any Disputed General Unsecured Claims are disallowed, the Litigation Trust Assets held in the Litigation Trust shall be released as and to the extent the Litigation Trust Administrator determines such property is no longer necessary to fund unresolved Disputed General Unsecured Claims, and such Litigation Trust Assets shall be distributed in accordance with Section 6.2 hereof.

7.3. Estimation. The Debtors or the Litigation Trust Administrator, as applicable, may at any time request that the Bankruptcy Court estimate any contingent, unliquidated, or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtors or the Litigation Trust Administrator previously object to such Claim, and the Bankruptcy Court shall retain 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 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 Debtors or the Litigation Trust Administrator, as applicable, may pursue supplementary proceedings to object to the allowance of such Claim. All the aforementioned objection, estimation, and resolution procedures are intended to be cumulative and not exclusive of one another. On and after the Confirmation Date, Claims that have been estimated may be compromised, settled, withdrawn, or otherwise resolved subsequently, without further order of the Bankruptcy Court.

7.4. Allowance of Disputed Claim. If, on or after the Effective Date, any Disputed Claim becomes, in whole or in part, an Allowed Claim, the Debtors or the Litigation Trust Administrator, shall, on the next applicable distribution date following when the Disputed Claim becomes an Allowed Claim, distribute to the holder thereof the distributions, if any, that such

older would have received had its Claim been Allowed on the Effective Date, except as otherwise provided herein.

ARTICLE VIII

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, the Litigation Trust Administrator, or any property to be distributed under the Plan or the Litigation Trust, unless a proof of Claim is filed with the Bankruptcy Court and served upon the Debtors and the Litigation Trust Administrator on or before the date that is thirty (30) days after the Confirmation Date.

ARTICLE IX

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 the Confirmation Order in form and substance satisfactory to the Debtors and the DIP Lenders.

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

(a) The Confirmation Order shall be in full force and effect, and no stay thereof shall be in effect;

(b) The Litigation Trust Agreement shall have been executed;

(c) The Litigation Trust Assets shall have been transferred to the Litigation Trust; and

(d) The Debtors shall have sufficient Cash to pay the sum of (i) Allowed Administrative Expenses, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, and, if applicable, Allowed Secured Claims, and the professional fees of the Debtors and the Committee that have not been paid unless otherwise agreed, (ii) an amount that would be required to distribute to the holders of Disputed Administrative Expenses, Disputed Priority Tax Claims, Disputed Priority Non-Tax Claims, and, if applicable, Disputed Secured Claims if all such Claims are subsequently Allowed, as set forth more fully in Article VII hereof, (iii) the amount required to fund the Litigation Trust, and (iv) the Distributable Cash.

9.3. Satisfaction and Waiver 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 that any of the conditions precedent set forth in Section 9.2 hereof cannot be satisfied and the occurrence of such conditions 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. Notwithstanding the foregoing, the Debtors reserve, in their sole discretion, the right, with the written consent of the Committee, to waive the occurrence of any of the conditions precedent set forth in Section 9.2(b) or (c) hereof or to modify any of such conditions precedent. Any such written waiver of such condition precedents may be effected at any time, without notice or leave or order of the Bankruptcy Court, and without any formal action other than proceeding to consummate the Plan.

9.4. Effect of Nonoccurrence of Conditions to Consummation. If each of the conditions to the occurrence of the Effective Date has not been satisfied or duly waived on or before the first Business Day that is one hundred eight (180) days after the Confirmation Date, or such later date as shall be agreed by the Debtors and the 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.

ARTICLE X

EFFECT OF CONFIRMATION

10.1. Vesting of Assets. As of the Effective Date, the property of the Debtors' estates shall vest in the Debtors and, in accordance with Article VI hereof and subject to the exceptions contained therein, the Litigation Trust Assets shall be transferred to the Litigation Trust. From and after the Effective Date, the Litigation Trust Administrator may dispose of the Litigation Trust Assets free of any restrictions of the Bankruptcy Code, but in accordance with the provisions of the Plan and the Litigation Trust Agreement. As of the Effective Date, all assets of the Debtors and the Litigation Trust shall be free and clear of all Claims and Encumbrances, except as provided in the Plan or the Confirmation Order.

10.2. Release of Assets. Until the Effective Date, the Bankruptcy Court shall retain jurisdiction of the Debtors and their assets and properties. Thereafter, jurisdiction of the Bankruptcy Court shall be limited to the subject matters set forth in Article XI hereof.

10.3. 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.

10.4. Term of Injunctions or Stays. Unless otherwise expressly provided herein, 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 closing of the Chapter 11 Cases.

10.5. Injunction. On and after the Confirmation Date, all person are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively, or otherwise) on account of or respecting any claim, debt, right, or cause of action of the Debtors for which the Debtors or the Litigation Trust Administrator retains sole and exclusive authority to pursue in accordance with the Plan.

10.6. Injunction Against Interference with Plan. Upon the entry of the Confirmation Order, all holders of Claims and Equity Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

ARTICLE XI

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 with respect to a Cause of Action or Avoidance Action;

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

(d) 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 other of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purpose 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 or related to the interpretation, implementation, or enforcement of the Plan, the Confirmation Order, the Litigation Trust Agreement, any transactions or payments contemplated hereby;

(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, property of the Debtors' estates, and the Litigation Trust Assets, 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 or reserve established in furtherance of the Plan);

(n) To enforce all orders previously entered by the Bankruptcy Court;

(o) 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

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

ARTICLE XII

MISCELLANEOUS PROVISIONS

12.1. Dissolution of the Committee. On the Effective Date, the Committee shall dissolve; *provided, however*, that, following the Effective Date, the Committee shall continue to have standing and a right to be heard with respect to (i) Claims and/or applications for compensation by professionals and requests for allowance of Administrative Expenses for substantial contribution pursuant to section 503(b)(3)(D) of the Bankruptcy Code, and (ii) any appeals of the Confirmation Order that remain pending as of the Effective Date to which the Committee is a party. Upon the dissolution of the Committee, the current and former members of the Committee, and their respective officers, employees, counsel, advisors, and agents, shall be released and discharged of and from all further authority, duties, responsibilities, and obligations related to and arising from and in connect with the Chapter 11 Cases, and the retention or employment of the Committee's attorneys, accountants, and other agents shall terminate.

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. Effectuating Documents and Further Transactions. 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 and any securities issued pursuant to the Plan.

12.4. Exemption from Transfer Taxes. Pursuant to section 1146(a) 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 Litigation Trust) shall not be subject to any stamp, real estate transfer, mortgage recording, sales, use, or other similar tax.

12.5. Exculpation. Neither the Debtors, the Litigation Trust Administrator, the Committee, the DIP Lenders, nor any of their respective members (current and former), officers, directors, employees, counsel, advisors, professionals, or agents, shall have or incur any liability to any holder of a Claim or Equity Interest for any act or omission in connection with, related to, or arising out of the Chapter 11 Cases, negotiations regarding or concerning the Plan, the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for willful misconduct or gross negligence, and, in all respects, the Debtors, the Litigation Trust Administrator, the Committee, the DIP Lenders and each of their Respective members (current or former), officers, directors, employees, counsel, advisors, professionals, and agents shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

12.6. Payment of Statutory Fees. On the Effective Date, and thereafter as may be required, the Debtors, and after the Effective Date, the Litigation Trust Administrator, shall (i) pay all the respective fees payable pursuant to section 1930 of chapter 123 of title 28 of the United States Code and (ii) be responsible for the filing of post confirmation quarterly status reports with the Bankruptcy Court.

12.7. Modification of Plan. With the prior written consent of the Committee and the DIP Lenders, 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 the DIP Lenders, holders of Claims or Equity Interests under the Plan, the Debtors (and as of the Effective Date, the Litigation Trust Administrator) 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, however*, that such technical adjustments and modifications do not adversely affect in a material way the treatment of holders of Claims or Equity Interests.

12.8. 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.

12.9. Court 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.

12.10. 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.

12.11. Governing Law. Except to the extent the Bankruptcy Code or other U.S. federal law is applicable, or to the extent an Exhibit to the Plan or a schedule in the Plan Supplement provides otherwise, 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.

12.12. Exhibits. The Exhibits to the Plan and the Plan Supplement are incorporated into and as part of the Plan as if set forth herein.

12.13. 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.

12.14. 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.

12.15. Notices. To be effective, all notices, requests, and demands to or upon the Debtors, the Committee, or the Litigation Trust Administrator shall be in writing (including by facsimile or electronic 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 or Reorganized Debtors:

Mark Joachim
Arent Fox LLP
1717 K Street NW
Washington, DC 20006
USA

AND

Hugh M. Ray, III
McKool Smith, P.C.
600 Travis, Suite 7000
Houston, Texas 77002
USA

If to the Committee:

Elizabeth Guffy
Locke Lord, LLP
600 Travis, Suite 2800
Houston, Texas, 77002

USA

If to the Litigation Trust Administrator:

[Insert]

Article XIII

Exculpation of Certain Parties who Acted During the Bankruptcy Case

13.01 Discharge/Release of Debtors, DIP Lenders and Estate Representatives

Except as otherwise provided in this Plan, no Holder of a Claim or Interest or other party in interest, none of their respective agents, employees, representatives, financial advisors, attorneys or affiliates, and no successors or assigns of the foregoing, shall have any Rights of Action, claim, cause of action, or other legal or equitable right against the following parties for any act or omission in connection with, relating to, or arising out of the Bankruptcy Case, the decision to file Bankruptcy, the DIP Order, the Prepetition Secured Claims, the pursuit of confirmation of the Plan, the consummation of the Plan, the administration of the Plan or the Case against (a) the Debtors; (b) the DIP Lenders; (c) The Official Committee of Unsecured Creditors; and (d) the Professionals retained by Court Order in the Bankruptcy Case and those acting in reliance upon them.

The foregoing exculpation bars and discharges any and all Rights of Action, claims, and/or causes of action against the Debtors arising at any time pre-or postpetition. With respect to the Professionals retained in the Bankruptcy Case and any of such parties' agents, successors, and assigns, the foregoing exculpation bars rights of action, claims, or causes of action against such parties for acts that might be the subject of post-confirmation causes of action by parties in interest. In all instances, the Debtors' agents have been entitled to reasonably rely on the advice of counsel with respect to their duties and responsibilities relating to the actions regarding the Bankruptcy Case, Prepetition Secured Debt, DIP Loan, and/or Plan.

13.02 Limitation

Notwithstanding anything in the Plan to the contrary, the exculpations and releases herein shall not apply to Brent Mulliniks, Billy Cox, Calen Baucom, William Mark Hamilton, Craig Hamilton, Sharon Hamilton, the entities they control or those in active concert with them, the auditors for the Debtors pre-petition, or any entity holding funds for the benefit of the Debtors. The Litigation Trust Administrator or Reorganized Debtors may bring whatever claims deemed prudent to pursue them and reserves all Rights of Action against them, including (but not limited to) Rights of Action for breach of duty, negligence, malpractice, negligent misrepresentation, fraudulent transfer, Avoidance Action and any other Right of Action.

13.03 Sole Venue for Disputes

The Confirmation Order will provide that the United States Bankruptcy Court for the Southern District of Texas shall retain jurisdiction over any suit brought on any claim or cause of action related to the Bankruptcy Case that exists as of the Effective Date, including suit against the following parties: (i) the Debtor; (ii) members of the Debtor's Board of Directors in their representative capacity; (iii) any of the DIP Lenders; (iv) the Professionals retained in the Bankruptcy Case; and (v) any of such parties' agents, successors and assigns. Any person wishing to bring such a suit shall do so in the United States Bankruptcy Court (or, if necessary for the constitutional exercise of jurisdiction, the United States District Court) for the Southern District of Texas, if said court has jurisdiction. Any disputes over insurance proceeds relating to collateral or assets held by the Debtor will be determined by the Bankruptcy Court alone.

Article XIV – Debtors Discharged

14.01 Injunction Enjoining Claimholders and Interestholders against Debtors

Except as otherwise expressly provided elsewhere in the Plan, after the Effective Date, all Persons who have been, are, or may be holders of Claims against, or Equity Interests in, the Debtors arising before the Effective Date shall be enjoined from taking any of the following actions against or affecting the Debtors or their Estates, regarding such Claims or Equity Interests (other than actions brought to enforce any rights or obligations under the Plan):

- (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind against the Debtors or the Estates, which shall be deemed to be withdrawn or dismissed with prejudice) regarding any claim, debt, liability, or other cause of action;
- (ii) enforcing, levying, attaching, collecting, or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree, or order against the Litigation Trust, Reorganized Debtors, Debtors or their Estates;
- (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any lien against the Litigation Trust, Reorganized Debtors, Debtors or their Estates;
- (iv) asserting any right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due the Debtors; and

(v) proceeding in any manner and in any place whatsoever that does not conform to or comply with the provisions of the Plan.

Respectfully submitted,

MCKOOL SMITH P.C.

By: /s/ Hugh M. Ray, III
HUGH M. RAY, III
Texas Bar No. 24004246
CHRISTOPHER D. JOHNSON
Texas Bar No. 24012913
600 Travis, Suite 7000
Houston, Texas 77002
Telephone: (713) 485-7300
Facsimile: (713) 485-7344

Counsel for the Debtors

EXHIBIT B

**United States Bankruptcy Court
Southern District of Texas**

In re **Sage Power Solutions, Inc.**

Debtor(s)

Case No. **15-60073**Chapter **11**

STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. To indicate payments, transfers and the like to minor children, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

DEFINITIONS

"In business." A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

"Insider." The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any persons in control of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(2), (31).

