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I. INTRODUCTION

A. Background.

Stinar HG, Inc. (hereafter referred to as "Debtor" or "Stinar"), filed a petition for reorganization ("Petition") under Chapter 11 of the U.S. Bankruptcy Code (the "Code") on May 22, 2017 (the "Petition Date"). The Debtor filed bankruptcy along with its parent company Oakridge Holdings, Inc. ("Oakridge") which has filed bankruptcy in this District under case number 17-31669 (the Debtor and Oakridge are sometimes referred to herein as the "Debtor Entities"). The Debtor has operated its business as Debtor in possession under Section 1107 of the Code. The Debtor is now seeking confirmation of its plan of reorganization (the "Plan") from the Court. A copy of the Plan accompanies this disclosure statement. Debtor provides this disclosure statement pursuant to Section 1125 of the Code to all of its known holders of claims and interests in order to provide adequate information about the Debtor and the Plan so that they can make an informed judgment about the Plan's merits and the decision to vote for acceptance or rejection of the Plan.

Debtor requests that its creditors vote to accept the Plan. As of the Petition Date, Stinar owns a piece of real property consisting of 7.1 acres in Eagan Minnesota upon which it operates its business (its sole location). With needed improvements and outstanding environmental issues, the real estate has a

liquidation value of \$1,836,750. Stinar had other current assets, valued at generally accepted accounting principles, worth \$1,188,166.19. However, Net Liquidation Value of all assets of the Debtor as of the date of filing is approximately \$2,226,791.00 as shown on Exhibit 2.

Pre-petition the following parties held secured debt against the Debtor as listed below:

1. Signature Bank has two loans totaling a current balance of approximately \$1,132,482.00.
2. The Small Business Administration (“SBA”) has a separate SBA 504 Loan with a current balance of \$632,585.
3. There is an additional loan from Ford Credit on a truck chassis in the amount of approximately \$24,000.00.

The Plan promises to pay the secured claims of Signature Bank and the SBA per the loan documents already entered into, except to the extent that the debtor missed a payment pre-petition on any of the loans, in which case the maturity date of the loan or loans will be extended by the number of months that the Debtor was in arrears on the loans pre-petition.

The Ford Credit debt will be paid off within 60 days after the Effective Date. The Plan also promises to pay any tax claims in full within the 5 years as required by federal law (although the Debtor believes that there are no such tax claims).

Unsecured creditors will receive more under the Plan than under a forced liquidation of the Debtor as described below.

THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT IS SUPPLIED BY DEBTOR AND NOT BY ANY OTHER PARTY. DEBTOR AUTHORIZES NO REPRESENTATIONS, PARTICULARLY AS TO ITS FUTURE BUSINESS OPERATIONS OR THE VALUE OF ITS PROPERTY, OTHER THAN THOSE SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE, WHICH ARE OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT, SHOULD NOT BE RELIED UPON IN ARRIVING AT A DECISION TO VOTE FOR OR AGAINST THE PLAN.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. FORMAL APPRAISALS HAVE NOT BEEN OBTAINED. ALL STATEMENTS CONCERNING FINANCIAL DATA ARE MADE IN GOOD FAITH AND ARE INTENDED TO BE AS COMPLETE AND AS ACCURATE AS POSSIBLE WITHIN THESE LIMITATIONS. THERE IS NO ASSURANCE THAT THE FIGURES SHOWN IN THE PROJECTIONS WILL BE ACHIEVED. DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS

WITHOUT ANY INACCURACY, ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE. NEITHER DEBTOR NOR ITS ATTORNEYS, SAPIENTIA LAW GROUP HAVE ANY ACTUAL KNOWLEDGE OF ANY INACCURACIES.

B. Confirmation Hearing and Voting Procedures.

The bankruptcy court with jurisdiction over this case has, in the order accompanying this disclosure statement, approved this Disclosure Statement as providing sufficient information for creditors to vote on the plan and set a time and place for a hearing on the confirmation of the Plan. Creditors and interest holders may vote for or against the Plan by completing, dating, and signing the ballot accompanying this disclosure statement and by mailing or otherwise delivering the ballot to the Clerk of Bankruptcy Court. YOUR BALLOT MUST BE DATED, EXECUTED AND RECEIVED BY THE CLERK OF BANKRUPTCY COURT BY THE TIME PROVIDED FOR IN THE COURT'S ORDER FOR YOUR VOTE TO BE COUNTED.

