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ARTICLE I.
INTRODUCTION

This Disclosure Statement provides information about CWS Enterprises, Inc. (“CWS”) and Charles W. Siller (“Siller”) for holders of Claims against either CWS or Siller (together, the “Debtors”) It summarizes the terms of the Plan, which divides the Claims of creditors into separate classes and provides for the treatment of Allowed Claims.

Only Allowed Claims are entitled to payment under the Plan. The Plan provides for the payment of all Allowed Claims in full.

If the Plan is confirmed, its terms and conditions will be binding on all creditors. The Debtors will be discharged from all liability for Claims arising prior to the Effective Date and the discharge will be effective as to each Claim regardless of whether the holder of a particular Claim filed a Proof of Claim or whether the Claim is allowed by the Bankruptcy Court.

A list of definitions used in this Disclosure Statement is attached as Exhibit A.

ARTICLE II.
SUMMARY OF PLAN

The Plan provides for the establishment of the Plan Fund from which holders of Allowed Claims will receive Distributions in satisfaction of such Allowed Claims. The Disbursing Agent will also pay administrative costs of the Chapter 11 Cases, taxes, and professional fees from the Plan Fund.

2.1 Proposed Treatment of Allowed Claims.

2.1.1 Non-Classified Allowed Claims. These Allowed Claims are paid in full under the Plan on the later of ten (10) days after the Effective Date or ten (10) days after the date that each of the Claims becomes an Allowed Claim in accordance with a Final Order of the Bankruptcy Court.

2.1.2 Secured Claims. Unless the Bankruptcy Court orders otherwise, these Allowed Claims are paid in full under the Plan on the later of ten (10) days after the Effective Date or

1 ten (10) days after the date that each of the Claims becomes an Allowed Claim in accordance
2 with a Final Order of the Bankruptcy Court.

3 2.1.3 General Unsecured Claims. Unless the Bankruptcy Court orders otherwise,
4 these Allowed Claims are paid in full under the Plan on the later of then (10) days after the
5 Effective Date or ten (10) days after the date that the Claims become Allowed Claims in
6 accordance with Final Orders of the Bankruptcy Court.

7 **2.2 Tax Attributes of the Plan.**

8 The Debtors will not seek a ruling from the Internal Revenue Service prior to the
9 Effective Date with respect to any of the tax aspects of the Plan. **EACH HOLDER OF A
10 CLAIM OR INTEREST MUST CONSULT WITH HIS OR HER TAX ADVISOR
11 REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX
12 CONSEQUENCES OF THE PLAN.**

13 The Disbursing Agent will withhold all amounts required by law to be withheld from
14 payments to holders of Allowed Claims. In addition, such holders may be required to provide
15 certain tax information to the Disbursing Agent as a condition of receiving Distributions under
16 the Plan. The Disbursing Agent will comply with all applicable reporting requirements of the
17 Internal Revenue Code of 1986, as amended.

18 **ARTICLE III.**

19 **THE CHAPTER 11 CASES**

20 **3.1 The Chapter 11 Cases.**

21 Siller filed his individual Chapter 11 case on April 2, 2009 and CWS filed its Chapter
22 11 case on April 10, 2009. The Debtors continue to manage and operate their interests as
23 debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

24 Siller Brothers, Inc. incorporated CWS in 2007 to hold real property used for timber,
25 farming, milling, and ranch operations in full settlement of more than fifteen years of litigation
26 (the "Siller Litigation") between Siller and Siller Brothers, Inc. and Siller Brothers General
27 Partnership (together, "Siller Brothers"). The Siller Litigation included several lawsuits in
28

1 California Superior Court and two 1990 Chapter 11 cases filed by the Siller Brothers in this
2 district.

3 The Debtors filed the Chapter 11 cases in order to resolve disputes among the Debtors
4 and several law firms that represented the Siller or CWS at various times in connection with
5 the Siller Litigation. The law firms, principal creditors in the Chapter 11 case, assert claims
6 based on contingency fee agreements and attorneys liens that were being litigated in five
7 separate lawsuits pending in four separate California counties.

8 **3.2 Claims Bar Dates.**

9 3.2.1 General Unsecured Claims. The deadline for filing general unsecured Claims
10 against the Debtors that were incurred prior to the Filing Dates is June 30, 2009.