1. Income from employment or operation of business

None

☐ State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT
\$-813,180.09
\$-463,209.00
\$-82,350.04

SOURCE
2015 YTD: 2015 YTD Business Operations
2014: 2014 YTD Business Operations
2013: 2013 YTD Business Operations

2. Income other than from employment or operation of business

None

☒ State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT

SOURCE

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3. Payments to creditors

None

Complete a. or b., as appropriate, and c.

■

a. *Individual or joint debtor(s) with primarily consumer debts:* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS
OF CREDITORDATES OF
PAYMENTS

AMOUNT PAID

AMOUNT STILL
OWING

None

□

b. *Debtor whose debts are not primarily consumer debts:* List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$6,225*. If the debtor is an individual, indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR

DATES OF
PAYMENTS/
TRANSFERSAMOUNT
PAID OR
VALUE OF
TRANSFERSAMOUNT STILL
OWING**See Attachment 3b****\$2,427.50****\$0.00**

None

□

c. *All debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND
RELATIONSHIP TO DEBTOR

DATE OF PAYMENT

AMOUNT PAID

AMOUNT STILL
OWING**See Attachment 3c****\$9,606.83****\$0.00****4. Suits and administrative proceedings, executions, garnishments and attachments**

None

■

a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT
AND CASE NUMBERNATURE OF
PROCEEDINGCOURT OR AGENCY
AND LOCATIONSTATUS OR
DISPOSITION

None

■

b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON FOR WHOSE
BENEFIT PROPERTY WAS SEIZED

DATE OF SEIZURE

DESCRIPTION AND VALUE OF
PROPERTY

* Amount subject to adjustment on 4/01/16, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

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5. Repossessions, foreclosures and returns

None



List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR OR SELLER	DATE OF REPOSSESSION, FORECLOSURE SALE, TRANSFER OR RETURN	DESCRIPTION AND VALUE OF PROPERTY
---	--	--------------------------------------

See Attachment 5**6. Assignments and receiverships**

None



a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE	DATE OF ASSIGNMENT	TERMS OF ASSIGNMENT OR SETTLEMENT
------------------------------	-----------------------	-----------------------------------

None



b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CUSTODIAN	NAME AND LOCATION OF COURT CASE TITLE & NUMBER	DATE OF ORDER	DESCRIPTION AND VALUE OF PROPERTY
----------------------------------	--	------------------	--------------------------------------

7. Gifts

None



List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON OR ORGANIZATION	RELATIONSHIP TO DEBTOR, IF ANY	DATE OF GIFT	DESCRIPTION AND VALUE OF GIFT
---	-----------------------------------	--------------	----------------------------------

8. Losses

None



List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS
--------------------------------------	--	--------------

9. Payments related to debt counseling or bankruptcy

None



List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of the petition in bankruptcy within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYER IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
------------------------------	---	--

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10. Other transfers

- None ☒ a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFEREE,
RELATIONSHIP TO DEBTOR

DATE

DESCRIBE PROPERTY TRANSFERRED
AND VALUE RECEIVED

- None ☒ b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

NAME OF TRUST OR OTHER
DEVICEDATE(S) OF
TRANSFER(S)AMOUNT OF MONEY OR DESCRIPTION AND
VALUE OF PROPERTY OR DEBTOR'S INTEREST
IN PROPERTY**11. Closed financial accounts**

- None ☒ List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF INSTITUTION

TYPE OF ACCOUNT, LAST FOUR
DIGITS OF ACCOUNT NUMBER,
AND AMOUNT OF FINAL BALANCEAMOUNT AND DATE OF SALE
OR CLOSING**12. Safe deposit boxes**

- None ☒ List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF BANK
OR OTHER DEPOSITORYNAMES AND ADDRESSES
OF THOSE WITH ACCESS
TO BOX OR DEPOSITORYDESCRIPTION
OF CONTENTSDATE OF TRANSFER OR
SURRENDER, IF ANY**13. Setoffs**

- None ☐ List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR
See Attachment 13

DATE OF SETOFF

AMOUNT OF SETOFF

14. Property held for another person

- None ☒ List all property owned by another person that the debtor holds or controls.

NAME AND ADDRESS OF OWNER

DESCRIPTION AND VALUE OF PROPERTY

LOCATION OF PROPERTY

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15. Prior address of debtor

None

- ☐ If the debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS

NAME USED

DATES OF OCCUPANCY

16. Spouses and Former Spouses

None

- ☐ If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight years** immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME

17. Environmental Information.

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law

None

- ☐ a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
-----------------------	---------------------------------------	----------------	-------------------

None

- ☐ b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
-----------------------	---------------------------------------	----------------	-------------------

None

- ☐ c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

NAME AND ADDRESS OF GOVERNMENTAL UNIT	DOCKET NUMBER	STATUS OR DISPOSITION
---------------------------------------	---------------	-----------------------

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18. Nature, location and name of business

None

- ☒ a. If the debtor is an individual, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

NAME	LAST FOUR DIGITS OF SOCIAL-SECURITY OR OTHER INDIVIDUAL TAXPAYER-I.D. NO. (ITIN)/ COMPLETE EIN	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
------	--	---------	--------------------	-------------------------------

None

- ☒ b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME	ADDRESS
------	---------

The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership, a sole proprietor, or self-employed in a trade, profession, or other activity, either full- or part-time.

(An individual or joint debtor should complete this portion of the statement **only** if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)

19. Books, records and financial statements

None

- ☐ a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESS

Mark Milliner
11846 Riverview Dr.
Houston, TX 77077

DATES SERVICES RENDERED

August 2013 - July 2015

Meggen Rhodes
5603 Pine Arbor Drive
Houston, TX 77066

March 2014 - Present

Anna Phan
1006 Duke Cove
Pflugerville, TX 78660

2013 - July 2015

Horalia Worrell
9338 Vanwood St
Houston, TX 77040

2014 - August 2015

Darija Bajraktarevic
12911 Newberry Street
Sugar Land, TX 77478

2014 - Present

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NAME AND ADDRESS

Imperial Accounting & Cost Control
5550 N Braeswood, Ste 67
Houston, TX 77096

DATES SERVICES RENDERED

2012 - 2014

None

☐

b. List all firms or individuals who within the **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAME

MaloneBailey, LLP

ADDRESS

9801 Westheimer Rd,
Suite 1100
Houston, TX 77042

DATES SERVICES RENDERED

Inception - Present

None

☒

c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME

ADDRESS

None

☐

d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

NAME AND ADDRESS

Heartland Bank
1 Information Way
Suite 300
Little Rock, AR 72202

DATE ISSUED

3/31/2015

20. Inventories

None

☐

a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

DATE OF INVENTORY

June 9, 2015

INVENTORY SUPERVISOR

Hilco Valuation Services

DOLLAR AMOUNT OF INVENTORY

(Specify cost, market or other basis)

See HII Technologies, Inc. SOFA,
Schedule 20, Inventories

None

☐

b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

DATE OF INVENTORY

June 9, 2015

NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY RECORDS

Hilco Valuation Services
5 Revere Drive Ste 206
Northbrook, IL 60062

21 . Current Partners, Officers, Directors and Shareholders

None

☒

a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NAME AND ADDRESS

NATURE OF INTEREST

PERCENTAGE OF INTEREST

None

☐

b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS

TITLE

NATURE AND PERCENTAGE OF STOCK OWNERSHIP

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NAME AND ADDRESS	TITLE	NATURE AND PERCENTAGE OF STOCK OWNERSHIP
Ken Chickering 10302 Lynnbrook Hollow Houston, TX 77042	Director	N/A
Matthew Flemming 8614 Westview Dr Houston, TX 77055	Director	N/A

22 . Former partners, officers, directors and shareholders

None ☒ a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME	ADDRESS	DATE OF WITHDRAWAL
------	---------	--------------------

None ☐ b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS	TITLE	DATE OF TERMINATION
Chad Crady	President	07/13/15

23 . Withdrawals from a partnership or distributions by a corporation

None ☒ If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

NAME & ADDRESS OF RECIPIENT, RELATIONSHIP TO DEBTOR	DATE AND PURPOSE OF WITHDRAWAL	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
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24. Tax Consolidation Group.

None ☐ If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

NAME OF PARENT CORPORATION	TAXPAYER IDENTIFICATION NUMBER (EIN)
HII Technologies, Inc.	03-0453686

25. Pension Funds.

None ☒ If the debtor is not an individual, list the name and federal taxpayer-identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case.

NAME OF PENSION FUND	TAXPAYER IDENTIFICATION NUMBER (EIN)
----------------------	--------------------------------------

* * * * *

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

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I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date October 2, 2015

Signature /s/ Loretta R. Cross
Loretta R. Cross
Chief Restructuring Officer

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571

Sage Power Solutions
Payments
07.18.15 - 09.30.15

	Type	Date	Num	Name	Amount
1003 · Cash - Chase 3619					
	Check	07/31/2015	BankFee	Heartland Bank	-238.00
	Check	08/05/2015	BankFee	Heartland Bank	-95.00
	Check	08/31/2015	BankFee	Heartland Bank	-95.00
Total 1003 · Cash - Chase 3619					-2,314.50
1005 · Heartland					
	Check	07/20/2015	BankFee	Heartland Bank	-31.50
	Check	07/20/2015	BankFee	Heartland Bank	-31.50
	Check	07/31/2015	BankFee	Heartland Bank	-50.00
Total 1005 · Heartland					-113.00
TOTAL					-2,427.50

Sage Power Solutions
Payments
07.18.15 - 09.30.15

	Type	Date	Num	Name	Amount
1003 - Cash - Chase 3619	Bill Pmt -Check	07/29/2015	20275	Gilman & Gilman	-1,886.50

STP
Cash Disbursement Journal
September 2014 through September 2015

Attachment 3c

Sage Power Solutions
Payments to Insiders
09.01.14 - 09.30.15

	Type	Date	Num	Name	Amount
1003 - Cash - Chase 3619	Bill Pmt -Check	09/04/2014	WIRE	Chad Crady	-850.00
1003 - Cash - Chase 3619	Bill Pmt -Check	10/21/2014	Wire	Chad Crady	-850.00
1003 - Cash - Chase 3619	Bill Pmt -Check	10/22/2014	Wire	Chad Crady	-1,428.80
1003 - Cash - Chase 3619	Bill Pmt -Check	11/20/2014	Wire	Chad Crady	-850.00
1003 - Cash - Chase 3619	Bill Pmt -Check	12/23/2014	Wire	Chad Crady	-850.00
1003 - Cash - Chase 3619	Bill Pmt -Check	04/24/2015	Wire	Chad Crady	-850.00
1003 - Cash - Chase 3619	Bill Pmt -Check	04/24/2015	Wire	Chad Crady	-1,228.03
1003 - Cash - Chase 3619	Bill Pmt -Check	07/02/2015	Wire	Chad Crady	-1,000.00
1005 - Heartland	Bill Pmt -Check	01/22/2015	30045	Cuevas, Jason L. Exp	0.00
1005 - Heartland	Bill Pmt -Check	03/01/2015	30067	Chad Crady	-850.00
1005 - Heartland	Bill Pmt -Check	03/16/2015	30076	Chad Crady	-850.00

**United States Bankruptcy Court
Southern District of Texas**

In re **HII Technologies, Inc.**

Debtor(s)

Case No. **15-60070**Chapter **11**

STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. To indicate payments, transfers and the like to minor children, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

DEFINITIONS

"In business." A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

"Insider." The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any persons in control of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(2), (31).