C. Tax Consequences.

The following discussion summarizes certain federal income tax consequences of the Plan to the Debtor, and to holders of general unsecured claims and interests. This summary does not address the federal income tax consequences to holders of allowed administrative expense claims, priority claims, or secured

claims. This summary does not address foreign, state or local income tax consequences, or any estate or gift tax consequences of the Plan, nor does it address the federal income tax consequences of the Plan to special classes of taxpayers. Accordingly, this summary should not be relied upon for purposes of determining the specific tax consequences of the Plan with respect to a particular holder of a claim or interest.

THE TAX CONSEQUENCES TO HOLDERS OF CLAIMS OR INTEREST MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH SUCH HOLDER. THIS SUMMARY DOES NOT CONSTITUTE TAX ADVICE OR A TAX OPINION CONCERNING THE MATTERS DESCRIBED. THERE CAN BE NO ASSURANCE THAT THE INTERNAL REVENUE SERVICE WILL NOT CHALLENGE ANY OR ALL OF THE TAX CONSEQUENCES DESCRIBED HEREIN, OR THAT SUCH A CHALLENGE, IF ASSERTED, WOULD NOT BE SUSTAINED. ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH HIS, HER OR ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL, FOREIGN OR OTHER TAX CONSEQUENCES OF THE PLAN

(1) FEDERAL INCOME TAX CONSEQUENCES TO THE DEBTOR.

The Debtor anticipates that confirmation of the Plan will have no federal income tax consequences for the Debtor or Post-Confirmation Estate. During the Chapter 11 case, the Debtor has paid its post-petition tax obligations in the ordinary course of its business pursuant to the tax laws.

(2) FEDERAL INCOME TAX CONSEQUENCES TO HOLDERS OF GENERAL UNSECURED CLAIMS.

The tax consequences to holders of general unsecured claims will differ and will depend on factors specific to such holder, including but not limited to: (i) whether the claim, or a portion thereof, constitutes a claim for interest or principle, (ii) the origin of the claim, (iii) the type of consideration received in exchange for the claim, (iv) whether the holder is a United States person or a foreign person for tax purposes, (v) whether the holder reports income on the accrual or cash basis method, and (vi) whether the holder has taken a bad debt deduction or otherwise recognized a loss with respect to the claim.

THERE ARE MANY FACTORS THAT WILL DETERMINE THE TAX CONSEQUENCE TO EACH HOLDER OF A GENERAL UNSECURED CLAIM. FURTHERMORE, THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX, AND IN SOME CASES, UNCERTAIN. THEREFORE, IT IS IMPORTANT THAT EACH HOLDER OF A GENERAL UNSECURED CLAIM OBTAIN HIS, HER OR ITS OWN PROFESSIONAL TAX ADVICE REGARDING THE TAX CONSEQUENCES TO SUCH HOLDER OF A GENERAL UNSECURED CLAIM AS A RESULT OF THE PLAN.

II.
WITHHOLDING AND REPORTING

Payments of interest, dividends, and certain other payments are generally subject to backup withholding at the rate of 28% unless the payee furnishes his, her or its correct taxpayer identification number to the payor. The Debtor may be required to withhold the applicable percentage of any payments made to a holder

who does not provide its taxpayer identification number. Backup withholding is not an additional tax, but an advance payment that may be refunded to the extent it results in an overpayment of tax.

THE FOREGOING IS INTENDED TO BE ONLY A SUMMARY OF CERTAIN FEDERAL INCOME TAX CIRCUMSTANCES OF THE PLAN, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FEDERAL, STATE AND LOCAL INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. SUCH CONSEQUENCES MAY ALSO VARY BASED ON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR INTEREST. ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH HIS, HER OR ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, AND LOCAL INCOME AND OTHER TAX CONSEQUENCES UNDER THE PLAN.

III. OWNERSHIP AND BUSINESS HISTORY OF THE DEBTOR

The late Frank Stinar founded Stinar HG, Inc., d/b/a Stinar Corporation (“Stinar”) in 1946. Stinar is a Minnesota based company with a long-standing reputation for reliable, high quality, custom, and cost-effective ground support equipment for the airline industry. Stinar has operated throughout the world via a combination of direct sales representation and Stinar’s authorized agents. Stinar’s corporate headquarters and its 40,000 square foot manufacturing facility are in Eagan, Minnesota. Stinar’s sales for the past several years have been in the \$5,000,000 range. Stinar has operated at a loss for several years.

