

## **EXHIBIT 2**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

-----X  
In re: : Chapter 11  
SCH Corp., et al.,<sup>1</sup> : Case No. 09-10198 (BLS)  
Debtors. : (Jointly Administered)  
-----X

**PLAN OF LIQUIDATION OF SCH CORP., AMERICAN  
CORRECTIVE COUNSELING SERVICES, INC. AND ACCS  
CORP. UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

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Date: May 22, 2009

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<sup>1</sup> The Debtors in these cases are SCH Corp.; American Corrective Counseling Services, Inc.; and ACCS Corp.

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## **PRELIMINARY STATEMENT**

Pursuant to chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, SCH Corp. (“SCH”), American Corrective Counseling Services, Inc. (“American Counseling”) and ACCS Corp. (“ACCS”), debtors and debtors-in-possession in the above-captioned Chapter 11 Cases<sup>2</sup> (collectively, the “Debtors”), hereby respectfully propose the following Plan of Liquidation. Reference is made to the Disclosure Statement accompanying the Plan, including the exhibits thereto, for a discussion of the Debtors’ history, business, results of operations and properties, and the post-petition sale of substantially all of the Debtors’ assets to NCG, and analysis of the Plan. All Holders of Claims and Equity Interests should read the Disclosure Statement and the Plan carefully -- and consult with their counsel and other applicable professionals -- before voting to accept or reject the Plan.

The Plan sets forth a proposal for the satisfaction of all Claims against the Debtors and provides for Third Party Releases of claims or causes of action held by certain non-Debtors against certain other non-Debtors as set forth herein. With the Plan, Creditors will receive a Disclosure Statement that provides information concerning the Debtors and the Plan and certain Creditors will also receive a Ballot for voting on the Plan and an Opt Out Notice for those Creditors affected by the Third Party Releases. The Disclosure Statement includes a summary of the assets and liabilities of the Debtors, a summary of what Creditors and Interest Holders will receive under the Plan, a summary of the procedures and voting requirements necessary for Confirmation of the Plan, and a discussion of certain alternatives to the Plan in the event that the Plan is not confirmed. You should thoroughly review both the Plan and Disclosure Statement before deciding whether you will vote to accept or reject the Plan.

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in Article 1 of this Plan.

As more fully described in the Disclosure Statement, the Plan must be approved by the requisite number of Creditors and the Bankruptcy Court must find that the Plan meets the applicable legal standards before it can be confirmed.<sup>3</sup> If the Plan is not confirmed, the Bankruptcy Court may order the Chapter 11 Cases dismissed, or converted to liquidating cases under Chapter 7 of the Bankruptcy Code, or the Debtors or other parties in interest may propose a different plan.

## **ARTICLE 1**

### **DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME AND GOVERNING LAW**

#### **A. Rules of Interpretation, Computation of Time and Governing Law**

1. For purposes of the Plan: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and each pronoun, whether stated in the masculine, feminine or neuter gender, shall include the masculine, feminine and the neuter gender; (b) any reference in the Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) any reference in the Plan to an existing document or exhibit Filed, or to be Filed, shall mean such document or exhibit, as it may have been or may be amended, modified or supplemented; (d) unless otherwise specified, all references in the Plan to Sections, Articles and Exhibits are references to Sections, Articles and Exhibits of or to the Plan; (e) the words “herein,” “hereof,” “hereunder,” and “hereto” and similar terms refer to the Plan in its entirety rather than to a particular portion of the Plan; (f) references to part includes the whole, except where the context clearly requires otherwise; (g) “or” has the inclusive

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<sup>3</sup> Interest Holders will receive nothing under the Plan, and therefore, the Class of Interests is deemed to have rejected the Plan. Accordingly, acceptances are not being solicited from the Holders of Interests.

meaning represented by the phrase “and/or”; (h) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (i) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (j) any term used in capitalized form in the Plan that is not defined herein but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

2. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

3. Except to the extent that the Bankruptcy Code or Bankruptcy Rules are applicable, and subject to the provisions of any contract, instrument, release, indenture or other agreement or document entered into in connection with the Plan, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to the principles of conflict of laws thereof.

**B. Defined Terms**

Unless the context otherwise requires, the following terms shall have the following meanings when used in capitalized form in the Plan:

1. “Additional Distribution Amount” means, as to each Holder of an Allowed Claim in Class 2, 3, or 4 (as applicable) who has not opted out of the Third Party Releases applicable to that Holder’s Class, provided that the Class of such Holder has voted to accept the Plan, an amount equal to the LLCP Minimum Distribution Amount multiplied by a fraction, the numerator of which is the Allowed Calculation Amount of the Allowed Claim of such Holder, and the denominator of which is (x) the sum of (i) the total amount of all Allowed Calculation Amounts of all Allowed Claims in the Class of such Holder and (ii) the total amount of all Allowed Calculation Amounts of all Allowed Claims in any other Class that is eligible to

receive the Additional Distribution Amounts, minus (y) the sum of (i) the total amount of all Allowed Calculation Amounts of all Allowed Claims of all Holders in the Class of such Holder that have opted out of the Third Party Releases, and (ii) the total amount of all Allowed Calculation Amounts of all Allowed Claims of all Holders in any other Class that is eligible to receive the Additional Distribution Amounts that have opted out of the Third Party Releases. A Class is deemed eligible to receive the Additional Distribution Amounts only if that Class has voted to accept the Plan.