1. Income from employment or operation of business

None

☐ State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT
\$-9,083,678.12
\$-980,946.00
\$-1,729,477.96

SOURCE
2015 YTD: 2015 YTD Business Operations
2014: 2014 YTD Business Operations
2013: 2013 YTD Business Operations

2. Income other than from employment or operation of business

None

☒ State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT

SOURCE

B7 (Official Form 7) (04/13)

2**3. Payments to creditors**

None

Complete a. or b., as appropriate, and c.

a. *Individual or joint debtor(s) with primarily consumer debts:* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS	AMOUNT PAID	AMOUNT STILL OWING
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None

b. *Debtor whose debts are not primarily consumer debts:* List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$6,225*. If the debtor is an individual, indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS/ TRANSFERS	AMOUNT PAID OR VALUE OF TRANSFERS	AMOUNT STILL OWING
See Attachment 3b		\$0.00	\$0.00

None

c. *All debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR	DATE OF PAYMENT	AMOUNT PAID	AMOUNT STILL OWING
See Attachment 3c		\$0.00	\$0.00

4. Suits and administrative proceedings, executions, garnishments and attachments

None

a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
Case No. 2015-42553: Worldwide Power Products, LLC v. HII Technologies, Inc., et. al.	Collection	129th District Court, Harris County, TX	Pending
Case No. 2015-44263: Heartland Bank as Administrative Agent v. HII Technologies, Inc., et. al.	Civil	129th District Court, Harris County, TX	Dismissed
Case No. CJ-2015-142: S&M Assets, LLC, Mark Hamilton, and Sharon Hamilton v. Hamilton Investment Group, Inc., and HII Technologies, Inc.	Civil	District Court of Logan County, OK	Dismissed

* Amount subject to adjustment on 4/01/16, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

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- None ☐ b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED	DATE OF SEIZURE	DESCRIPTION AND VALUE OF PROPERTY
---	-----------------	--------------------------------------

5. Repossessions, foreclosures and returns

- None ☐ List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR OR SELLER	DATE OF REPOSSESSION, FORECLOSURE SALE, TRANSFER OR RETURN	DESCRIPTION AND VALUE OF PROPERTY
---	--	--------------------------------------

6. Assignments and receiverships

- None ☐ a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE	DATE OF ASSIGNMENT	TERMS OF ASSIGNMENT OR SETTLEMENT
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- None ☐ b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CUSTODIAN	NAME AND LOCATION OF COURT CASE TITLE & NUMBER	DATE OF ORDER	DESCRIPTION AND VALUE OF PROPERTY
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7. Gifts

- None ☐ List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON OR ORGANIZATION	RELATIONSHIP TO DEBTOR, IF ANY	DATE OF GIFT	DESCRIPTION AND VALUE OF GIFT
---	-----------------------------------	--------------	----------------------------------

8. Losses

- None ☐ List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS
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9. Payments related to debt counseling or bankruptcy

None

- ☐ List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of the petition in bankruptcy within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS
OF PAYEE

DATE OF PAYMENT,
NAME OF PAYER IF OTHER
THAN DEBTOR

AMOUNT OF MONEY
OR DESCRIPTION AND VALUE
OF PROPERTY

See Attachment 9

10. Other transfers

None

- ☒ a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFEREE,
RELATIONSHIP TO DEBTOR

DATE

DESCRIBE PROPERTY TRANSFERRED
AND VALUE RECEIVED

None

- ☒ b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

NAME OF TRUST OR OTHER
DEVICE

DATE(S) OF
TRANSFER(S)

AMOUNT OF MONEY OR DESCRIPTION AND
VALUE OF PROPERTY OR DEBTOR'S INTEREST
IN PROPERTY

11. Closed financial accounts

None

- ☐ List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF INSTITUTION
Wells Fargo Bank

TYPE OF ACCOUNT, LAST FOUR
DIGITS OF ACCOUNT NUMBER,
AND AMOUNT OF FINAL BALANCE
check account ending #2869

AMOUNT AND DATE OF SALE
OR CLOSING
Closed

12. Safe deposit boxes

None

- ☒ List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF BANK
OR OTHER DEPOSITORY

NAMES AND ADDRESSES
OF THOSE WITH ACCESS
TO BOX OR DEPOSITORY

DESCRIPTION
OF CONTENTS

DATE OF TRANSFER OR
SURRENDER, IF ANY

13. Setoffs

None

- ☐ List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR

DATE OF SETOFF

AMOUNT OF SETOFF

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NAME AND ADDRESS OF CREDITOR

DATE OF SETOFF

AMOUNT OF SETOFF

See Attachment 13**14. Property held for another person**None ☒ List all property owned by another person that the debtor holds or controls.

NAME AND ADDRESS OF OWNER

DESCRIPTION AND VALUE OF PROPERTY

LOCATION OF PROPERTY

15. Prior address of debtorNone ☐ If the debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS

710 N Post Oak Blvd, Suite 400

NAME USED

**Hill Technologies, Inc.
Debtor**

DATES OF OCCUPANCY

2012 - September 2014**16. Spouses and Former Spouses**None ☒ If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight years** immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME

17. Environmental Information.

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law

None ☒ a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME AND ADDRESS

NAME AND ADDRESS OF
GOVERNMENTAL UNITDATE OF
NOTICEENVIRONMENTAL
LAWNone ☒ b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

SITE NAME AND ADDRESS

NAME AND ADDRESS OF
GOVERNMENTAL UNITDATE OF
NOTICEENVIRONMENTAL
LAWNone ☒ c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

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NAME AND ADDRESS OF
GOVERNMENTAL UNIT

DOCKET NUMBER

STATUS OR DISPOSITION

18 . Nature, location and name of business

None



a. *If the debtor is an individual*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

NAME	LAST FOUR DIGITS OF SOCIAL-SECURITY OR OTHER INDIVIDUAL TAXPAYER-I.D. NO. (ITIN)/ COMPLETE EIN	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
Sage Power Solutions, Inc.	20-2091210	1551 Damron Street Beeville, TX 78102	Oilfield Services	
Hamilton Investment Group, Inc.	73-1420150	210 N Buffalo Ave Guthrie, OK 73044	Oilfield Services	
Aqua Handling of Texas, LLC	46-1204480	1551 Damron Street Beeville, TX 78102	Oilfield Services	
Apache Energy Services, LLC	45-4384404	793 Charco Street Goliad, TX 77963	Oilfield Services	

None



b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME

ADDRESS

The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership, a sole proprietor, or self-employed in a trade, profession, or other activity, either full- or part-time.

*(An individual or joint debtor should complete this portion of the statement **only** if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)*

19. Books, records and financial statements

None



a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESS
Mark Milliner
11846 Riverview Dr.
Houston, TX 77077

DATES SERVICES RENDERED
August 2013 - July 2015

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NAME AND ADDRESS

Anna Phan
1006 Duke Cove
Pflugerville, TX 78660

DATES SERVICES RENDERED

2013 - July 2015

Meggen Rhodes
5603 Pine Arbor Drive
Houston, TX 77066

March 2014 - Present

Horalia Worrell
9338 Vanwood St
Houston, TX 77040

2014 - August 2015

Darija Bajraktarevic
12911 Newberry St
Sugar Land, TX 77478

2013 - Present

Imperial Accounting & Cost Control
5550 N Braeswood, Ste 67
Houston, TX 77096

2012 - 2014

None

☐

b. List all firms or individuals who within the **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAME

MaloneBailey, LLP

ADDRESS

9801 Westheimer Rd,
Suite 1100
Houston, TX 77042

DATES SERVICES RENDERED

Inception - Present

None

☒

c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME

ADDRESS

None

☐

d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

NAME AND ADDRESS

Heartland Bank
1 Information Way
Suite 300
Little Rock, AR 72202

DATE ISSUED

3/31/2015

20. Inventories

None

☐

a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

DATE OF INVENTORY

June 9, 2015

INVENTORY SUPERVISOR

Hilco Valuation Services

DOLLAR AMOUNT OF INVENTORY

(Specify cost, market or other basis)

NFLV - \$3,338,175 (combined all debtors)

NOLV - \$3,383,00 (combined all debtors)

None

☐

b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

DATE OF INVENTORY

June 9, 2015

NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY RECORDS

Hilco Valuation Services
5 Revere Drive Ste 206
Northbrook, IL 60062

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21 . Current Partners, Officers, Directors and Shareholders

None ☒ a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NAME AND ADDRESS	NATURE OF INTEREST	PERCENTAGE OF INTEREST
------------------	--------------------	------------------------

None ☐ b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS	TITLE	NATURE AND PERCENTAGE OF STOCK OWNERSHIP
Matthew Flemming 8614 Westview Dr Houston, TX 77055	Chairman & CEO	2.25%
Brent Mulliniks 201 River Creek Ln Aledo, TX 76008	Director	6.04%
Ken Chickering 10302 Lynnbrook Hollow Houston, TX 77042	Director	5.01%
Leo Womack 8638 La Fonte Street Houston, TX 77024	Director	1.12%
Alex Newton 363 W Canino Rd Houston, TX 77037	Director	0.65%
Loretta R Cross	CRO	N/A

22 . Former partners, officers, directors and shareholders

None ☒ a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME	ADDRESS	DATE OF WITHDRAWAL
------	---------	--------------------

None ☐ b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS	TITLE	DATE OF TERMINATION
Acie Palmer	CFO	7/24/2015
Mark Milliner 11846 Riverview Dr. Houston, TX 77077	Controller	7/13/2015

23 . Withdrawals from a partnership or distributions by a corporation

None ☒ If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

NAME & ADDRESS OF RECIPIENT, RELATIONSHIP TO DEBTOR	DATE AND PURPOSE OF WITHDRAWAL	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
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24. Tax Consolidation Group.

None

☐

If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

NAME OF PARENT CORPORATION

HII Technologies, Inc.

TAXPAYER IDENTIFICATION NUMBER (EIN)

03-0453686**25. Pension Funds.**

None

☒

If the debtor is not an individual, list the name and federal taxpayer-identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case.

NAME OF PENSION FUND

TAXPAYER IDENTIFICATION NUMBER (EIN)

* * * * *

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date **October 2, 2015**Signature **/s/ Loretta R. Cross****Loretta R. Cross****Chief Restructuring Officer**

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571

HII Technologies, Inc.
Payments to Unsecured Creditors
07.18.15 - 09.30.15

Type	Date	Num	Name	Amount
1002 · Chase 2981				
Check	07/19/2015	DC	BRN Merger Network	-34.95
Check	07/20/2015	DC	Equisolve	-400.00
Check	07/23/2015	DC	Firehouse Sub	-34.24
Check	07/24/2015	DC	Enterprise	-14.96
Check	07/26/2015	DC	Office Max	-25.96
Check	07/26/2015	DC	Dropbox	-9.99
Check	07/27/2015	DC	Chick-Fil-A	-20.61
Bill Pmt -Check	07/29/2015	20343	BMC Group VDR, LLC	-497.59
Bill Pmt -Check	07/29/2015	20344	Corporation Service Company	-366.00
Bill Pmt -Check	07/29/2015	20345	Darija Bajraktarevic	-900.00
Bill Pmt -Check	07/29/2015	20346	ERGOS Technology	-2,738.47
Bill Pmt -Check	07/29/2015	20347	Gilman & Gilman	-337.50
Bill Pmt -Check	07/29/2015	20348	Horalia Worrell	-300.00
Bill Pmt -Check	07/29/2015	20349	Meggen Rhodes	-1,000.00
Bill Pmt -Check	07/29/2015	20350	Nichamoff Law, P.C.	-3,185.00
Bill Pmt -Check	07/29/2015	20351	Radack & Borunda, P.C.	-2,102.50
Bill Pmt -Check	07/29/2015	20352	Shelley Goff	-1,083.00
Bill Pmt -Check	07/29/2015	20353	Ten Voss, Ltd	-8,797.60
Check	07/31/2015	ACH	Stout Risius Ross, Inc.	-25,000.00
Check	07/31/2015	ACH	United States Treasury {2}	-5,314.52
Check	08/01/2015	DC	Equisolve	-499.00
Check	08/01/2015	DC	Houston Chronicle	-11.00
Check	08/01/2015	DC	United Airlines	-173.00
Check	08/01/2015	DC	United Airlines	-200.00
Check	08/02/2015	DC	eFax	-16.95
Check	08/02/2015	DC	Cortex	-26.60
Check	08/02/2015	DC	Google	-105.00
Check	08/04/2015	DC	Jimmy Johns	-81.75
Bill Pmt -Check	08/07/2015	20356	Darija Bajraktarevic	-975.00
Bill Pmt -Check	08/07/2015	20357	Horalia Worrell	-1,200.00
Bill Pmt -Check	08/07/2015	20358	Meggen Rhodes	-1,375.00
Bill Pmt -Check	08/07/2015	20359	FedEx	-22.02
Bill Pmt -Check	08/07/2015	20360	PitneyBowes	-81.16
Bill Pmt -Check	08/07/2015	20361	Stout Risius Ross, Inc.	-9,367.50
Check	08/07/2015	DC	eFax	-16.95
Check	08/07/2015	DC	Telecon (Intercall)	-453.11
Bill Pmt -Check	08/10/2015	ACH	EnTouch Systems	-861.42
Bill Pmt -Check	08/13/2015	20362	Darija Bajraktarevic	-900.00
Bill Pmt -Check	08/13/2015	20363	Greenwood Insurance Group	-54,600.75
Bill Pmt -Check	08/13/2015	20364	Horalia Worrell	-600.00
Bill Pmt -Check	08/13/2015	20365	Meggen Rhodes	-2,000.00
Check	08/20/2015	Wire	BayView Funding	-1,500.00
Bill Pmt -Check	08/21/2015	20368	Capital Premium Financing, Inc.	0.00
Bill Pmt -Check	08/21/2015	20369	Darija Bajraktarevic	-1,050.00
Bill Pmt -Check	08/21/2015	20370	Horalia Worrell	-900.00
Bill Pmt -Check	08/21/2015	20371	Meggen Rhodes	-2,000.00
Bill Pmt -Check	08/21/2015	20372	Stout Risius Ross, Inc.	-58,142.50
Bill Pmt -Check	08/21/2015	20374	Capital Premium Financing, Inc.	-3,322.06
Bill Pmt -Check	08/28/2015	20376	Billy Cox	-4,789.46
Bill Pmt -Check	08/28/2015	20377	Darija Bajraktarevic	-1,100.00
Bill Pmt -Check	08/28/2015	20378	Elizabeth Bowden	-946.59
Bill Pmt -Check	08/28/2015	20379	Horalia Worrell	-750.00
Bill Pmt -Check	08/28/2015	20380	Meggen Rhodes	-2,600.00