On June 29, 1998, Oakridge, a publicly held Minnesota-based company, became the new owner of Stinar. Currently, Stinar is the only asset of Oakridge.

Oakridge has approximately 1,500 shareholders holding approximately 1,400,000 shares. The two largest shareholders of Oakridge Holdings are Robert Harvey who holds approximately 21% of the outstanding shares and Robert Gregor who holds approximately 10% of the outstanding shares. The stock of Oakridge is not listed on any exchange and the stock has few trades in the marketplace. The best information that Stinar has is that Oakridge's stock recently traded at about two cents per share.

Stinar's only business is the manufacturing of ground support equipment for the aviation industry. Stinar's products are used to load, service, and maintain all types of aircraft for both government and commercial applications. Some of the equipment Stinar manufactures are:

- Lavatory Service Carts and Trucks
- Potable Water Carts and Trucks
- Passenger Stairways, truck mounted and towable
- Maintenance High Lifts
- Disabled Passenger Transporters
- Flight Line Tow Trucks
- Refrigerated Catering Carts
- High Lift Catering Trucks
- Waste Drain Carts

Stinar builds products to meet specific customer needs. Many of Stinar's competitors, who offer only standard products to the marketplace, force their

customers to modify operations to fit the products that are available. Stinar's goal is just the opposite. If a customer has a unique requirement, Stinar strives to provide them with a cost-effective solution. Stinar strives to make products that are reliable, designed for efficiency, simple and safe to operate, and are versatile for multi-use applications.

IV. EVENTS LEADING TO REORGANIZATION

When Stinar was acquired by Oakridge in 1998, international business comprised a third of its business. In 2010, it dropped to 14%. In 2016 it represented 1% of their business. The drop is attributed to a variety of issues. Stinar has not been able to replace this international business with U.S. customers or sales.

In addition, the recently imposed sequestration on purchases by the United States government has had a major impact on Stinar's government business. The percentage of government business for the past 8 years is as follows:

2010, 65%
2011, 73%
2012, 66%
2013, 70%
2014, 42%
2015, 18%
2016, 7%
2017, 8%

Oakridge, the parent company of Stinar, employed three different Auditors in the past two year. This grossly delayed the SEC Filings and hence Oakridge became delinquent on those filings. This caused a default in Stinar's agreement with its primary lender, Signature Bank. Signature Bank was unwilling to re-negotiate the terms of the three loans it has with Stinar and the bank increased Stinar's interest rate on all its loans to 10% per year which has had a considerable impact on Stinar's ability to use its cash to purchase inventory and parts to meets its sales orders.

In August of 2016, Stinar entered into two agreements with Kruckeberg Industries ("Kruckeberg"), a Blooming Prairie, Minnesota based injection molding and industrial manufacturer. The agreements were a long-term management agreement and an agreement to sell all of Stinar's assets to Kruckeberg. Based on the status of Stinar's parent corporation as a publicly traded company, Oakridge received advice that they would need to have a shareholder vote to dispose of the assets of Stinar. Stinar believed and still believes that it would be impossible to obtain the vote of a majority of its shareholders for the sale of the assets of Stinar as the shares of Oakridge were originally issued in 1961 and there is little trading in Stinar. Oakridge believes many of the shareholders on Stinar's shareholder list are either deceased, aged or cannot be found. The two companies therefore chose to enter into a Chapter 11 Reorganization filing to provide an exit strategy for the

investors through either a reorganization or a sale of Stinar's assets, provide cash flow support for Stinar's operations, restructure Stinar's secured debt and eliminate the significant expenses inherent in being a publicly traded company, expenses that Stinar, as the only operating entity of Oakridge, is forced to pay.

V. LITIGATION

A. Reservation of All Rights, Claims and Actions.

Debtor is currently not engaged in any litigation. Debtor is in the process of investigating its rights to recovery, if any, under the Bankruptcy Code, including preference actions and the like. Debtor reserves the right to commence adversary proceedings, object to claims, or take any other legal action allowed by the Bankruptcy Code, or other applicable law, and use all funds recovered from such proceedings to fund the Plan, and for operations.

VI. STEPS TAKEN BY DEBTOR TO IMPROVE OPERATIONS

A. Overview.

Debtor intends to continue to operate the business, and increase its profitability. Stinar will hire additional sales staff within the next 12 months to increase its sales to the levels presented in the forecast attached to the Plan (Exhibit B). Debtor has taken steps to reduce overhead and expenditures while maintaining a sufficient level of equipment and expertise to continue its operations.

Summary of the Plan.

