

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
DG LIQUIDATION CORP., *et al.*,¹) Case No. 08-10601 (CSS)
)
Debtors.) Jointly Administered
)
) Ref. Docket Nos. 509

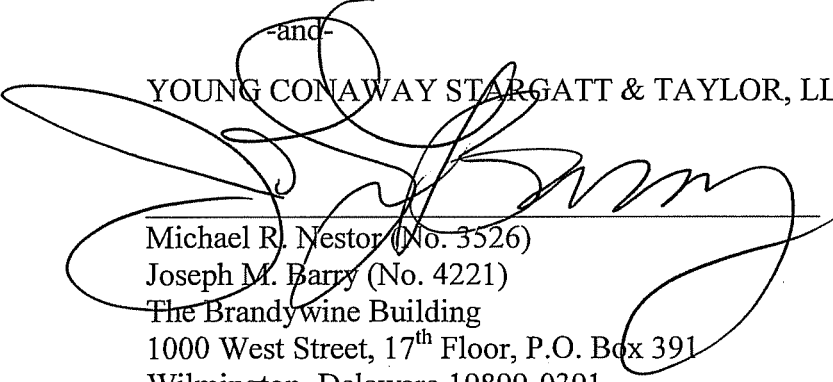
FILING OF CORRECTED SECOND AMENDED DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE WITH RESPECT TO THE DEBTORS' SECOND AMENDED CHAPTER 11 PLAN OF LIQUIDATION

On September 22, 2008, the above-captioned debtors and debtors in possession (together, the "Debtors") filed their *Second Amended Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code with Respect to the Debtors' Second Amended Chapter 11 Plan of Liquidation* (the "Second Amended Disclosure Statement") [Docket No. 509]. After filing the Second Amended Disclosure Statement, two (2) errors on page 6 thereof were discovered. On September 23, 2008, the Debtors filed a **corrected** Second Amended Disclosure Statement. The revisions to page 6 of the Second Amended Disclosure Statement are reflected on the blacklined page annexed hereto as Exhibit 1.

Dated: Wilmington, Delaware Michael P. Richman (NY 2004646, admitted *pro hac vice*)
September 23, 2008 Mark A. Salzberg (FL 965741, admitted *pro hac vice*)
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-and-

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Attorneys for the Debtors and Debtors in Possession

¹ The Debtors in these proceedings are: DG Liquidation Corp., f/ka/ Diamond Glass, Inc. (Tax ID No. XX-XXX8853); and DT Subsidiary Corp., a wholly owned subsidiary of DG Corp. (Tax ID No. XX-XXX3494), each with a mailing address of 220 Division Street, Kingston, PA 18704.

Exhibit 1

SUMMARY OF ESTIMATED DISTRIBUTIONS UNDER THE PLAN¹

DESCRIPTION/CLASS	ESTIMATED ALLOWED AMOUNTS	ESTIMATED DISTRIBUTION (%)
Administrative Claims — post-petition claims for costs and expenses of administration of the estates, postpetition ordinary business payables.	\$200,000	100%
Priority Tax Claims — any Claim entitled to payment pursuant to 11 U.S.C. § 507(a)(8).	\$25,000	100%
DIP Claim — Claims of Guggenheim, as DIP Lender, arising under the DIP Credit Agreement.	\$0.00	100%
Fee Claims — Claims for the compensation of Professionals for services rendered or expenses incurred in the Chapter 11 Case on or prior to the Effective Date.	\$420,000	100%
Class 1 Other Priority Claims — any Claim other than an Administrative Claim or a Priority Tax Claim to the extent entitled to priority pursuant to 11 U.S.C. § 507(a).	\$0.00	100%
Class 2 Miscellaneous Secured Claims.	\$16,000,000 ²	100%
Class 3 General Unsecured Claims.	\$60,000,000	Up to 1.6 <u>18.14</u> %
Class 4 Interests in the Debtors.	\$24,228,965	0%

¹ ~~This estimate does not include any recovery from Avoidance Actions or other causes of action. To the extent the proceeds from the Avoidance Actions exceed the associated expenses, the estimated distribution will increase.~~ Underlying this estimate are a number of estimates and assumptions that are inherently subject to significant uncertainties and contingencies beyond the control of the Debtors. Additionally, various liquidation decisions impact upon this estimate are subject to change. Therefore, there can be no assurance that the assumptions and estimates employed in determining this estimate will result in an accurate estimate of the proceeds which would be realized by creditors.

² Amount includes Subclass 2 Claim, as defined herein, and claim filed by Zurich American Insurance Company (“Zurich”). As noted below, the Subclass 2 Claim is the subject of a pending adversary proceeding, and the claim filed by Zurich is secured by collateral held by Zurich.