Type	Date	Num	Name	Amount
Bill Pmt -Check	08/28/2015	20381	Francisco Saucedo HR	-600.00
Bill Pmt -Check	09/01/2015	20382	Ten Voss, Ltd	0.00
Bill Pmt -Check	09/01/2015	ACH	EnTouch Systems	-911.56
Check	09/01/2015	Wire	US Tresury	-5,112.00
Bill Pmt -Check	09/02/2015	ACH	ERGOS Technology	-2,738.47
Check	09/02/2015	Wire	McKool Smith	-36,000.00
Bill Pmt -Check	09/02/2015		McKool Smith	0.00
Bill Pmt -Check	09/02/2015		McKool Smith	0.00
Bill Pmt -Check	09/04/2015	20386	Darija Bajraktarevic	-1,500.00
Bill Pmt -Check	09/04/2015	20387	Equisolve	-499.00
Bill Pmt -Check	09/04/2015	20388	Francisco Saucedo HR	-900.00
Bill Pmt -Check	09/04/2015	20389	Horalia Worrell	-600.00
Bill Pmt -Check	09/04/2015	20390	Meggen Rhodes	-4,800.00
Bill Pmt -Check	09/04/2015	20391	Sauceda, Cisco Exp	-20.22
Bill Pmt -Check	09/04/2015	20393	Stout Risius Ross, Inc.	-34,347.00
Bill Pmt -Check	09/04/2015	20394	Elizabeth Bowden	-946.58
Bill Pmt -Check	09/08/2015	20395	Ten Voss, Ltd	-8,797.60
Check	09/08/2015	ACH	Google	-517.73
Check	09/08/2015	DC	Google	-105.00
Bill Pmt -Check	09/11/2015	20396	Darija Bajraktarevic	-1,250.00
Bill Pmt -Check	09/11/2015	20397	Meggen Rhodes	-2,500.00
Bill Pmt -Check	09/11/2015	20400	Russell Energy Insights LLC	0.00
Bill Pmt -Check	09/14/2015	Wire	Stout Risius Ross, Inc.	-16,910.25
Bill Pmt -Check	09/15/2015	20401	Darija Bajraktarevic	-400.00
Bill Pmt -Check	09/15/2015	20402	Gary Russell Exp.	-776.96
Bill Pmt -Check	09/15/2015	20403	Meggen Rhodes	-1,450.00
Bill Pmt -Check	09/15/2015	20404	Russell Energy Insights LLC	-5,040.00
Bill Pmt -Check	09/15/2015	Wire	Stout Risius Ross, Inc.	-28,338.25
Bill Pmt -Check	09/15/2015	Wire	Indeglia & Carney LLP (New)	-15,000.00
Check	09/15/2015	Wire	McKool Smith	-33,585.00
Check	09/15/2015	Wire	Stout Risius Ross, Inc.	-15,000.00
Check	09/15/2015	Wire	Gilman & Gilman	-2,166.00
Bill Pmt -Check	09/16/2015	ACH	Capital Premium Financing, Inc.	-3,322.06
Bill Pmt -Check	09/18/2015	20405	Darija Bajraktarevic	-850.00
Bill Pmt -Check	09/18/2015	20406	Meggen Rhodes	-1,250.00
Bill Pmt -Check	09/18/2015	20407	Russell Energy Insights LLC	-1,580.00
Bill Pmt -Check	09/24/2015	20413	Darija Bajraktarevic	-1,250.00
Bill Pmt -Check	09/24/2015	20414	Meggen Rhodes	-2,500.00
Bill Pmt -Check	09/24/2015	20415	Russell Energy Insights LLC	-3,500.00
Check	09/25/2015	ACH	Greenwood Insurance Group	-16,957.96
Bill Pmt -Check	09/28/2015	20417	7H Oilfield Services LLC	-800.00
				\$ (455,651.35)

July 18 through September 30, 2015

HII Technologies, Inc.
Payments to Unsecured Creditors
07.18.15 - 09.30.15

Type	Date	Num	Name	Amount
Check	08/01/2015	BankFee	Heartland Bank	-95.00
Check	08/31/2015	BankFee	Heartland Bank	-95.00
				\$ (190.00)

HII Technologies, Inc.
Payments to Insiders
09.01.14 - 09.30.15

	Type	Date	Num	Name	Amount
1001 - Cash-Wells Fargo	Check	09/29/2014	AcctTrans	Matthew Flemming	-39.00
1001 - Cash-Wells Fargo	Check	10/09/2014	AcctTrans	Matthew Flemming	-2,000.00
1001 - Cash-Wells Fargo	Check	11/12/2014	AcctTrans	Matthew Flemming	-500.00
1001 - Cash-Wells Fargo	Check	12/22/2014	AcctTrans	Matthew Flemming	-1,000.00
1001 - Cash-Wells Fargo	Check	01/02/2015	AcctTrans	Matthew Flemming	-600.00
1001 - Cash-Wells Fargo	Check	01/21/2015	AcctTrans	Matthew Flemming	-1,000.00
1001 - Cash-Wells Fargo	Check	01/29/2015	AcctTrans	Matthew Flemming	-2,000.00
1001 - Cash-Wells Fargo	Check	02/02/2015	AcctTrans	Matthew Flemming	-490.00
1001 - Cash-Wells Fargo	Check	02/03/2015	AcctTrans	Matthew Flemming	-230.00
1001 - Cash-Wells Fargo	Check	02/04/2015	AcctTrans	Matthew Flemming	-750.00
1001 - Cash-Wells Fargo	Check	02/17/2015	AcctTrans	Matthew Flemming	-1,000.00
1001 - Cash-Wells Fargo	Check	02/26/2015	AcctTrans	Matthew Flemming	-1,000.00
1001 - Cash-Wells Fargo	Check	06/09/2015	Wire	Matthew Flemming	-500.00
1001 - Cash-Wells Fargo	Check	07/06/2015	AcctTrans	Matthew Flemming	-30.00
1002 - Chase 2981	Bill Pmt -Check	09/01/2014	20258	Kayla Mulliniks	-500.00
1002 - Chase 2981	Bill Pmt -Check	09/04/2014	20266	S & M Assets, LLC	-16,000.00
1002 - Chase 2981	Bill Pmt -Check	09/15/2014	20268	Alex Newton	-1,000.00
1002 - Chase 2981	Bill Pmt -Check	09/15/2014	20269	Ken Chickering	-1,000.00
1002 - Chase 2981	Bill Pmt -Check	09/15/2014	20270	Leo Womack	-1,000.00
1002 - Chase 2981	Bill Pmt -Check	09/17/2014	20280	Ken Chickering	-530.80
1002 - Chase 2981	Bill Pmt -Check	09/26/2014		Alex Newton	0.00
1002 - Chase 2981	Bill Pmt -Check	09/26/2014	20290	Ken Chickering	-1,402.78
1002 - Chase 2981	Bill Pmt -Check	09/26/2014	20302	Alex Newton	-2,972.22
1002 - Chase 2981	Check	09/29/2014	20304	Matthew Flemming	-1,400.00
1002 - Chase 2981	Bill Pmt -Check	10/01/2014	20307	Kayla Mulliniks	-500.00
1002 - Chase 2981	Bill Pmt -Check	10/01/2014	20311	Alex Newton	-517.20
1002 - Chase 2981	Bill Pmt -Check	10/03/2014	20321	S & M Assets, LLC	0.00
1002 - Chase 2981	Bill Pmt -Check	10/03/2014	20322	Sharon & Mark Hamilton	-12,282.16
1002 - Chase 2981	Bill Pmt -Check	10/29/2014	20334	Alex Newton	-130.19
1002 - Chase 2981	Bill Pmt -Check	01/06/2015	20336	Matthew Flemming	-1,500.00
1002 - Chase 2981	Bill Pmt -Check	08/28/2015	20376	Billy Cox	-4,789.46
1003 - Heartland	Bill Pmt -Check	10/31/2014	30019	Kayla Mulliniks	-500.00
1003 - Heartland	Bill Pmt -Check	11/03/2014	30024	S & M Assets, LLC	-16,000.00
1003 - Heartland	Bill Pmt -Check	11/03/2014	30026	S & M Assets, LLC	-16,000.00
1003 - Heartland	Bill Pmt -Check	11/03/2014	30027	Sharon & Mark Hamilton	-20,039.32
1003 - Heartland	Check	12/01/2014	30045	Kayla Mulliniks	0.00
1003 - Heartland	Bill Pmt -Check	12/01/2014	30046	S & M Assets, LLC	-16,000.00
1003 - Heartland	Bill Pmt -Check	12/01/2014	30047	Sharon & Mark Hamilton	-19,392.89
1003 - Heartland	Check	12/01/2014	30049	Kayla Mulliniks	-500.00
1003 - Heartland	Bill Pmt -Check	12/29/2014	30068	Ken Chickering	-5,000.00
1003 - Heartland	Bill Pmt -Check	12/29/2014	30069	Leo Womack	0.00
1003 - Heartland	Bill Pmt -Check	12/29/2014	30072	Leo Womack	-5,000.00
1003 - Heartland	Bill Pmt -Check	01/01/2015	30073	Acie Palmer, Exp	-257.00
1003 - Heartland	Bill Pmt -Check	01/01/2015	30076	Kayla Mulliniks	-500.00
1003 - Heartland	Bill Pmt -Check	01/01/2015	30081	S & M Assets, LLC	-16,000.00
1003 - Heartland	Bill Pmt -Check	01/01/2015	30082	Sharon & Mark Hamilton	-20,039.32
1003 - Heartland	Bill Pmt -Check	01/06/2015	30084	Matthew Flemming	0.00
1003 - Heartland	Bill Pmt -Check	02/01/2015	30099	Kayla Mulliniks	-500.00
1003 - Heartland	Bill Pmt -Check	02/01/2015	30101	S & M Assets, LLC	-16,000.00
1003 - Heartland	Bill Pmt -Check	02/01/2015	30102	Sharon & Mark Hamilton	-20,039.32
1003 - Heartland	Bill Pmt -Check	02/17/2015	30116	Acie Palmer, Exp	-344.99
1003 - Heartland	Bill Pmt -Check	03/01/2015	30128	Kayla Mulliniks	-500.00
1003 - Heartland	Bill Pmt -Check	03/01/2015	30130	S & M Assets, LLC	-16,000.00
1003 - Heartland	Bill Pmt -Check	03/01/2015	30131	Sharon & Mark Hamilton	-18,100.03
1003 - Heartland	Bill Pmt -Check	04/01/2015	30147	S & M Assets, LLC	-16,000.00
1003 - Heartland	Bill Pmt -Check	04/01/2015	30148	Sharon & Mark Hamilton	-20,039.32
1003 - Heartland	Bill Pmt -Check	04/03/2015	30150	Kayla Mulliniks	-500.00
1003 - Heartland	Bill Pmt -Check	05/01/2015	30168	Acie Palmer, Exp	-274.54
1003 - Heartland	Bill Pmt -Check	05/01/2015	30170	Kayla Mulliniks	-500.00
1003 - Heartland	Bill Pmt -Check	05/01/2015	30171	S & M Assets, LLC	-16,000.00
1003 - Heartland	Bill Pmt -Check	05/01/2015	30172	Sharon & Mark Hamilton	-19,392.89
1003 - Heartland	Bill Pmt -Check	06/01/2015	30189	Kayla Mulliniks	-500.00
1003 - Heartland	Bill Pmt -Check	06/12/2015	30206	S & M Assets, LLC	-16,000.00
1003 - Heartland	Bill Pmt -Check	06/19/2015	30213	Sharon & Mark Hamilton	-20,039.92
1003 - Heartland	Bill Pmt -Check	07/01/2015	30229	Kayla Mulliniks	-500.00
1003 - Heartland	Bill Pmt -Check	07/01/2015	30231	S & M Assets, LLC	0.00
1003 - Heartland	Bill Pmt -Check	07/01/2015	30232	Sharon & Mark Hamilton	0.00

HII Technologies, Inc.
Payments to Unsecured Creditors
07.18.15 - 09.30.15

Type	Date	Num	Name	Amount
Check	07/31/2015	ACH	Stout Risius Ross, Inc.	-25,000.00
Bill Pmt -Check	08/07/2015	20361	Stout Risius Ross, Inc.	-9,367.50
Bill Pmt -Check	08/21/2015	20372	Stout Risius Ross, Inc.	-58,142.50
Check	09/02/2015	Wire	McKool Smith	-36,000.00
Bill Pmt -Check	09/02/2015		McKool Smith	0.00
Bill Pmt -Check	09/02/2015		McKool Smith	0.00
Bill Pmt -Check	09/04/2015	20393	Stout Risius Ross, Inc.	-34,347.00
Bill Pmt -Check	09/14/2015	Wire	Stout Risius Ross, Inc.	-16,910.25
Bill Pmt -Check	09/15/2015	Wire	Stout Risius Ross, Inc.	-28,338.25
Check	09/15/2015	Wire	McKool Smith	-33,585.00
Check	09/15/2015	Wire	Stout Risius Ross, Inc.	-15,000.00
				\$ (256,690.50)

HII / Heartland Bank Accounts

Sweep Transactions

Debt Reserve Account

	Starting Balance	Busn Related Credits	Busn Related Debits	Fees	Sweep Transactions	Ending Balance	Description
Transaction Summary							
Starting Balance	\$675,000.00						
Transaction Totals		\$0.00	\$0.00	\$0.00	-\$675,000.00		
Ending Balance						\$0.00	
Transaction Detail							
7/9/2015	\$675,000.00	-	-	-\$31.50	-	\$674,968.50	NSF Fee
7/10/2015	\$674,968.50	-	-	\$31.50	-	\$675,000.00	NSF Reversal
7/10/2015	\$675,000.00	-	-	-	-\$675,000.00	\$0.00	

United States Bankruptcy Court Southern District of Texas

In re Hamilton Investment Group, Inc.