2. “Administrative Claim” means a Claim for costs and expenses of administration under section 503(b), 507(b), 503(b)(9) or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estates; (b) the value of goods received by the debtor within 45 days before the Petition Date in which the goods were sold to the Debtors in the ordinary course of the Debtors’ business; (c) compensation for legal, financial advisory, accounting and other services and reimbursement of expenses awarded or allowed under section 330(a) or 331 of the Bankruptcy Code; (d) all fees and charges assessed against the Estates under 28 U.S.C. §§ 1911-1930; (e) all obligations designated as Allowed Administrative Claims pursuant to an order of the Bankruptcy Court; (f) administrative claims that were timely filed prior to the Administrative Claims Bar Date; and (g) any Tax Claims incurred by the Debtors after the Petition Date or relating to a tax year or period which occurs after the Petition Date.

3. “Administrative Claims Bar Date” means the date that is thirty (30) calendar days after the date first set by the Bankruptcy Court for the Confirmation Hearing. Notice of the Administrative Claims Bar Date shall be given to those persons who receive notice of the Confirmation Hearing.

4. “Allowed” means, with respect to any Claim, except as otherwise provided herein: (a) a Claim that has been scheduled by the Debtors in their Schedules as other than disputed, contingent or unliquidated and as to which the Debtors or any other party in interest has not Filed an objection on or before the 90th day after the Effective Date; (b) a Claim that is set forth in a timely filed Proof of Claim as to which no objection has been Filed; (c) a Claim that has been allowed by a Final Order; (d) a Claim that is allowed: (i) in any stipulation of amount and nature of Claim executed by the Debtors prior to the Effective Date and approved by the Bankruptcy Court; (ii) in any stipulation of amount and nature of Claim executed by the Liquidating Debtors on or after the Effective Date; (iii) in any stipulation of amount and nature of any Administrative Claim, Priority Tax Claim or Other Priority Claim executed by (x) the Debtors and approved by the Bankruptcy Court, or (y) the Liquidating Debtors; or (iv) in any contract, instrument, indenture or other agreement entered into or assumed by the Debtors in connection with and in accordance with the Plan; (e) a Claim relating to a rejected executory contract or unexpired lease that either (i) is not a Disputed Claim or (ii) has been allowed by a Final Order, in either case only if a Proof of Claim has been timely Filed by the Claimant before the applicable Rejection Bar Date for such claim or has otherwise been deemed timely Filed under applicable law; or (f) a Claim that is Allowed pursuant to the terms of this Plan.

5. “Allowed Calculation Amount” means, (i) with respect to the Holder of an Allowed Claim in Class 2 or Class 3, \$1.00; and (ii) with respect to the Holder of an Allowed Claim in Class 4 or Class 5, the Allowed amount of such Claim.

6. “Allowed Claim” means a Claim that has been Allowed.

7. “Allowed Distribution Amount” means, for purposes of this Plan only and for no other purpose, (i) with respect to the dollar amount of distributions that the Holder of an

Allowed Claim in Class 2 or Class 3 is entitled to receive on account of its Allowed Claim, the dollar amount that results from the calculation of Minimum Distribution Amount, Additional Distribution Amount and/or Pro-Rata share of Net Plan Proceeds, as applicable, using such Holder's Allowed Calculation Amount, but in no event shall the aggregate dollar amount of all distributions made to such Holder under this Plan on account of such Holder's Allowed Claim exceed such Holder's Class Claimant Distribution Cap; and (ii) with respect to dollar amount of distributions that the Holder of an Allowed Claim in any Class other than Classes 2 and 3 is entitled to receive on account of its Allowed Claim, the Allowed amount of such Claim.

8. "Amended Schedule Bar Date" means the deadline by which parties whose Claims have been amended by the Debtors (the "Affected Claimants") in the Schedules have to file a Proof of Claim in response to such amendment. An Affected Claimant shall have until the later of (i) the Bar Date and (ii) thirty (30) days after the date that notice of the applicable amendment to the Schedules is served on the Affected Claimant in which to File a Proof of Claim or amend any previously filed Proof of Claim in respect of the amended scheduled claim.