Debtor, cognizant of the consequences to its creditors in the event a plan of reorganization is not confirmed, developed its plan to provide realistic and acceptable recoveries for each class of claims.

The following description of the Plan is qualified by the terms of the Plan itself. Creditors should read both the Disclosure Statement and the Plan carefully and seek competent advice for any questions they may have.

B. Unclassified Claims.

Unclassified claims include:

- (a) All fees payable, including quarterly fees payable to the United States Trustee and any court fees, as required under 28 U.S.C. § 1930(a)(6). As of the date hereof, Debtor is current with such fees.
- (b) Post-petition Claims, incurred in the ordinary course of Debtor's business other than those listed in paragraph c and d below. Debtor is current with all such expenses as of the date hereof.
- (c) Allowed Priority Expense Claims, except as otherwise classified herein, including:
 - 1. Allowed administrative expense fees and expenses of counsel for the Debtor and accountants for the Debtor pursuant to 11

U.S.C. § 503(b) as well as any other professionals hired by the Debtor and whose retention and fees have been or will be approved by the Court.

2. Administrative Claims of taxing authorities for post-petition taxes under 11 U.S.C. § 507(a)(2) and 503(b). Debtor is current on post-petition taxes.

(d) Claims of taxing authorities for pre-petition taxes entitled to priority by reason of 11 U.S.C. § 507(a)(8).

Treatment of Administrative Priority Claims:

The foregoing Allowed Administrative (507(a)(2)) Claims will be satisfied by payment in full on the Effective Date, to the extent not otherwise paid in the ordinary course of business as the same become due or as agreed upon by a particular Claimant. Debtor estimates that attorney's fees and costs for the two jointly administered Debtors will total approximately \$200,000 to \$250,000, all of which will be paid for by the Debtor. Debtor will continue to pay all fees payable, including quarterly trustee fees, and any other court fees, that come due until the Chapter 11 case is closed, converted or dismissed, as required by 28 U.S.C. § 1930, but subject to any amendments to the Bankruptcy Code made retroactively applicable to this case. After confirmation, the Debtor agrees to submit quarterly

operating reports to the United States Trustee, in the format prescribed by the trustee until the case is closed, dismissed or converted.

Treatment of Non-Administrative Priority Claims:

1) Amount of Claims

- a) All Allowed Claims under § 507(a)(8) will, unless otherwise agreed, be paid in full, in regular monthly installments, over a period of no more than 60 months from the date of the filing of Debtor's Bankruptcy Petition with interest as required by applicable state or federal law. Debtor believes that the Internal Revenue Service has \$0.00 in priority tax claims under § 507(a)(8). The Internal Revenue Service has filed a proof of claim in the Oakridge Chapter 11 in the amount of \$11,185.34. The Minnesota Department of Revenue ("MNDOR") has filed a claim in the Oakridge Chapter 11 for \$227,434.57 for unpaid taxes for the 2013 tax year for income on the sale of certain assets. Oakridge is disputing the Claim of the MNDOR but Stinar will fund all payments necessary to pay any priority claim allowed by the Bankruptcy Court. If the MNDOR claim is allowed in full, and payments to MNDOR started in June of 2018, those payments would be \$4,166.67 per month. Payment

of any allowed MNDOR claim is necessary in order to allow Oakridge to be liquidated under the terms of its Chapter 11 plan. This will in turn eliminate the on-going costs of Oakridge as a publicly traded company. After Oakridge's liquidation, Stinar will obtain significant cost savings for professional fees related to annual filings and annual audited financials and these savings will result in a net benefit to the reorganized Debtor, even if it has to pay the amount of the MNDOR priority tax claim in full.

C. Classified Claims and Interests.

All Classified Claims against Debtor are set forth below, along with the treatment to be afforded each Class.

1. Class I. Secured Claims

The amount of the secured claims of the Debtor are determined by the value of the various assets held by the Debtor. As of the Petition Date, Stinar a piece of real property consisting of 7.1 acres in Eagan Minnesota upon which it operates Its business (its sole location). With needed roof and building improvements and outstanding environmental issues, the real estate has a liquidation value of \$1,836,750. Stinar also had, as of the date of filing, current assets, valued at generally accepted accounting principles \$1,188,166.19. Net Liquidation Value of

all assets of the Debtor as of the date of filing is approximately \$2,236,791 as shown on Exhibit 2. A liquidation analysis is attached as Exhibit 2 to the Disclosure Statement.