Debtor(s)

Case No. 15-60072Chapter 11

STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. To indicate payments, transfers and the like to minor children, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

DEFINITIONS

"In business." A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

"Insider." The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any persons in control of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(2), (31).

1. Income from employment or operation of business

None

☐ State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT

\$-2,439,012.53**\$-1,674,676.00**

SOURCE

2015 YTD: 2015 YTD Business Operations**2014: 2014 YTD Business Operations**

2. Income other than from employment or operation of business

None

☒ State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT

SOURCE

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3. Payments to creditors

None

Complete a. or b., as appropriate, and c.

a. *Individual or joint debtor(s) with primarily consumer debts:* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS	AMOUNT PAID	AMOUNT STILL OWING
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None

b. *Debtor whose debts are not primarily consumer debts:* List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$6,225*. If the debtor is an individual, indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS/ TRANSFERS	AMOUNT PAID OR VALUE OF TRANSFERS	AMOUNT STILL OWING
See Attachment 3b		\$0.00	\$0.00

None

c. *All debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR	DATE OF PAYMENT	AMOUNT PAID	AMOUNT STILL OWING
See Attachment 3c		\$0.00	\$0.00

4. Suits and administrative proceedings, executions, garnishments and attachments

None

a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
Case No. 2015-42553: Worldwide Power Products, LLC v. HII Technologies, Inc., Hamilton Investment Group, Inc., et. al.	Collection	129th District Court, Harris County, TX	Pending
Case No. 2015-44263: Heartland Bank as Administrative Agent v. HII Technologies, Inc., Hamilton Investment Group, Inc., et. al.	Civil	129th District Court, Harris County, TX	Dismissed
Case No. CJ-2015-142: S&M Assets, LLC, Mark Hamilton, and Sharon Hamilton v. Hamilton Investment Group, Inc., and HII Technologies, Inc.	Civil	District Court of Logan County, OK	Dismissed

* Amount subject to adjustment on 4/01/16, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

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- None ☐ b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON FOR WHOSE
BENEFIT PROPERTY WAS SEIZED

HII Technologies, Inc.

DATE OF SEIZURE

June 26, 2015

DESCRIPTION AND VALUE OF
PROPERTYSee attached Exhibit 4b -- Logan County TRO and
list of property**5. Repossessions, foreclosures and returns**

- None ☒ List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF
CREDITOR OR SELLERDATE OF REPOSSESSION,
FORECLOSURE SALE,
TRANSFER OR RETURNDESCRIPTION AND VALUE OF
PROPERTY**6. Assignments and receiverships**

- None ☒ a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE

DATE OF
ASSIGNMENT

TERMS OF ASSIGNMENT OR SETTLEMENT

- None ☒ b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS
OF CUSTODIANNAME AND LOCATION
OF COURT
CASE TITLE & NUMBERDATE OF
ORDERDESCRIPTION AND VALUE OF
PROPERTY**7. Gifts**

- None ☒ List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF
PERSON OR ORGANIZATIONRELATIONSHIP TO
DEBTOR, IF ANY

DATE OF GIFT

DESCRIPTION AND
VALUE OF GIFT**8. Losses**

- None ☒ List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE
OF PROPERTYDESCRIPTION OF CIRCUMSTANCES AND, IF
LOSS WAS COVERED IN WHOLE OR IN PART
BY INSURANCE, GIVE PARTICULARS

DATE OF LOSS

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9. Payments related to debt counseling or bankruptcy

- None ☒ List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of the petition in bankruptcy within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYER IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
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10. Other transfers

- None ☒ a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFEREE, RELATIONSHIP TO DEBTOR	DATE	DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED
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- None ☒ b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

NAME OF TRUST OR OTHER DEVICE	DATE(S) OF TRANSFER(S)	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR'S INTEREST IN PROPERTY
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11. Closed financial accounts

- None ☐ List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF INSTITUTION	TYPE OF ACCOUNT, LAST FOUR DIGITS OF ACCOUNT NUMBER, AND AMOUNT OF FINAL BALANCE	AMOUNT AND DATE OF SALE OR CLOSING
Chase Bank	checking, ending #1494	Closed
F&M	checking, ending #0911	Closed
F&M	checking, ending #1937	Closed

12. Safe deposit boxes

- None ☒ List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY	NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITORY	DESCRIPTION OF CONTENTS	DATE OF TRANSFER OR SURRENDER, IF ANY
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13. Setoffs

- None ☒ List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

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NAME AND ADDRESS OF CREDITOR	DATE OF SETOFF	AMOUNT OF SETOFF
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14. Property held for another person

None ☐ List all property owned by another person that the debtor holds or controls.

NAME AND ADDRESS OF OWNER	DESCRIPTION AND VALUE OF PROPERTY	LOCATION OF PROPERTY
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15. Prior address of debtor

None ☐ If the debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS	NAME USED	DATES OF OCCUPANCY
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16. Spouses and Former Spouses

None ☐ If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight years** immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME

17. Environmental Information.

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law

None ☐ a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
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None ☐ b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
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None ☐ c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

NAME AND ADDRESS OF GOVERNMENTAL UNIT	DOCKET NUMBER	STATUS OR DISPOSITION
---------------------------------------	---------------	-----------------------

18 . Nature, location and name of business

None

- ☒ a. *If the debtor is an individual*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

NAME	LAST FOUR DIGITS OF SOCIAL-SECURITY OR OTHER INDIVIDUAL TAXPAYER-I.D. NO. (ITIN)/ COMPLETE EIN	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
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None

- ☒ b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME	ADDRESS
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The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership, a sole proprietor, or self-employed in a trade, profession, or other activity, either full- or part-time.

*(An individual or joint debtor should complete this portion of the statement **only** if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)*

19. Books, records and financial statements

None

- ☐ a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESS	DATES SERVICES RENDERED
Mark Milliner 11846 Riverview Dr. Houston, TX 77077	August 2014 - July 2015
Meggen Rhodes 5603 Pine Arbor Drive Houston, TX 77066	August 2014 - Present
Darija Bajraktarevic 12911 Newberry St Sugar Land, TX 77478	August 2014 - Present
Anna Phan 1006 Duke Cove Pflugerville, TX 78660	August 2014 - July 2015
Horalia Worrell 9338 Vanwood Street Houston, TX 77040	August 2014 - August 2015

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NAME AND ADDRESS

Imperial Accounting & Cost Control
5550 N Braeswood, Suite 67
Houston, TX 77096

DATES SERVICES RENDERED

August 2014 - December 2014

None

☐

b. List all firms or individuals who within the **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAME

MaloneBailey, LLP

ADDRESS

9801 Westheimer Rd,
Suite 1100
Houston, TX 77042

DATES SERVICES RENDERED

2014 - Present

Ham, Langston & Brezina, LLP

11550 Fuqua,
Suite 475
Houston, TX 77034

2014

None

☒

c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME

ADDRESS

None

☐

d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

NAME AND ADDRESS

Heartland Bank
1 Information Way,
Suite 300
Little Rock, AR 72202

DATE ISSUED

3/31/2015

20. Inventories

None

☐

a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

DATE OF INVENTORY

June 9, 2015

INVENTORY SUPERVISOR

Hilco Valuation Services

DOLLAR AMOUNT OF INVENTORY

(Specify cost, market or other basis)

See HII Technologies, Inc. SOFA,
Schedule 20, Inventories

None

☐

b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

DATE OF INVENTORY

June 9, 2015

NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY RECORDS

Hilco Valuation Services
5 Revere Drive Ste 206
Northbrook, IL 60062

21 . Current Partners, Officers, Directors and Shareholders

None

☒

a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NAME AND ADDRESS

NATURE OF INTEREST

PERCENTAGE OF INTEREST

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- None ☐ b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS

Matthew Flemming
8614 Westview Dr
Houston, TX 77055

TITLE

Director

NATURE AND PERCENTAGE
OF STOCK OWNERSHIP

N/A

22 . Former partners, officers, directors and shareholders

- None ☒ a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME

ADDRESS

DATE OF WITHDRAWAL

- None ☐ b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS

William Mark Hamilton

TITLE

President

DATE OF TERMINATION

approx. 06/01/2015

23 . Withdrawals from a partnership or distributions by a corporation

- None ☒ If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

NAME & ADDRESS
OF RECIPIENT,
RELATIONSHIP TO DEBTORDATE AND PURPOSE
OF WITHDRAWALAMOUNT OF MONEY
OR DESCRIPTION AND
VALUE OF PROPERTY**24. Tax Consolidation Group.**

- None ☐ If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

NAME OF PARENT CORPORATION

HII Technologies, Inc.

TAXPAYER IDENTIFICATION NUMBER (EIN)

03-0453686

25. Pension Funds.

- None ☒ If the debtor is not an individual, list the name and federal taxpayer-identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case.

NAME OF PENSION FUND

TAXPAYER IDENTIFICATION NUMBER (EIN)

* * * * *

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

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I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date October 2, 2015

Signature /s/ Loretta R. Cross
Loretta R. Cross
Chief Restructuring Officer

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571

July 18 through September 30, 2015

Hamilton Investment Group
Payments
07.18.15 - 09.30.15

	Type	Date	Num	Name	Split	Amount
Heartland (Checking)						
	Check	07/31/2015	BankFee	Heartland Bank	Bank Service Charges	-25.00
Total Heartland (Checking)						-25.00
TOTAL						-25.00

Hamilton Investment Group
Payments to Insiders
09.01.14 - 09.30.15

	Type	Date	Num	Name	Split	Amount
Heartland (Checking)	Check	02/05/2015	30118	Hamilton, Sharon K.	-SPLIT-	-4,821.70
CHASE BANKING (Checking)	Check	04/07/2015	2236	Hamilton, Sharon K.	-SPLIT-	-1,246.56
F & M Bank (checking)	Check	09/05/2014	20211	Hamilton, Sharon K.	-SPLIT-	-769.04
F & M Bank (checking)	Check	10/27/2014	20324	Hamilton, Sharon K.	-SPLIT-	-69,118.99
F & M Bank (checking)	Check	02/12/2015	20393	Hamilton, Sharon K.	-SPLIT-	-26,087.72

**United States Bankruptcy Court
Southern District of Texas**

In re **Apache Energy Services, LLC**

Debtor(s)

Case No. **15-60069**Chapter **11**

STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. To indicate payments, transfers and the like to minor children, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

DEFINITIONS

"In business." A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

"Insider." The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any persons in control of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(2), (31).

1. Income from employment or operation of business

None



State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT

\$-6,567,248.11

SOURCE

2015 YTD: 2015 YTD Business Operations**\$-542,642.00****2014: 2014 Business Operations****\$629,006.07****2013: 2013 Business Operations**

2. Income other than from employment or operation of business

None



State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT

SOURCE

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2**3. Payments to creditors**

None

Complete a. or b., as appropriate, and c.

a. *Individual or joint debtor(s) with primarily consumer debts:* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS	AMOUNT PAID	AMOUNT STILL OWING
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None

b. *Debtor whose debts are not primarily consumer debts:* List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$6,225*. If the debtor is an individual, indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS/ TRANSFERS	AMOUNT PAID OR VALUE OF TRANSFERS	AMOUNT STILL OWING
See Attachment 3b		\$0.00	\$0.00

None

c. *All debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR	DATE OF PAYMENT	AMOUNT PAID	AMOUNT STILL OWING
See Attachment 3c		\$0.00	\$0.00

4. Suits and administrative proceedings, executions, garnishments and attachments

None

a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
Case 2015-42553: Worldwide Power Products, LLC v. HII Technologies, Inc., Apache Energy Services, et. al.	Collection	129th District Court, Harris County, TX	Pending
Case No. 2015-38232: Precision Frac LLC v. Apache Energy Services LLC	Collection	129th District Court, Harris County, TX	Pending
Case No. 2:14-cv-00062: Ed Porter, Et Al. v. L&B Industrial, Inc., AES Safety Services	Civil	Southern District of Texas	Pending
Cause No. 2015-44263: Heartland Bank as Administrative Agent v. HII Technologies, Inc., Apache Energy Services, et. al.	Civil	129th District, Harris County, TX	Dismissed
Case No. 15-07-21079-CVR: AES Water Solutions v. OTG Services, LLC and Charles E. Wheeler	Collection	143rd District Court, Reeves County, TX	Pending

* Amount subject to adjustment on 4/01/16, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

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CAPTION OF SUIT
AND CASE NUMBER**Case No. 2015-26741: AES Safety Services v.
High Sierra Energy, LP**NATURE OF
PROCEEDING
CollectionCOURT OR AGENCY
AND LOCATION**152nd District Court, Harris County, TX**STATUS OR
DISPOSITION
Settled**Case No. 2015-07656: AES Water Solutions v.
Blue Goose Oil Field Services, LLC****Collection****165th District Court, Harris County, TX****Judgment**

- None ☐ b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON FOR WHOSE
BENEFIT PROPERTY WAS SEIZED

DATE OF SEIZURE

DESCRIPTION AND VALUE OF
PROPERTY**5. Repossessions, foreclosures and returns**

- None ☐ List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF
CREDITOR OR SELLERDATE OF REPOSSESSION,
FORECLOSURE SALE,
TRANSFER OR RETURNDESCRIPTION AND VALUE OF
PROPERTY**See Attachment 5****6. Assignments and receiverships**

- None ☐ a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE

DATE OF
ASSIGNMENT

TERMS OF ASSIGNMENT OR SETTLEMENT

- None ☐ b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS
OF CUSTODIANNAME AND LOCATION
OF COURT
CASE TITLE & NUMBERDATE OF
ORDERDESCRIPTION AND VALUE OF
PROPERTY**7. Gifts**

- None ☐ List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF
PERSON OR ORGANIZATIONRELATIONSHIP TO
DEBTOR, IF ANY

DATE OF GIFT

DESCRIPTION AND
VALUE OF GIFT

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8. Losses

- None ☒ List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case.** (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS
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9. Payments related to debt counseling or bankruptcy

- None ☐ List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of the petition in bankruptcy within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYER IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
---------------------------	---	--

See Attachment 9**10. Other transfers**

- None ☒ a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFEREE, RELATIONSHIP TO DEBTOR	DATE	DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED
--	------	--

- None ☒ b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

NAME OF TRUST OR OTHER DEVICE	DATE(S) OF TRANSFER(S)	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR'S INTEREST IN PROPERTY
-------------------------------	------------------------	---

11. Closed financial accounts

- None ☒ List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF INSTITUTION	TYPE OF ACCOUNT, LAST FOUR DIGITS OF ACCOUNT NUMBER, AND AMOUNT OF FINAL BALANCE	AMOUNT AND DATE OF SALE OR CLOSING
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12. Safe deposit boxes

- None ☒ List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY	NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITORY	DESCRIPTION OF CONTENTS	DATE OF TRANSFER OR SURRENDER, IF ANY
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13. Setoffs

None

☐

List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR

DATE OF SETOFF

AMOUNT OF SETOFF

See Attachment 13**14. Property held for another person**

None

☐

List all property owned by another person that the debtor holds or controls.