11 3.2.2 Other Claims. Claims arising after the Filing Dates are entitled to full payment
12 and are treated as Non-Classified Claims under Article III of the Plan. The Plan provides for
13 an additional deadline for filing Claims incurred after the Filing Date and that deadline is
14 expected to be thirty (30) days after the Effective Date and will be stated in the Confirmation
15 Order.

16 **3.3 Professional Firms Engaged by the Debtors.**

17 During the Chapter 11 Cases, the following professionals have represented the Debtors
18 in connection with the Chapter 11 Cases:

19 3.3.1 Friedman Dumas & Springwater LLP. CWS engaged the firm as reorganization
20 counsel in April 2009 and paid the firm a retainer of \$100,000 as an advance against fees and
21 costs to be incurred in the Chapter 11 Cases.

22 3.3.2 Michelson Law Group. Siller engaged the firm as reorganization counsel in
23 April 2009 and paid the firm a retainer of \$30,000 as an advance against fees and costs to be
24 incurred in the Chapter 11 Cases.

25 3.3.3 David Behr, CPA. The Debtors engaged the firm as accountants in April 2009
26 without a retainer.

27 3.3.4 Appraisal Firm [to be named]. The Debtors engaged the firm to appraise the
28 current fair market value of the Debtors' assets in June 2009.

1 Claim including, but not limited to, the release of any interest that the holder of such Claim
2 may assert against property of the Reorganized Debtors. Failure to provide these will entitle
3 the Reorganized Debtors to recover costs and expenses, including reasonable attorneys' fees.

4 **4.5 Retention and Enforcement of Claims.**

5 The Reorganized Debtors will succeed to all claims of the Debtors which they have
6 absolute discretion to pursue including possible claims against all persons having received
7 potentially avoidable transfers as set forth in Attachments 3B, 3C, and 10 of the Amended
8 Statement of Financial Affairs of CWS.

9 **4.6 Other Provisions of the Plan.**

10 The Plan reserves all claims, defenses, powers and interests of the Debtors for the
11 Reorganized Debtors. The Disbursing Agent is required to account for Unclaimed Property
12 which is returned to the Reorganized Debtors. All fees and costs incurred by professionals on
13 or after the Effective Date will be paid in full by the Disbursing Agent or the Reorganized
14 Debtors without an order of the Court. All executory contracts and unexpired leases to which
15 either or both of the Debtors were parties as of the Filing Dates are assumed, effective as of the
16 Effective Date. Finally, the Debtors may modify the Plan at any time prior to Confirmation
17 although, in such case, the Debtors may be required to provide additional disclosure to
18 creditors.

19 **ARTICLE V.**

20 **CONFIRMATION**

21 **5.1 In General.**

22 Section 1129(a) of the Bankruptcy Code sets forth findings that the Bankruptcy Court
23 must make before Confirmation. The Debtors believe that the Plan meets all of the
24 requirements, a few of which are set forth in detail below.

25 **5.2 Best Interests of Creditors Analysis.**

26 Section 1129(a)(7)(A)(ii) of the Bankruptcy Code permits the Bankruptcy Court to
27 confirm the Plan only if each member of an impaired class of Claims or Interests who has not
28 voted to accept the Plan receives or retains at least the amount or value that he or she would

1 receive if the Debtors were liquidated in a case under Chapter 7 of the Bankruptcy Code.

2 There are no impaired classes of Claims in the Chapter 11 cases.

3 **5.3 Plan Feasibility.**

4 Section 1129(a)(11) requires the Bankruptcy Court that Confirmation is not likely to be
5 followed by the liquidation or further reorganization of the Debtors. In these Chapter 11
6 Cases, Confirmation of the Plan is conditioned on (a) the quantification of Allowed Claims and
7 (b) the value of the assets available for full payment of Allowed Claims and the Plan is
8 therefore feasible.

9 **5.4 Voting.**

10 Under section 1126(f) of the Bankruptcy Code all classes are conclusively presumed to
11 have accepted the Plan and solicitation of votes is not required.

12 Dated: June 8, 2009

CWS ENTERPRISES, INC.

