

EXHIBIT C

Montgomery Ward, LLC, and Its Debtor Affiliates

LIQUIDATION ANALYSIS

A chapter 11 plan cannot be confirmed unless it is in the ‘best interests’ of creditors and Interest holders. The ‘best interest’ test is satisfied if a plan provides to each dissenting or nonvoting member of each impaired class a recovery at least equal to that which they would receive in a hypothetical liquidation of the debtor in a case under chapter 7 of the Bankruptcy Code.

Conversion to chapter 7 would likely delay the wind-down of the Estates and distributions to creditors. In a chapter 7 case, a trustee is appointed or elected and would require additional time to become familiar with the Debtors’ financial affairs. Moreover, a new bar date would be set for the filing of claims against the Estates. Under section 326(a) of the Bankruptcy Code, a chapter 7 trustee is entitled to compensation based upon a percentage of all monies disbursed or turned over in the case to parties in interest, excluding the debtor, and is authorized to hire professionals to assist the trustee. For these reasons, among others, conversion of these Cases to cases under chapter 7 would likely increase the Estates’ administrative costs, delaying and reducing distributions to creditors.

The following liquidation analysis is based on projections prepared by the Debtors. The liquidation analysis assumes that the Debtors would incur all of the costs incident to their chapter 11 liquidation in the course of a hypothetical chapter 7 liquidation, plus the various incremental chapter 7 administrative costs. Consequently, the chapter 7 costs described below are only those unique to a chapter 7 case that would not be incurred in a liquidation under chapter 11. The computations reflect incurrence of added administrative expenses during a projected six-month delay in completion of the Debtors’ wind-down in chapter 7.

Underlying this liquidation analysis are a number of projections and assumptions that are inherently subject to significant uncertainties and contingencies beyond the control of the Debtors’ management or a trustee. Accordingly, there can be no assurance that the projected values reflected in this liquidation analysis would be realized if the Debtors were, in fact, to undergo a chapter 7 liquidation, and actual results could vary materially from those shown here.

Computation of Projected Proceeds in a Hypothetical Chapter 7 Liquidation (amounts rounded in millions)

Projected Amounts Available for Distribution to Unsecured Creditors:	Low	High
Projected Cash balance (excluding interest income).....	\$62	\$62

Plus: Projected Cash available for distribution in chapter 7 from liquidation of remaining unencumbered assets (net of expenses).....	\$2	\$2
Plus: Projected Cash available for distribution in chapter 7 on and after Effective Date from recoveries in preference and other Avoidance Actions	\$15	\$15
Plus: Projected proceeds from lawsuit against GE and GE Entities or settlement thereof	<u>\$25</u>	<u>\$200</u>
Subtotal:	\$104	\$279
Chapter 7 trustee fees (@ 3% of Distributions), professional fees, and operating expenses including use of Debtors' offices and personnel (@ 10% of projected Distributions -- not including proceeds of lawsuit)	\$8	\$8
Subtotal:	\$96 ^a	\$271 ^a
Chapter 7 trustee litigation fees of lawsuit against GE and the GE Entities	\$5 ^b	\$5 ^b
Subtotal:	\$91	\$266

Projected Cash and Percentage Distributions to Unsecured Creditors:

Estimated Distributions on account of allowed Administrative Claims, Priority Tax Claims and Non-Tax Priority Claims in chapter 7 (excluding Reclamation Claims)	\$29 (100%)	\$29 (100%)
Estimated Distributions on account of Allowed General Unsecured Claims in chapter 7	\$62 (14.5%)	\$237 (54.4)

^aIt is anticipated that while the chapter 7 trustee would have some success prosecuting the Committee Litigation, he would generate less proceeds than would be generated if the Committee Plan is confirmed because of the expertise of the Committee Professionals, the extensive knowledge already obtained through the Committee's significant investigation and commitment to the Committee Litigation.

^bIt is anticipated that the chapter 7 trustee litigation fees would be greater than the Committee Professional fees relative to the Committee Litigation. A chapter 7 trustee would require substantial time and expense to acquire the knowledge of the lawsuit's causes of action and related facts and evidence already possessed by the Committee Professionals.

Estimated Distributions on Account of Allowed GE Entities'	\$0	\$0
Unsecured Claims (if not objected to; otherwise added to distribution on General Unsecured Claims)	(0%)	(0%)