NAME AND ADDRESS OF OWNER

DESCRIPTION AND VALUE OF PROPERTY

LOCATION OF PROPERTY

15. Prior address of debtor

None

☐

If the debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS

NAME USED

DATES OF OCCUPANCY

16. Spouses and Former Spouses

None

☐

If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight years** immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME

17. Environmental Information.

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law

None

☐

a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME AND ADDRESS

NAME AND ADDRESS OF
GOVERNMENTAL UNITDATE OF
NOTICEENVIRONMENTAL
LAW

None

☐

b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

SITE NAME AND ADDRESS

NAME AND ADDRESS OF
GOVERNMENTAL UNITDATE OF
NOTICEENVIRONMENTAL
LAW

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- None ☐ c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

NAME AND ADDRESS OF
GOVERNMENTAL UNIT

DOCKET NUMBER

STATUS OR DISPOSITION

18. Nature, location and name of business

- None ☐ a. *If the debtor is an individual*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

NAME	LAST FOUR DIGITS OF SOCIAL-SECURITY OR OTHER INDIVIDUAL TAXPAYER-I.D. NO. (ITIN)/ COMPLETE EIN	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
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- None ☐ b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME	ADDRESS
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The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership, a sole proprietor, or self-employed in a trade, profession, or other activity, either full- or part-time.

(An individual or joint debtor should complete this portion of the statement **only** if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)

19. Books, records and financial statements

- None ☐ a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESS

Mark Milliner
11846 Riverview Dr.
Houston, TX 77077

Meggen Rhodes
5603 Pine Arbor Drive
Houston, TX 77066

Darija Bajraktarevic
12911 Newberry Street
Sugar Land, TX 77478

DATES SERVICES RENDERED

August 2013 - July 2015**March 2014 - Present****2014 - Present**

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NAME AND ADDRESS

Anna Phan
1006 Duke Cove
Pflugerville, TX 78660

DATES SERVICES RENDERED

2013 - July 2015

Horalia Worrell
9338 Vanwood Street
Houston, TX 77040

2014 - August 2015

Imperial Accounting & Cost Control
5550 N Braeswood, Suite 67
Houston, TX 77096

2012 - 2014

None

☐

b. List all firms or individuals who within the **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAME

MaloneBailey, LLP

ADDRESS

9801 Westheimer Road
Suite 1100
Houston, TX 77042

DATES SERVICES RENDERED

2012 - Present

Mark Milliner

11846 Riverview Dr.
Houston, TX 77077

2013 - July 2015

Meggen Rhodes

5603 Pine Arbor Drive
Houston, TX 77066

March 2014 - Present

None

☒

c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME

ADDRESS

None

☐

d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

NAME AND ADDRESS

Heartland Bank
1 Information Way, Suite 300
Little Rock, AR 72202

DATE ISSUED

3/31/2015

20. Inventories

None

☐

a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

DATE OF INVENTORY

June 9, 2015

INVENTORY SUPERVISOR

Hilco Valuation services

DOLLAR AMOUNT OF INVENTORY

(Specify cost, market or other basis)
See HII Technologies, Inc. SOFA,
Schedule 20, Inventories

None

☐

b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

DATE OF INVENTORY

June 9, 2015

NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY RECORDS

Hilco Valuation Services
5 Revere Drive Ste 206
Northbrook, IL 60062

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21 . Current Partners, Officers, Directors and Shareholders

None ☒ a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NAME AND ADDRESS	NATURE OF INTEREST	PERCENTAGE OF INTEREST
------------------	--------------------	------------------------

None ☒ b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS	TITLE	NATURE AND PERCENTAGE OF STOCK OWNERSHIP
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22 . Former partners, officers, directors and shareholders

None ☒ a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME	ADDRESS	DATE OF WITHDRAWAL
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None ☐ b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS	TITLE	DATE OF TERMINATION
Mulliniks, Brent 201 River Creek Lane Aledo, TX 76008	President	September 1, 2015
Cox, Billy 5373 FM 1726 Goliad, TX 77963	Vice President	September 1, 2015

23 . Withdrawals from a partnership or distributions by a corporation

None ☒ If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

NAME & ADDRESS OF RECIPIENT, RELATIONSHIP TO DEBTOR	DATE AND PURPOSE OF WITHDRAWAL	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
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24. Tax Consolidation Group.

None ☐ If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

NAME OF PARENT CORPORATION	TAXPAYER IDENTIFICATION NUMBER (EIN)
HII Technologies, Inc.	03-0453686

25. Pension Funds.

None ☒ If the debtor is not an individual, list the name and federal taxpayer-identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case.

NAME OF PENSION FUND	TAXPAYER IDENTIFICATION NUMBER (EIN)
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* * * * *

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

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I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date October 2, 2015

Signature /s/ Loretta R. Cross
Loretta R. Cross
Chief Restructuring Officer

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571

Apache Energy Services, LLC - New
Cash Disbursements Journal
July 18 through September 30, 2015

Apache Energy Services
Payments
07.18.15 - 09.30.15

	Type	Date	Num	Name	Amount
Chase-9250					
Chase-9250	Check	07/22/2015	54115	Ohio Bureau of Workers' Compensation	-541.15
Chase-9250	Check	07/24/2015	ACH	Capital Premium Ins.	-3,347.06
Chase-9250	Check	07/28/2015	Transfer		-168,800.86
Chase-9250	Bill Pmt -Check	07/29/2015	11713	Gilman & Gilman Counselors at Law	-884.67
Chase-9250	Bill Pmt -Check	07/29/2015	11714	Sutherland Asbill & Brennan LLP	-3,449.53
Chase-9250	Bill Pmt -Check	07/29/2015	11719	BlueCross Blueshield of Texas	-62,832.11
Chase-9250	Check	07/29/2015	DC	Delanyas Smoke Pit	-21.68
Chase-9250	Check	07/29/2015	DC	Christians Tailgate Bar	-26.72
Chase-9250	Check	07/29/2015	ACH	Mckool Smith General	-45,000.00
Chase-9250	Check	07/30/2015	DC	Priceline Hotels	-110.02
Chase-9250	Check	07/31/2015	BankFee	Chase Bank	-265.00
Chase-9250	Check	08/01/2015	DC	PCC	-75.00
Chase-9250	Check	08/01/2015	DC	PCC	-75.00
Chase-9250	Check	08/04/2015	DC	Loves Country	-16.23
Chase-9250	Check	08/04/2015	DC	Hampton Inn	-100.91
Chase-9250	Check	08/05/2015	ACH	Bizopia	-499.99
Chase-9250	Bill Pmt -Check	08/07/2015	11720	Knox Oilfield Supply, Inc.	-5,000.00
Chase-9250	Bill Pmt -Check	08/07/2015	xfr to 6716	LHB Energy Consultants, LLC	-130,848.72
Chase-9250	Check	08/07/2015	DC	The Burger Palace	-34.58
Chase-9250	Check	08/07/2015	DC	Chuy's	-33.43
Chase-9250	Check	08/09/2015	DC	Courtyard by Marriott	-310.00
Chase-9250	Check	08/10/2015	DC	The Burger Palace	-42.03
Chase-9250	Check	08/10/2015	xfr to 6717	LHB Energy Consultants, LLC	-130,848.72
Chase-9250	Bill Pmt -Check	08/21/2015	11726	Titan Test Pumps	-10,000.00
Chase-9250	Bill Pmt -Check	08/21/2015	11727	High Pressure Rental & Supply, LLC	-5,000.00
Chase-9250	Bill Pmt -Check	08/21/2015	11728	TSI Flow Products	0.00
Chase-9250	Bill Pmt -Check	08/21/2015	11729	Production Equipment Sales & Service	0.00
Chase-9250	Bill Pmt -Check	08/21/2015	11730	Twilight Services, Inc.	-3,000.00
Chase-9250	Bill Pmt -Check	08/21/2015	11731	Elite Hot Shot	-1,500.00
Chase-9250	Bill Pmt -Check	08/21/2015	11732	Knox Oilfield Supply, Inc.	-5,000.00
Chase-9250	Bill Pmt -Check	08/21/2015	11733	Nitro-Lift Technologies, LLC	0.00
Chase-9250	Bill Pmt -Check	08/21/2015		OneBeacon Insurance Group	0.00
Chase-9250	Bill Pmt -Check	08/21/2015	Withdrawal	LHB Energy Consultants, LLC	-110,927.00
Chase-9250	Check	08/31/2015	BankFee	Chase Bank	-401.00
Chase-9250	Check	09/03/2015	Wire	BCBS	-749.40
Chase-9250	Check	09/04/2015	ACH	Bizopia	-499.99
Total Chase-9250					-690,240.80
Heartland					
Total Heartland					-270.50
TOTAL					-690,511.30
Chase - Safety					
Chase - Safety	Check	07/22/2015	ACH	Bizopia	-499.99
Total Chase - Safety					-499.99
Heartland - Safety					
Total Heartland - Safety					-50.00
TOTAL					-549.99

Apache Energy Services, LLC-New
Cash Disbursements Journal
July 18 through September 30, 2015

Attachment 3b

Apache Energy Services
Payments
07.18.15 - 09.30.15

	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
Heartland	Check	07/31/2015	BankFee	Heartland Bank	-50.00
Heartland	Check	07/31/2015	BankFee	Heartland Bank	-220.50
Heartland - Safety	Check	07/31/2015	BankFee	Heartland Bank	-50.00

Apache Energy Services, LLC-New
Cash Disbursements Journal
September 2014 through September 2015

Attachment 3c

Apache Energy Services
Payments to Insiders
09.01.14 - 09.30.15

	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
Chase-9250	Bill Pmt -Check	10/01/2014	11667	Billy Cox	-1,814.73
Heartland	Bill Pmt -Check	10/31/2014	30001	Billy Cox	-59.85
Heartland	Bill Pmt -Check	11/04/2014	30036	Billy Cox	-44,292.24
Heartland	Bill Pmt -Check	11/04/2014	30037	Brent Mulliniks	-44,292.24
Heartland	Bill Pmt -Check	03/31/2015		Billy Cox	0.00
Heartland	Bill Pmt -Check	03/31/2015		Brent Mulliniks	0.00
Chase - Safety	Bill Pmt -Check	10/24/2014	10459	Charles Davis exp	-1,303.46
Heartland - Safety	Bill Pmt -Check	10/31/2014	30005	Charles Davis exp	-3,539.49
Heartland - Safety	Bill Pmt -Check	12/05/2014	30037	Charles Davis exp	-1,815.40
Heartland - Safety	Bill Pmt -Check	04/10/2015	30097	Charles Davis exp	-942.73
Heartland - Safety	Bill Pmt -Check	06/01/2015	30126	Charles Davis exp	-4,350.00

HII Technologies, Inc
Enterprise Lease Fleet Summary - 9/17/2015

Entrep #	Plate #	Lic State	VIN	Description	Year	Make	Model	Status per HII
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AES Water Solutions