14 By: /s/ Charles W. Siller

15 Charles W. Siller
16 President and
17 Designated Responsible Individual

18 FRIEDMAN DUMAS & SPRINGWATER LLP

19 By: /s/ Andrea T. Porter

20 Andrea T. Porter
21 Attorneys for CWS Enterprises,
22 Inc.

1 **EXHIBIT A**

2 **DEFINITIONS**

3 The following definitions apply in this Disclosure Statement and the Plan:

4 “Allowed Claim” means a Claim against either of the Debtors to the extent that:

5 A proof of such Claim was:

6 Timely filed; or

7 Deemed filed because such Claim was included on the Debtors’ Schedules of
8 Assets and Liabilities filed under Rule 1007 of the Federal Rules of Bankruptcy Procedure;

9 and

10 Such Claim is:

11 Not a disputed Claim; or

12 Allowed, and only to the extent allowed, by the Plan, a compromise approved
13 pursuant to the Notice Procedure established in Article V of the Plan, or a Final Order.

14 “Bankruptcy Code” means Title 11 of the United States Code.

15 “Bankruptcy Court” means the United States Bankruptcy Court for the Eastern District of
16 California or, in the event such court ceases to exercise jurisdiction over these Chapter 11
17 Cases, such court or adjunct thereof which thereafter exercises jurisdiction over these
18 Chapter 11 Cases.

19 “Cash” means cash and cash equivalents including, but not limited to, checks and other similar
20 forms of payment or exchange.

21 “Chapter 11 Cases” means the two Chapter 11 Cases filed by the Debtors on April 2 and 10,
22 2009.

23 “Claim” means any right to payment, whether or not such right is reduced to judgment,
24 liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal,
25 equitable, secured or unsecured; or any right to an equitable remedy for breach of
26 performance, if such breach gives rise to a right to payment, whether or not such right to an
27 equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed,
28 undisputed, secured or unsecured.

1 “Confirmation” means entry of the Confirmation Order.

2 “Confirmation Order” means the order of the Bankruptcy Court, as entered, confirming this
3 Plan.

4 “Disbursing Agent” means [to be named].

5 “Distribution(s)” means the Cash or property to be distributed to holders of Allowed Claims
6 and, if applicable, Interests, in accordance with the Plan.

7 “Effective Date” will be the tenth (10th) business day following Confirmation.

8 “Filing Dates” means April 2 and 10, 2009.

9 “Final Decree and Order Closing the Chapter 11 Cases” means the entry of a Final Order
10 closing the Chapter 11 Cases upon consummation of the Plan.

11 “Final Order” means an order or judgment of the Bankruptcy Court as to which the time to
12 appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which
13 no appeal, petition for certiorari, or proceedings for reargument or rehearing shall then be
14 pending or, in the event that an appeal, writ of certiorari, reargument or rehearing thereof has
15 been sought, such order or judgment of the Bankruptcy Court shall have been affirmed by the
16 highest court to which such order or judgment was appealed, or from which reargument or
17 rehearing was sought, or certiorari has been denied, and the time to take any further appeal,
18 petition for certiorari or move for reargument or rehearing shall have expired.

19 “Interest” means the common stock of CWS all of which is held by Siller.

20 “Non-Classified Claims” means Claims of the type that the Bankruptcy Code provides shall
21 not be put into classes. These Claims are described in Article III of the Plan.

22 “Plan” means this Joint Plan of Reorganization submitted by the Debtors, as it may be
23 amended from time to time.

24 “Plan Fund” means a separate account maintained by the Disbursing Agent for the benefit of
25 holders of Non-Classified Claims and Allowed Claims against both of the Debtors

26

27 “Unclaimed Property” means any Cash (together with any interest earned thereon) that are
28 unclaimed on the sixtieth (60th) day following a Distribution. Unclaimed Property shall

1 include (a) checks (and the funds represented thereby) that have been returned as undeliverable
2 without a proper forwarding address, (b) funds for checks that have not been honored within
3 sixty (60) days after a Distribution, and (c) checks (and the funds represented thereby) that
4 were not mailed or delivered because of the absence of a proper address to which to mail or
5 deliver such checks. The date of a Distribution to the holder of an Allowed Claim shall be the
6 date of the check issued to such holder.

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