Pre-petition the following parties held secured debt against the Debtor as listed below:

Class 1A: Claims of Signature Bank

Signature Bank that has two loans totaling a current balance of approximately \$1,132,482.00. More specifically, the loans and security for the Signature Bank loans are:

Loan No. 5802:

Balance: \$831,715

Description: Payable in monthly installments of \$ 6,672 including interest at 6.0 %, with a balloon payment in January 2023. Effective June 2015, the interest rate was raised to 10 % due to payment default in accordance with the terms of the note.

Security: The note is secured by the first mortgage on property owned by the Debtor, a blanket lien in all of Steiner's assets and a continuing commercial guarantee from both Oakridge Development and Robert Harvey and by the assignment of a life insurance policy on Robert Harvey.

Loan No. 5803:

Balance: \$300,767.00

Security: Mortgage on the land and buildings at 3255 Sibley Memorial Highway, Eagan, Minnesota consisting of an office, shop and out lots totaling approximately 7.1 acres and blanket lien on assets of Steiner (with equipment lien subordinate to SBA).

Description: Bank portion of SBA 504 loan guaranteed note payable in monthly installments of \$20,503 including interest at the prime rate (as published by the Wall Street Journal) plus 1 %, adjusted every calendar quarter (4.25 % at June 30, 2016), maturing in May 2018. The note is secured by the assets of Stinar and the unconditional guarantee of the chief executive officer/key stockholder.

Treatment:

The Debtor will pay the principal balance on the Signature Bank loans existing at the Petition Date less any payments made from the Petition Date to the Effective Date as secured claims at the rate set forth in the loan documents beginning thirty days after the Effective Date. To the extent that the Debtor has missed any payments during the course of the bankruptcy, the Debtor will extend the Loans by the number of months that the payments were missed payments shall remain the same conditions of any underlying loan documents shall remain in full force and effect.

The secured claimants shall retain a lien and security interest in the collateral, as described forth above, until the principal balances and all accruing interest are paid in full.

So long as the payments by the Debtor under the terms of the Plan are current, all personal guarantees signed by any guarantor on any of the Loans will also be deemed current and not in default.

Alternatively, the Debtor may seek re-financing of the Class IA debt at terms at least as favorable as the current debt structure.

Class I B: Claims of the Small Business Administration

The Small Business Administration (“SBA”) has a separate SBA 504 Loan with a current balance of \$632,585. This loan has a twenty-year term and is payable in monthly installments of \$ 5,107 including interest and SBA fees for an interest rate of 5.2%. The SBA portion of the 504 loan matures in March 2033. The note is secured by a second mortgage on the land and buildings at 3255 Sibley Memorial Highway, Eagan, Minnesota consisting of an office, shop and out lots totaling approximately 7.1 acres and an unconditional guarantee from both Oakridge and Robert Harvey as well as a second position lien on the Debtor’s equipment.

Treatment:

The Debtor will pay the principal balance on the Small Business Administration Loan existing at the Petition Date less any payments made from the Petition Date to the Effective Date as secured claims at the rate set forth in the loan documents beginning thirty days after the Effective Date. To the extent that the

Debtor has missed any payments during the course of the bankruptcy, the Debtor will extend the Loans by the number of months that the payments were missed payments shall remain the same conditions of any underlying loan documents shall remain in full force and effect.

The secured claimants shall retain a lien and security interest in the collateral, as described forth above, until the principal balances and all accruing interest are paid in full.

So long as the payments by the Debtor under the terms of the Plan are current, all personal guarantees signed by any guarantor on any of the Loans will also be deemed current and not in default.

Alternatively, the Debtor may seek re-financing of the Class IB debt at terms at least as favorable as the current debt structure.

Class IC: Claims of Kruckeberg Industries LLC

Kruckeberg Industries LLC (“Kruckeberg”) provided a secured loan in the approximate amount of \$72,000 to the Debtor for the purchase of parts pre-petition. In addition, pursuant to the now-terminated management agreement between Stinar and Kruckeberg, Stinar owes Kruckeberg an additional \$71,820 for pre-petition debt for unpaid management fees. Finally, Kruckeberg also provided Debtor in Possession financing (“DIP loan”) the Debtor that was approved under a stipulation entered between the Debtor and Kruckeberg on May 26, 2017 [Docket

23]. The order approving the stipulation is Docket 26. The terms of the DIP loan were extended via a Stipulation approved by the Court on October 25, 2017 [Docket 63]. The Debtor is in compliance with the terms of the extended DIP Financing agreement except that the DIP Loan is now due. Total owing to Kruckeberg by the Debtor is currently \$432,000.00. Debtor has made no payments to Kruckeberg during the course of the Chapter 11. Kruckeberg has a superpriority lien on all of the assets of the Debtor over all other creditors except Signature Bank and the Small Business Administration. The current DIP Financing Agreement expired on December 31, 2017. If the Debtor cannot obtain an agreement to extend the DIP Financing Agreement Further, Kruckeberg has the ability to immediately foreclose on all of the assets of the Debtor, subject to the rights of Signature Bank and the Small Business Administration.

