

**THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:)	
)	Chapter 11
GROEB FARMS, INC.)	Case No. 13-58200
)	
Debtor.)	Honorable Walter Shapero

**DECLARATION OF TIMOTHY STALLKAMP, WITH CONWAY MACKENZIE, INC.,
FINANCIAL ADVISOR FOR GROEB FARMS, INC., IN SUPPORT OF CONFIRMATION OF
THE SECOND AMENDED PLAN OF REORGANIZATION OF GROEB FARMS, INC.,
PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE DATED NOVEMBER 8, 2013**

I Timothy Stallkamp, hereby declare that the following is true to the best of my knowledge, information and belief:

1. I am a Managing Director for Conway MacKenzie, Inc. ("Conway MacKenzie"), the financial advisor for Groeb Farms, Inc., the debtor and debtor in possession in the above-captioned Chapter 11 case (the "Debtor"). I am authorized to submit this Declaration as a retained agent of the Debtor in support of confirmation of the Second Amended Plan of Reorganization of Groeb Farms, Inc., Pursuant to Chapter 11 of the Bankruptcy Code dated November 8, 2013 (the "Plan").

2. I am over 18 years of age and am fully competent to testify to the matters set forth in this Declaration.

3. The Debtor retained Conway MacKenzie in July 2013, and Conway MacKenzie's professionals, including myself, quickly became familiar with the Debtor's finances and operations.



4. In its 25-year history, Conway MacKenzie has represented hundreds of debtors as either financial advisor or chief restructuring officer across virtually every industry. Specific to the Debtor, Conway MacKenzie has vast experience in working with companies in the food production and food retail industries in both in-court and out-of-court processes.

5. On November 8, 2013, the Bankruptcy Court¹ entered its Order Authorizing the Debtor to Retain and Employ Conway MacKenzie, Inc. Pursuant to 11 U.S.C. 327(a) and 1107(a) as Financial Advisor to the Debtor *Nunc Pro Tunc* to the Petition Date (Dkt. No. 210).

6. I am familiar with the Debtor's day-to-day operations, finances, business affairs, contracts and books and records.

7. I am familiar with the Plan. I have reviewed the Plan, the Second Amended Disclosure Statement dated November 8, 2013 ("Disclosure Statement"), the exhibits to the Disclosure Statement and am familiar with the facts alleged therein and restructuring proposed thereby. Except as otherwise indicated, I have personal knowledge of the matters set forth herein or have gained knowledge of such matters from the Debtor's employees or retained advisers that report to me in the ordinary course of my responsibilities as a financial advisor for the Debtor and, if called as a witness, would testify thereto.

8. In my opinion, implementing the Plan will maximize value for all of the Debtor's creditors and allow the Debtor to reorganize its business for the benefit of the estate and the Debtor's creditors. In my opinion, any failure to promptly implement the Plan would likely result in a decreased return to the Debtor's estate.

9. I have in-depth knowledge of the Debtor's business, assets and liabilities and the market within which the Debtor operates its business. I prepared the comparison of the proposed

¹ Any capitalized terms not defined herein shall have the meaning ascribed to them in the Plan.

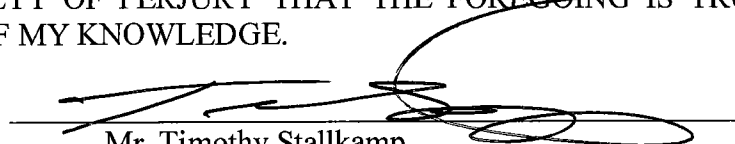
payout pursuant to the Plan and through a Chapter 7 liquidation, which is attached to the Disclosure Statement as Exhibit C (the "Liquidation Analysis"), based on this knowledge.

10. As further discussed in the Debtor's Liquidation Analysis, not only will creditors receive "not less than the amount that such holder would so receive or retain if the [D]ebtor were liquidated under chapter 7 of this title," they will receive more through the Plan than they would under a Chapter 7 liquidation. The Debtor's Liquidation Analysis calculates the gross amount of Cash that would be available for satisfaction of Claims as the sum of the proceeds resulting from the disposition of the unencumbered assets and properties of the Debtor, including any unencumbered Cash, to the extent it exists. Then, such gross amount is reduced by the costs and expenses of the chapter 7 liquidation itself and by such additional administrative and priority Claims that are projected to result from the liquidation of the Debtor under a hypothetical chapter 7 case. The Debtor's costs of liquidation under chapter 7 would include the fees payable to a trustee in bankruptcy, as well as those fees that might be payable to attorneys and other Professionals that the trustee might engage for purposes of liquidating the Debtor. Other liquidation costs include the expenses incurred during the Chapter 11 Case and allowed in the chapter 7 case, such as compensation for attorneys, financial advisors, appraisers, accountants, and other Professionals for the Debtor, as well as other compensation Claims. Any remaining net Cash would be allocated to creditors and stockholders in strict payment priority in accordance with section 726 of the Bankruptcy Code. In the liquidation analysis, the Debtor compared the present value of those allocations (taking into account the time necessary to accomplish the liquidation) to the value of the property proposed to be distributed under the Plan on the Effective Date.

11. Based on a review of the Liquidation Analysis, I believe that holders of Impaired Claims in each Impaired Class under the Plan are receiving more than what each holder of a Claim in such Class would receive under a chapter 7 liquidation. Indeed, I believe such Claims would receive less because the Debtor would be less likely to recover the full amount of its account receivables and other receivables, its inventory, and net property, plant and equipment under a chapter 7 liquidation scenario. Therefore, under a chapter 7 liquidation, the Senior Lender would be impaired by approximately 18% and *no other* Classes of Claims would recognize any recovery, other than the proceeds of Avoidance Actions and Causes of Action. As previously discussed above in Article IV.D., the holders of Other Priority Claims, Other Secured Claims, Senior Loan Claims, Senior Subordinated Note Claims, Trade Claims, Other General Unsecured Claims, and Unsecured Convenience Class Claims are all receiving distributions under the Plan. Further, under the Plan the Senior Subordinated Note Claims are satisfied in full through the issuance of new notes and warrants, and certain Allowed Trade Claims are paid in full from the cash flow of the Debtor. Accordingly, the interests of the creditors are best served by confirming the Plan and allowing the Debtor to continue in possession to reorganize pursuant to the terms of the Plan, which I believe would result in the maximize the return to creditors.

12. Based on the foregoing analysis, no dissenting holder of an Impaired Claim will receive less under the Plan than it would receive in a chapter 7 liquidation.

I SWEAR UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE
AND CORRECT TO THE BEST OF MY KNOWLEDGE.



Mr. Timothy Stallkamp
Managing Director
Conway MacKenzie, Inc.

Dated: December 19, 2013