1	FT10M7	DCM2192	TX	3C6UR5HL4EG202434	Obed	2014	RAM	2500	Returned
2	FT80Q9	DPX7966	TX	1GC1KUE87FF131226	Gator	2015	Chevrolet	Silverado 2500HD	Returned
3	FT87S7	FBS4157	TX	3GCUKRECEG566558	Kayla	2014	Chevrolet	Silverado 1500	Returned
4	FT87S9	DWR8359	TX	3GCUKRECEG564323	Acie - Returned	2014	Chevrolet	Silverado 1500	Returned
5	FT99D9	CKG0127	TX	3C6UR5HL8DG613138	AquaTex Mechanical Busn - Returned	2013	RAM	2500	Returned
6	FT01F4	CGF1077	TX	1GNSKAE09DR333615	Calen	2013	Chevrolet	Tahoe	Returned
7	FT04L7	CYT6664	TX	3C6UR5DJXEG178211	Flowback	2014	RAM	2500	Returned
8	FT04L9	DFR6608	TX	3C6UR5JL4DG525388	Flowback	2013	RAM	2500	Returned
9	FT31D4	CDK7835	TX	1GC1KVC8DF115758	Flowback	2013	Chevrolet	Silverado 2500HD	Returned
10	FT32D7	CDS9476	TX	1GC1KVC8DF235808	Flowback	2013	Chevrolet	Silverado 2500HD	Returned
11	FT33D1	CDJ8099	TX	1GC1KVC8DF232622	Flowback	2013	Chevrolet	Silverado 2500HD	Returned
12	FT47N8	Z30300	OK	1GC1KVC88DF234306	Flowback	2013	Chevrolet	Silverado 2500HD	Returned
13	FT80Q8	DTK2409	TX	1GC1KUE82FF165798	Flowback	2015	Chevrolet	Silverado 2500HD	Returned
14	FT8Y40	BTW0402	TX	3C6TD5HT1CG281276	Flowback	2012	RAM	2500	Returned
15	FT8Y42	CJH8228	TX	3C6TD5HT8CG281274	Flowback	2012	RAM	2500	Returned
16	FT47N7	CRJ0403	TX	1GC1KVC85DF226454	Water Transfer	2013	Chevrolet	Silverado 2500HD	Returned
17	FT47N9	CRJ0402	TX	1GC1KVC88DF233527	Water Transfer	2013	Chevrolet	Silverado 2500HD	Returned
18	FT51N1	CRJ0898	TX	1GC1KVC89DF218339	Water Transfer	2013	Chevrolet	Silverado 2500HD	Returned
19	FT51N2	CRJ1114	TX	1GC1KVC8XDF236025	Water Transfer	2013	Chevrolet	Silverado 2500HD	Returned
20	FT71H7	DCD5701	TX	3C6TR5HT6EG184871	Water Transfer	2014	RAM	2500	Returned
21	FT75R4	FBS4150	TX	1GC1KUE86FF175699	Water Transfer	2015	Chevrolet	Silverado 2500HD	Returned
22	FT10M4	DCL6542	TX	3C6UR5HL6EG202435	Water Transfer	2014	RAM	2500	Returned
23	FT31D5	CDK7836	TX	1GC1KVC85DF103471	Water Transfer STX	2013	Chevrolet	Silverado 2500HD	Returned
24	FT69R0	DVG7817	TX	1GC1KUE84FF117882	Water Transfer	2015	Chevrolet	Silverado 2500HD	Returned
25	FT6W38	FBS0062	TX	3C6TD5HT3CG281263	Water Transfer STX	2012	RAM	2500	Returned
26	FT72F0	DZC3544	TX	1GC1KVC83EF154736	Water Transfer STX	2014	Chevrolet	Silverado 2500HD	Returned
27	FT77R2	FBS4152	TX	1GC1KUE89FF197387	Water Transfer	2015	Chevrolet	Silverado 2500HD	Returned
28	FT89J2	CZC4694	TX	3C6TR5HT6EG222504	Feb 2015 accident.	2014	RAM	2500	Returned
29	FT89J3	DCP6031	TX	3C6TR5HT4EG222503	Water Transfer	2014	RAM	2500	Returned
30	FT04Q7	625818H	TX	5VYGL1226EH005624	WTLLC	2015	*Trailer	*Trailer	Returned
31	FT04Q8	625819H	TX	5VYGL1228EH005625	WTLLC	2015	*Trailer	*Trailer	Returned
32	FT04Q9	625837H	TX	5VYGL1221EH005787	WTLLC	2014	*Trailer	*Trailer	Returned
33	FT05Q0	625838H	TX	5VYGL1228EH005785	WTLLC	2014	*Trailer	*Trailer	Returned
34	FT69R8	B036682	TX	1NL1GTR2061083402	WTLLC FEMA Trailer	2006	*Trailer	*Trailer	Returned
35	FT69R9	B036683	TX	1NL1GTR2X61038953	WTLLC FEMA Trailer	2006	*Trailer	*Trailer	Returned
36	FT71R2	B036678	TX	5L4TF332563019914	WTLLC FEMA Trailer	2005	*Trailer	Trailer	Returned
37	FT71R3	B036677	TX	1NL1GTR2461001865	WTLLC FEMA Trailer	2006	*Trailer	*Trailer	Returned
38	FT54N4	DGV6532	TX	109003	May 2015 Accident.	2014	RAM	B3DC	Returned
39	FT71F7	DZC3545	TX	1GC1KVC8XEF154961	Safety	2014	Chevrolet	Silverado 2500HD	Returned
40	FT75H9	PIL2623	OH	B13623	Production Crew	2013	FORD	F25C	Returned

**United States Bankruptcy Court
Southern District of Texas**

In re **Aqua Handling of Texas, LLC**

Debtor(s)

Case No. **15-60071**Chapter **11**

STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. To indicate payments, transfers and the like to minor children, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

DEFINITIONS

"In business." A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

"Insider." The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any persons in control of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(2), (31).

1. Income from employment or operation of business

None

☐

State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT

\$-1,061,326.86

SOURCE

2015 YTD: 2015 YTD Business Operations**\$1,165,172.00****2014: 2014 YTD Business Operations****\$-15,312.49****2013: 2013 YTD Business Operations**

2. Income other than from employment or operation of business

None

☒

State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT

SOURCE

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3. Payments to creditors

None

Complete a. or b., as appropriate, and c.☒

a. *Individual or joint debtor(s) with primarily consumer debts:* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS
OF CREDITORDATES OF
PAYMENTS

AMOUNT PAID

AMOUNT STILL
OWING

None

☐

b. *Debtor whose debts are not primarily consumer debts:* List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$6,225*. If the debtor is an individual, indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR

DATES OF
PAYMENTS/
TRANSFERSAMOUNT
PAID OR
VALUE OF
TRANSFERSAMOUNT STILL
OWING**See Attachment 3b****\$0.00****\$0.00**

None

☐

c. *All debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND
RELATIONSHIP TO DEBTOR

DATE OF PAYMENT

AMOUNT PAID

AMOUNT STILL
OWING**See Attachment 3c****\$0.00****\$0.00****4. Suits and administrative proceedings, executions, garnishments and attachments**

None

☐

a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT
AND CASE NUMBERNATURE OF
PROCEEDINGCOURT OR AGENCY
AND LOCATIONSTATUS OR
DISPOSITION

Case No. 2015-42553: Worldwide Power Products, LLC v. HII Technologies, Inc., Aqua Handling of Texas, LLC, et. al.

Collection**129th District Court, Harris County, TX****Pending**

Case No. 2015-44263: Heartland Bank as Administrative Agent v. HII Technologies, Inc., Aqua Handling of Texas, LLC, et. al.

Civil**129th District Court, Harris County, TX****Dismissed**

None

☒

b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

* Amount subject to adjustment on 4/01/16, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

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NAME AND ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED	DATE OF SEIZURE	DESCRIPTION AND VALUE OF PROPERTY
---	-----------------	--------------------------------------

5. Repossessions, foreclosures and returns

- None ☐ List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR OR SELLER	DATE OF REPOSSESSION, FORECLOSURE SALE, TRANSFER OR RETURN	DESCRIPTION AND VALUE OF PROPERTY
---	--	--------------------------------------

6. Assignments and receiverships

- None ☐ a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE	DATE OF ASSIGNMENT	TERMS OF ASSIGNMENT OR SETTLEMENT
------------------------------	-----------------------	-----------------------------------

- None ☐ b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CUSTODIAN	NAME AND LOCATION OF COURT CASE TITLE & NUMBER	DATE OF ORDER	DESCRIPTION AND VALUE OF PROPERTY
----------------------------------	--	------------------	--------------------------------------

7. Gifts

- None ☐ List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON OR ORGANIZATION	RELATIONSHIP TO DEBTOR, IF ANY	DATE OF GIFT	DESCRIPTION AND VALUE OF GIFT
---	-----------------------------------	--------------	----------------------------------

8. Losses

- None ☐ List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS
--------------------------------------	--	--------------

9. Payments related to debt counseling or bankruptcy

- None ☐ List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of the petition in bankruptcy within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYER IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
------------------------------	---	--

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10. Other transfers

- None ☐ a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFEREE, RELATIONSHIP TO DEBTOR	DATE	DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED
None <input type="checkbox"/>	b. List all property transferred by the debtor within ten years immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.	

NAME OF TRUST OR OTHER DEVICE	DATE(S) OF TRANSFER(S)	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR'S INTEREST IN PROPERTY
----------------------------------	---------------------------	---

11. Closed financial accounts

- None ☐ List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF INSTITUTION	TYPE OF ACCOUNT, LAST FOUR DIGITS OF ACCOUNT NUMBER, AND AMOUNT OF FINAL BALANCE	AMOUNT AND DATE OF SALE OR CLOSING
---------------------------------	--	---------------------------------------

12. Safe deposit boxes

- None ☐ List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY	NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITORY	DESCRIPTION OF CONTENTS	DATE OF TRANSFER OR SURRENDER, IF ANY
---	---	----------------------------	--

13. Setoffs

- None ☐ List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATE OF SETOFF	AMOUNT OF SETOFF
------------------------------	----------------	------------------

14. Property held for another person

- None ☐ List all property owned by another person that the debtor holds or controls.

NAME AND ADDRESS OF OWNER	DESCRIPTION AND VALUE OF PROPERTY	LOCATION OF PROPERTY
---------------------------	-----------------------------------	----------------------

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15. Prior address of debtor

None

- ☐ If the debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS

NAME USED

DATES OF OCCUPANCY

16. Spouses and Former Spouses

None

- ☐ If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight years** immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME

17. Environmental Information.

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law

None

- ☐ a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME AND ADDRESS

NAME AND ADDRESS OF
GOVERNMENTAL UNITDATE OF
NOTICEENVIRONMENTAL
LAW

None

- ☐ b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

SITE NAME AND ADDRESS

NAME AND ADDRESS OF
GOVERNMENTAL UNITDATE OF
NOTICEENVIRONMENTAL
LAW

None

- ☐ c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

NAME AND ADDRESS OF
GOVERNMENTAL UNIT

DOCKET NUMBER

STATUS OR DISPOSITION

18 . Nature, location and name of business

None

☒ a. *If the debtor is an individual*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

NAME	LAST FOUR DIGITS OF SOCIAL-SECURITY OR OTHER INDIVIDUAL TAXPAYER-I.D. NO.	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
	(ITIN)/ COMPLETE EIN			

None

☒ b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME	ADDRESS
------	---------

The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership, a sole proprietor, or self-employed in a trade, profession, or other activity, either full- or part-time.

*(An individual or joint debtor should complete this portion of the statement **only** if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)*

19. Books, records and financial statements

None

☐ a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESS	DATES SERVICES RENDERED
Mark Milliner 11846 Riverview Dr. Houston, TX 77077	August 2013 - July 2015
Meggen Rhodes 5603 Pine Arbor Drive Houston, TX 77066	March 2014 - Present
Darija Bajraktarevic 12911 Newberry St Sugar Land, TX 77478	2014 - Present
Anna Phan 1006 Duke Cove Pflugerville, TX 78660	2013 - July 2015
Horalia Worrell 9338 Vanwood St Houston, TX 77040	2014 - August 2015

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NAME AND ADDRESS

Imperial Accounting & Cost Control
5550 N Braeswood, Ste 67
Houston, TX 77096

DATES SERVICES RENDERED

2012 - 2014

None

☐

b. List all firms or individuals who within the **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAME

MaloneBailey, LLP

ADDRESS

9801 Westheimer Rd,
Suite 1100
Houston, TX 77042

DATES SERVICES RENDERED

2013 - Present

None

☒

c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME

ADDRESS

None

☐

d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

NAME AND ADDRESS

Heartland Bank
1 Information Way
Suite 300
Little Rock, AR 72202

DATE ISSUED

3/31/2015

20. Inventories

None

☐

a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

DATE OF INVENTORY

June 9, 2015

INVENTORY SUPERVISOR

Hilco Valuation Services

DOLLAR AMOUNT OF INVENTORY

(Specify cost, market or other basis)

See HII Technologies, Inc. SOFA,
Schedule 20, Inventories

None

☐

b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

DATE OF INVENTORY

June 9, 2015

NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY RECORDS

Hilco Valuation Services
5 Revere Drive Ste 206
Northbrook, IL 60062

21 . Current Partners, Officers, Directors and Shareholders

None

☒

a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NAME AND ADDRESS

NATURE OF INTEREST

PERCENTAGE OF INTEREST

None

☒

b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS

TITLE

NATURE AND PERCENTAGE OF STOCK OWNERSHIP

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22 . Former partners, officers, directors and shareholders

None

a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME

ADDRESS

DATE OF WITHDRAWAL

None

b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS

TITLE

DATE OF TERMINATION

Christopher George**President****approx. 06/01/2015****23 . Withdrawals from a partnership or distributions by a corporation**

None

If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.NAME & ADDRESS
OF RECIPIENT,
RELATIONSHIP TO DEBTORDATE AND PURPOSE
OF WITHDRAWALAMOUNT OF MONEY
OR DESCRIPTION AND
VALUE OF PROPERTY**24. Tax Consolidation Group.**

None

If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

NAME OF PARENT CORPORATION

HII Technologies, Inc.