Treatment:

Kruckeberg shall convert all of its rights to payment of any amounts owed prior to the petition date or under the DIP loan into a 100 % ownership interest in the Debtor. All current shares or other indications of ownership in the Debtor, as further described below will be cancelled. [this is a placeholder provision until it is determined how Kruckeberg wants their debt allocated between equity and debt].

Class ID: Claims of Ford Motor Credit

Ford Motor Credit has a loan with a current balance of approximately \$24,704.00 and a security interest on one Ford Truck Chassis owned by the Debtor.

Treatment:

Ford Motor Credit's allowed claim in the amount of approximately \$24,704.00 will be paid in full within sixty days after the effective date.

1. Class II: Unsecured Claims

Class II A: Claim of Robert Harvey.

This class shall consist of the unsecured claims of Robert Harvey, the current President of the Debtor. The Debtor scheduled this claim at \$224,000 although a subsequent review of the books and records shows that the amount due is \$59,000.

Harvey shall be allowed an unsecured claim in the amount of \$59,000 which shall be paid in full, without interest and subordinated to all non-insider priority and general unsecured debt. Payment shall be made as quickly as possible based on the finances of the company within two years after the effective date or sooner if the general unsecured claims are paid in full prior to that time.

2. Class IIB: Claim of Oakridge Holdings, Inc.

This class shall consist of the unsecured claims of Oakridge Holdings, Inc., the parent of the Debtor. The Debtor scheduled this claim at \$470,265 although a

review of the books and records of Stinar could not substantiate when or if these sums were provided to the Debtor by Oakridge. The Debtor believes in any event that the funds listed as loaned to Stinar by Oakridge should be treated as a pre-petition addition to capital of Stinar. Kruckeberg would call their DIP loan if the amounts allegedly due to Oakridge were not recast as a capital contribution.

Treatment:

The Debtor will treat the alleged pre-petition debt to Oakridge as contribution to capital of the Debtor. This pre-petition ownership interest will be cancelled as a result of the reorganization of the Debtor.

3. Class IIC: Convenience Class.

This class shall consist of Allowed Unsecured Claims not entitled to priority where the total of the allowed claim does not exceed \$3,000.00. Any unsecured creditor whose claim exceeds \$3,000 may elect by voting in the plan to be treated as a Class II creditor by electing to reduce their claim to \$3,000.00. The holders of Class III claims, shall be paid their Allowed Claims as follows:

Treatment:

The holders of Class IIC Allowed Claims will be paid a total of 100% of their claims, without interest within sixty (60) days after the Effective Date. Such payments shall be in full satisfaction of each Allowed Unsecured Claim. The Debtor estimates that there are approximately \$10,000.00 in claims in Class IIC.

4. Class IID: General Unsecured Claims.

This class shall consist of Allowed Unsecured Claims not entitled to priority and not treated in any other class in the Plan, including the unsecured portion of any secured claim. Total of all unsecured claims, including claims in the convenience class but not including claims in Classes IIA and IIB that will be re-characterized as pre-petition contributions to capital, were scheduled at \$365,875. This figure also includes claims that the Debtor intends to dispute prior to making any payment under the terms of this plan of reorganization.

Debtor will pay all Class IID claimants 100% of their allowed claims, without interest. Such payments shall be in full satisfaction of each Allowed Unsecured Claim. Debtor will pay 50% of all allowed Class IID claims six months after the effective date. An additional payment will be made 12 months after the effective date. The Debtor estimates that it will take 12 months to pay any creditors in Class IID in full. If Debtor cannot complete payment to all Class IID creditors in 12 months, semi-annual payments will continue until all claims are paid in full. If in the sole opinion of Management, it is possible to accelerate payments to the unsecured creditors in advance of this schedule, it shall do so. In no event shall Class IID Creditors receive any amount greater than 100% of their total allowed claims. Such payments shall be in full satisfaction of each Allowed Unsecured Claim.

1. Class III: Equity Interests.

One hundred percent (100%) of the common stock of the Debtor is owed by its publicly traded parent company, Oakridge Holdings, Inc., that filed a now jointly administered Chapter 11 case on the same day as the Debtor (Oakridge Holdings Bky File No. is 17-31669). On the Effective Date, all common stock and any other Certificate, notes, options, option plans, bonds, indentures, pass through trust agreement, pass through trust certificate, equipment trust certificate guarantee, or other instruments or documents directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors, (except such Certificates, notes, other instruments or documents evidencing indebtedness or obligations of the Debtors that are Reinstated pursuant to the Plan), shall be cancelled solely as to the Debtor, and the Debtor and the Reorganized Debtor, as applicable, shall not have any continuing obligations thereunder, and (ii) the obligations of, Claims against, and/or Interests in the Debtor pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the common stock and any other Certificates, notes, options, option plans, bonds, indentures, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtor, except

such agreements or Certificates, notes or other instruments evidencing indebtedness or obligations of the Debtors that are specifically Reinstated pursuant to the Plan, as the case may be, shall be released and discharged; The Reorganized Debtor shall not have any obligations to any Servicer for holders of common stock or other instruments evidencing ownership in for any fees, costs, or expenses except as expressly provided in the Plan.

D. Executory Contracts and Unexpired Leases.

Attached to the Plan and marked as Exhibit A is a list of executory contracts and leases to which the Debtor is a party. As to each such contract or lease, the exhibit indicates whether Debtor has assumed the lease, will assume the lease or intends to reject or rescind the lease or contract. Any executory contract not listed or scheduled will be deemed rejected on the confirmation date.

VII.
MEANS OF EXECUTION OF THE PLAN

Plan Implementation.

The Debtor, after confirmation, will manage its affairs and all of its Assets, and will disburse funds, serving as required as disbursing agent. Stinar will hire additional sales staff within the next 12 months to increase its sales to the levels presented in the forecast attached to the Plan (Exhibit B). The Debtor will be responsible for operating the business, paying expenses and making distributions to creditors as set forth in the Plan. The Debtor will provide or pay out of

operating funds for all of its administrative expenses and business debts in the ordinary course of business, according to the Plan.

Attached to the Plan and marked as Exhibit B are projections prepared by the Debtor's management. If the Debtor's Plan is confirmed, the Debtor is confident of its ability to meet or exceed these projections and perform as set forth under the Plan.

The infusion of the additional capital from Kruckeberg, the ultimate re-financing of the secured debt and the continued improvement of the operations of the Debtor all enhance the feasibility of the Plan and its likelihood of success.

VIII. ALTERNATIVES TO THE PLAN OF REORGANIZATION

Debtor believes strongly that acceptance of the Plan is in the best interest of its creditors. Based upon the financial projections discussed above, Debtor believes it can offer more to unsecured claimants and quicker payments than under a liquidation scenario in which the Debtor's assets will be first turned over to the secured creditors, and other priority claimants and then paid out to the unsecured creditors. If liquidation were to occur, unsecured creditors would receive approximately \$0.00 on their claims. Liquidation of the Debtor is evaluated on Exhibit 2 to the Plan.

IX. OWNERSHIP INTERESTS AND MANAGEMENT FOLLOWING CONFIRMATION

A. As of the Confirmation Date, Christopher Thorpe will be elected by the Reorganized Debtor as the president of Stinar, James Richards will be elected as Vice-President of Operations and Craig Kruckeberg, Chris Carlisle, Christopher Thorpe and James Richards will be elected as members of the reorganized Debtor's Board of Directors.

Information on the President and the new board of directors is contained in Exhibit 3, attached to this Disclosure Statement.

X.
AUTOMATIC STAY AND DISCHARGE

The confirmation of the plan shall vest all property of Stinar in the reorganized company per 11 U.S.C. § 1141(b).

The confirmation of the Plan will provide the reorganized debtor with all of its property free and clear of all claims and interests of creditors, equity security holders, and of general partners (if any) in the debtor except as provided for in the plan per 11 U.S.C. § 1141(c).

Further, as limited by the applicable provisions of the Bankruptcy Code, the confirmation of the Plan will discharge the debtor from any debt that arose before the date of such confirmation, and any debt of a kind specified in section 502(g), 502(h), or 502(i) of the Bankruptcy Code whether or not a proof of the claim based on such debt is filed or deemed filed under section 501 of this title; such claim is

allowed under section 502 of this title; or the holder of such claim has accepted the plan per 11 U.S.C. § 1141(d)(1)(a).