TAXPAYER IDENTIFICATION NUMBER (EIN)

03-0453686**25. Pension Funds.**

None

If the debtor is not an individual, list the name and federal taxpayer-identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case.

NAME OF PENSION FUND

TAXPAYER IDENTIFICATION NUMBER (EIN)

* * * * *

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date **October 2, 2015**Signature **/s/ Loretta R. Cross****Loretta R. Cross****Chief Restructuring Officer**

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571

Aqua Handling of Texas
Custom Transaction Detail Report
July 18 through September 30, 2015

Attachment 3b

AquTex
Payments
07.18.15 - 09.30.15

	Type	Date	Num	Memo	Clr	Split	Amount
Heartland Bank							
	Check	07/31/2015	Bank Fee	ACH Service Charge	√	Bank Service Charges	-25.00
	Check	07/31/2015	Bank Fee	Sweep Account Fee	√	Bank Service Charges	-25.00
	Check	07/31/2015	BankFee	NSF Item Fee	√	Bank Service Charges	-31.50
Total Heartland Bank							-81.50
TOTAL							-176.50

AquTex
Payments
07.18.15 - 09.30.15

	Type	Date	Num	Memo	Clr	Split	Amount
Chase Bank							
	Check	07/31/2015	BankFee	Service Charges for July 2015		Bank Service Charges	-95.00
Total Chase Bank							-95.00

AquaTex
Payments to Insiders
09.01.14 - 09.30.15

	Type	Date	Num	Source Name	Split	Amount
Heartland	Bill Pmt -Check	11/04/2014	30015	Christopher S. George	Accounts Payable	-22,597.47
Heartland	Bill Pmt -Check	01/01/2015	30039	Christopher S. George	Accounts Payable	-1,600.00
Heartland	Bill Pmt -Check	02/20/2015	30055	Christopher S. George	Accounts Payable	-2,400.00
Heartland	Bill Pmt -Check	03/31/2015		Christopher S. George	Accounts Payable	0.00

EXHIBIT C

HII Technologies - Projections Model*Pro Forma Model (\$)*

P&L	Dec-15	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016E	2017E
Calendar Days		91	91	92	92	366	365
Revenues							
Hydroflow Rentals		\$ 23,657	\$ 23,657	\$ 23,657	\$ 23,657	\$ 94,630	\$ 94,630
Other Equipment Rentals		-	-	-	-	-	-
Asset Sales		-	-	-	-	-	-
Other Revenues		-	-	-	-	-	-
Total Revenues		\$ 23,657	\$ 23,657	\$ 23,657	\$ 23,657	\$ 94,630	\$ 94,630
Cost of Sales							
Cost of Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cost of Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>% Revenues</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Gross Profit		\$ 23,657	\$ 23,657	\$ 23,657	\$ 23,657	\$ 94,630	\$ 94,630
<i>% Gross Margin</i>		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
G&A Expenses							
Accounting Staff - Contract		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A/R Collections - Contract		8,050	3,000	-	-	11,050	-
Rent		7,995	6,000	6,000	6,000	25,995	24,000
Phone		1,795	225	225	225	2,470	900
Cloud Services		4,740	3,000	3,000	3,000	13,740	12,000
Web Hosting		1,500	1,500	1,500	1,500	6,000	6,000
Miscellaneous		2,000	2,000	2,000	2,000	8,000	8,000
Tax Return Fees		2,500	2,500	2,500	2,500	10,000	10,000
Consulting (SRR)		20,000	15,000	15,000	15,000	65,000	60,000
A/R Collections - Legal		10,500	4,000	-	-	14,500	-
Other Expenses		-	-	-	-	-	-
Annual Review		-	25,000	-	-	25,000	15,000
Total G&A Expenses		\$ 59,080	\$ 62,225	\$ 30,225	\$ 30,225	\$ 181,755	\$ 135,900
<i>% Revenues</i>		249.7%	263.0%	127.8%	127.8%	192.1%	143.6%
Total EBITDA		\$ (35,423)	\$ (38,568)	\$ (6,568)	\$ (6,568)	\$ (87,125)	\$ (41,270)
<i>% Margin</i>		(149.7%)	(163.0%)	(27.8%)	(27.8%)	(92.1%)	(43.6%)
Depreciation		\$ 15,254	\$ 15,254	\$ 15,254	\$ 15,254	\$ 61,017	\$ 61,017
Amortization		-	-	-	-	-	-
EBT		\$ (50,677)	\$ (53,822)	\$ (21,822)	\$ (21,822)	\$ (148,142)	\$ (102,287)
Income Taxes		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income		\$ (50,677)	\$ (53,822)	\$ (21,822)	\$ (21,822)	\$ (148,142)	\$ (102,287)
<i>% Margin</i>		(214.2%)	(227.5%)	(92.2%)	(92.2%)	(156.5%)	(108.1%)
Cumulative EBITDA		\$ (35,423)	\$ (73,990)	\$ (80,558)	\$ (87,125)	\$ (87,125)	\$ (128,395)

Note: P&L assumes no additional rental fees for Hydroflow units or other assets. Such rentals are anticipated, but not under current contract

HII Technologies - Projections Model*Pro Forma Model (\$)*

Balance Sheet	Dec-15	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016E	2017E
Assets							
Cash	\$ 200,000	\$ 390,625	\$ 802,057	\$ 795,490	\$ 788,922	\$ 788,922	\$ 647,652
Accounts Receivable	1,317,876	450,000	-	-	-	-	-
Total Current Assets	\$ 1,517,876	\$ 840,625	\$ 802,057	\$ 795,490	\$ 788,922	\$ 788,922	\$ 647,652
Net Plant, Property & Equipment	\$ 305,085	\$ 289,831	\$ 274,577	\$ 259,322	\$ 244,068	\$ 244,068	\$ 283,051
Goodwill	-	-	-	-	-	-	-
Other Assets (Including NOLs)	31,774,621	31,774,621	31,774,621	31,774,621	31,774,621	31,774,621	31,774,621
Total Assets	\$ 33,597,582	\$ 32,905,077	\$ 32,851,255	\$ 32,829,433	\$ 32,807,611	\$ 32,807,611	\$ 32,705,324
Liabilities							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Liabilities	641,829	-	-	-	-	-	-
Total Current Liabilities	\$ 641,829	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revolver	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Senior Debt	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-	-
Total Liabilities	\$ 641,829	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Shareholders' Equity							
Shareholders' Equity	\$ 32,955,753	\$ 32,955,753	\$ 32,955,753	\$ 32,955,753	\$ 32,955,753	\$ 32,955,753	\$ 32,955,753
Retained Earnings	-	(50,677)	(104,499)	(126,320)	(148,142)	(148,142)	(250,429)
Total Shareholders' Equity	\$ 32,955,753	\$ 32,905,077	\$ 32,851,255	\$ 32,829,433	\$ 32,807,611	\$ 32,807,611	\$ 32,705,324
Total Liabilities & Shareholders' Equity	\$ 33,597,582	\$ 32,905,077	\$ 32,851,255	\$ 32,829,433	\$ 32,807,611	\$ 32,807,611	\$ 32,705,324

Note: With the exception of the NOLs, the balance sheet is based on the estimated Fair Market Value at closing.

Operating losses are carried at face value.

Cash Flow Statement	Dec-15	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016E	2017E
Operating Cash Flow							
Net Income		\$ (50,677)	\$ (53,822)	\$ (21,822)	\$ (21,822)	\$ (148,142)	\$ (102,287)
Depreciation & Amortization		15,254	15,254	15,254	15,254	61,017	61,017
Change in Accounts Receivable		867,876	450,000	-	-	1,317,876	-
Change in Accounts Payable		-	-	-	-	-	-
Change in Other Current Liabilities		(641,829)	-	-	-	(641,829)	-
Total Operating Cash Flow		\$ 190,625	\$ 411,432	\$ (6,568)	\$ (6,568)	\$ 588,922	\$ (41,270)
Investing Cash Flow							
Other (Acquisitions/Sales)		-	-	-	-	-	(100,000)
Total Investing Cash Flow		\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100,000)
Debt Payments							
Equity Contributions		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees		-	-	-	-	-	-
Total Financing Cash Flow Pre-Debt		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Flow Pre-Debt		\$ 190,625	\$ 411,432	\$ (6,568)	\$ (6,568)	\$ 588,922	\$ (141,270)
Less: Minimum Cash Balance		-	-	-	-	-	-
Plus: Beginning Cash		200,000	390,625	802,057	795,490	200,000	788,922
Cash Available for Debt Repayment		\$ 390,625	\$ 802,057	\$ 795,490	\$ 788,922	\$ 788,922	\$ 647,652
Less: Revolver Paydown		-	-	-	-	-	-
Less: Senior Debt Paydown		-	-	-	-	-	-
Ending Cash Balance		\$ 390,625	\$ 802,057	\$ 795,490	\$ 788,922	\$ 788,922	\$ 647,652

EXHIBIT D

HII Technologies, Inc. Liquidation Analysis		
(In Thousands)	Chapter 11	Chapter 7
Assets		
Current Assets		
Cash for Company and Trust	\$ 800	\$ -
Accounts Receivable	700	
Total Current Assets	1,500	-
Equipment	300	
Value of Tax attributes	5348	
Total Non-Current Assets	5,648	-
Causes of Action	3,000	3,000
Total Sources of Recovery	10,148	3,000
Non Operating Costs		
Trustee Fees	12	113
Funding the litigation	500	650
Admin Expenses including Professional Fees	436	
Total Costs	948	763
Net Value Available for Recovery	\$ 9,200	\$ 2,237
Estimated Face Value Debt		
Chapter 11 Administrative Claims	-	436
Debtor in Possession Financing	9,999	8,699
Unsecured and Other Secured Debts with Deficiency Claims	15,823	15,823
Total Claims	\$ 25,823	\$ 24,959
Recoveries:		
Causes of Actions	3,000	2,237
Contingency Fee for Lawyer	900	900
New Money Advance	100	-
Chapter 11 Administrative Claims	-	436
DIP Debt \$ -- 55%	1,100	735
Unsecured \$ -- 45%	900	166
Value of Reorganized Entity	6,200	-
DIP Debt -- 95%	5,890	-
Unsecured Debt -- 5%	310	-
Total Recoveries	\$ 9,200	\$ 2,237
Estimated Face Value Debt after Recoveries		
Chapter 11 Administrative Claims	\$ -	\$ -
Secured Debt	2,910	7,964
Unsecured	14,613	15,657
Total Claims	\$ 22,823	\$ 22,722
Percentage Recovery		
Administrative	100.0%	100.0%
Secured Debt	69.9%	8.5%
Unsecured	7.6%	1.0%

Assumption on the Liquidation Analysis

- Assume a plan confirmation or conversion date of February 28, 2016
- Assumes that recoveries from causes of action is \$3 million. This amount may vary greatly, as there are a number of avenues for which claims are being pursued, and the outcome could be impacted by numerous factors. A recovery from causes of action (e.g. litigation, insurance claims, preferences, fraudulent transfers, etc.) is expected.
- Assumes that legal fees are based on a contingency fee of 30%, and that out of pocket expenses are paid for with funds from the litigating trust or the Chapter 7 estate.

CHAPTER 11 PLAN

- Assumes all the cash in excess of \$800,000 pays down the New Money Advances and the Debtor in Possession Financing. This analysis assumes that only \$100,000 of New Money Advances remain at confirmation.
- Assumes claims process is administered on consolidated basis allowing for greater efficiency and lower costs.
- Assumes all remaining accounts receivable and equipment remain with the Company.
- Assumes that \$37.3 million of Net operating Losses (NOL's) after the conversion of debt to equity. Assuming a tax rate of 35% and a 40% chance that they will be utilized against future operations, the value would be approximately \$4.3 million dollars.
- 100% of administrative costs related to the Chapter 11 proceeding are paid through cash collateral prior to Plan implementation or through the cash that remains after the plan is confirmed.
- Proceeds of the Causes of action will be applied 100% to any remaining New Money Advances, then 55% to DIP Lender and 45% to Unsecured Creditors and deficiency claims.
- The DIP Lender will receive 95% of the common stock of the company and the unsecured creditor and holders of deficiency claims will receive 5% of the company upon confirmation.
- The Company will continue to operate in the area of water management in the oil field services space. The Company will provide leasing services to Enservco for 7 new Hydro-Flow units under a 2 year lease, along with 2 additional units under lease with an early option buy out. The Company also has other equipment available for lease in the oil field services space.
- The DIP lender will be leaving adequate liquidity behind in the form of cash and accounts receivable at the time of exit which will provide cash flow to support continuing operations.

Alternative Chapter 7 Plan

- Chapter 7 alternative presents \$0 cash as the sale of substantially all of the assets has occurred.
- Out of pocket costs of litigation are assumed to be \$150,000 higher than the Chapter 11 costs, due to the amount of knowledge and time already spent related to the claims.
- Secured lender assumed to successfully seek and receive lift of stay and undertake a foreclosure against collateral, thus no accounts receivable or equipment will remain with the company.
- Trustee fees in the Chapter 7 reflect compensation as per section 330 not to exceed 25% on the first \$5,000, 10% on amounts between \$5,000 and \$50,000, 5% amounts between \$50,000 and \$1,000,000, 3% for moneys in excess of \$1,000,000