Finally, confirmation terminates all rights and interests of equity security holders and general partners provided for by the plan per 11 U.S.C. § 1141(d)(1)(b).

The discharge granted by 11 U.S.C. § 1141(d) is modified as to the tax debt provided for in this Plan, and the discharge of any tax debt under this Plan shall not be effective until all taxes provided for under this Plan have been paid in full.

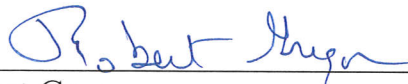
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XI.
CONCLUSION

As noted above, Debtor believes that acceptance of the plan is in the best interest of all parties. Debtor requests that each holder of a claim or interest complete the ballot and accept the proposed plan.

Respectfully submitted,

Dated: April 16, 2018

By: 
Robert Gregor,
its Vice-President

Approved as to form:

Dated: April 16, 2018

/e/ Kenneth Corey Edstrom
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EXHIBIT 1

INCOME STATEMENT – DURING OPERATIONS IN CHAPTER 11

See Attached.

EXHIBIT 2

LIQUIDATION ANALYSIS

See attached liquidation analysis.

EXHIBIT 3

Information concerning the Proposed President and Board of Directors of the Debtor

Craig Kruckeberg
CEO and Chief Visionary Officer

Mr. Kruckeberg began working in his father's business, Minimizer, in 1990. During the next 16 years he worked in all aspects of the business, from operations to sales and marketing to accounting. In 2006 he purchased the family business from his mother and father and under his leadership the Minimizer brand has become the number one recognized brand in the Heavy-Duty Truck Aftermarket. In his 28 years of experience with Minimizer, Mr. Kruckeberg has won numerous awards recognizing his management of a family company, notably he was the Ernst and Young nominee and finalist for Entrepreneur of The Year in 2011 and 2012 and won the award in 2013. In 2006 he was the Upsize Minnesota Growth Challenge Award Recipient and in 2017 was a finalist for the Minnesota Business Manufacturing Executive of the Year.

Christopher Thorpe: "CT"
President and CFO

With 30 years of experience in manufacturing and leadership roles, Mr. Thorpe joined the Company in 2012 and has held the position of CFO and President. Prior to joining Minimizer he held the position of Vice President of Financial Services / CFO for Kemps, an \$800 million regional dairy. Prior to Kemps he worked as a senior group auditor for Pannell Kerr Forster, a UK Chartered Accounting Firm (Now BDO), from 1986 to 1990, as a Financial Director (UK CFO) for Hi-Tec Integrity Castings from 1990 to 1992, as Vice President of Finance for Unicast from 1992 to 1994 and as an activity based costing and general financial consultant for various organizations from 1994 to 1996. In his current position he is responsible for providing strategic and day to day leadership for the company by working with the CEO and other management to establish long-range goals,

strategies, plans and policies as well as directing all financial accounting and internal/external reporting, treasury, acquisition and general finance activities. In 2014 Mr. Thorpe was awarded the Minneapolis / St Paul Business Journal's CFO of the Year award for the small private company category. He obtained a degree in Finance from Sunderland University in England and is a UK Chartered Accountant (A.C.A).

James Richards

Vice President Operations

With 25 years of manufacturing experience, Mr. Richards joined Minimizer in 2013, serving as Vice president of Operations. Prior to joining Minimizer he worked for a \$400 million division of DS Smith Plastics as their VP of Technical Services where he was responsible for Operations, Q&A and new product development and introduction. Prior to this Mr. Richards worked in various manufacturing settings with an emphasis on Lean Manufacturing expertise. Mr. Richards has an MBA in Operations Management and a BS in Business Management and served as Section Chief in The US Army during the Persian Gulf War.

Chris Carlisle

Chris Carlisle co-chairs Gray Plant Mooty's (GPM) Corporate and Business practice group and is a leader of GPM's entrepreneurial services team. He provides a broad range of services to both established and emerging companies in a variety of industries, with significant client concentrations in technology, life science, agribusiness, franchise and manufacturing. Chris advises companies in corporate finance, mergers and acquisitions, governance, joint ventures and other strategic business arrangements, and drafting and negotiating commercial agreements. Chris takes an "outside general counsel" approach with his clients—he acts as the quarterback for executives and managers on all their legal needs, providing them with a single point of contact and accountability for their projects with GPM.