9. "Auction" means the auction for the Sale of substantially all of the Debtors' assets that was held on March 30, 2009, pursuant to the Bid Procedures Order, at which LLCP was the highest bidder.

10. "Available Cash" means the aggregate amount of all Cash held by the Debtors on the Effective Date, including the Cash from the Sale Proceeds, the Initial Offeror Consideration and the Offeror Consideration Installments (in each case to the extent necessary to pay the Required Confirmation Payments), and any General Litigation Recovery or any Liquidation Proceeds collected by the Debtors prior to the Effective Date but excluding any cash

on deposit in the Professional Fees Escrow Account, the Professional Fees Deposit or the Supplemental Professional Fees Deposit.

11. “Avoidance Actions” means all claims and causes of action which the Debtors have or had the power to assert pursuant to any or all of sections 510, 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code other than claims or causes of action under chapter 5 of the Bankruptcy Code against any party to an executory contract that was assigned to NCG, pursuant to the Sale, or against LLCP.

12. “Ballot Date” means the date stated in the Voting Instructions by which all Ballots must be received, which date shall be [REDACTED], 2009.

13. “Ballots” means the ballots upon which Holders of Impaired Claims shall indicate their acceptance or rejection of the Plan in accordance with the Plan and the Voting Instructions.

14. “Bankruptcy Code” means title 11 of the United States Code, as amended from time to time, as set forth in sections 101 *et seq.* of title 11 of the United States Code, and applicable portions of titles 18 and 28 of the United States Code.

15. “Bankruptcy Court” means the United States District Court for the District of Delaware having jurisdiction over these Chapter 11 Cases and, to the extent of any reference made pursuant to section 157 of title 28 of the United States Code and/or the General Order of such District Court pursuant to Section 151 of title 28 of the United States Code, the bankruptcy unit of such District Court.

16. “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure, as amended from time to time, as applicable to these Chapter 11 Cases, promulgated under 28 U.S.C. § 2075 and the General and Local Rules of the Bankruptcy Court.

17. “Bar Date” means May 18, 2009, the date set by the Bankruptcy Court as the last day for filing a Claim arising prior to the Petition Date against the Debtors in these Chapter 11 Cases, other than (i) those Claims expressly excluded from the Bar Date pursuant to an order of the Bankruptcy Court and (ii) Claims whose filing deadlines are otherwise governed by the Rejection Bar Date, the Governmental Bar Date, or the Amended Schedule Bar Date.

18. “Bid Procedures Order” means the “Order Approving Bidding Procedures and Payment of Investment Banker Fees, and Granting Related Relief” [Docket No. 112] entered by the Bankruptcy Court on February 10, 2009.

19. “Business Day” means any day, other than a Saturday, Sunday or legal holiday (as defined in Bankruptcy Rule 9006(a)).

20. “Cash” means cash and cash equivalents, including, but not limited to, bank deposits, wire transfers, checks, and readily marketable securities, instruments and legal tender of the United States of America or instrumentalities thereof.

21. “Cash Collateral Agreement and Stipulation” means that certain Cash Collateral Agreement and Stipulation, dated as of January 28, 2009, as amended or modified from time to time, between the Debtors and LLC.

22. “CFI Class Actions” means the class actions or putative class actions pending in United States District Courts in California, Florida and Indiana, and styled: *Del Campo v. American Corrective Counseling Services*, Case No. 01-21151-JW (N.D. Cal.); *Rosario v. American Corrective Counseling Services*, Case No. 2:01-CV-221-FtM-29DNF, (M.D. Fla.); and *Hamilton v. American Corrective Counseling Services*, Case No. 3:05-CV-434 (N.D. Ind.).

23. “CFI Class Action Claimants” means the Holders of CFI Class Action Claims.
24. “CFI Class Action Claims” means, as the context requires, on an individual basis, the Claim of each member or putative member in each class or putative class in the CFI Class Actions, and, on an aggregate basis, the Claims of all such members or putative members in all such classes or putative classes in the CFI Class Actions.
25. “Channeling Injunction” means the injunction described in Section 5.G of this Plan.
26. “Chapter 11 Cases” means the cases commenced under chapter 11 of the Bankruptcy Code by the Debtors on the Petition Date, styled *In re SCH Corp. et al.*, Case No. 09-10198 (BLS) (Jointly Administered), currently pending before the Bankruptcy Court.
27. “Claim” means a claim (as defined in section 101(5) of the Bankruptcy Code) against any Debtor, including, but not limited to: (a) any right to payment from any Debtor whether or not such right is reduced to judgment, liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (b) any right to an equitable remedy for breach of performance if such performance gives rise to a right of payment from any Debtor, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.
28. “Claims Agent” means Administar Services Group LLC, which was appointed as the Debtors’ claims, notice and balloting agent pursuant to that certain “Order Under 28 U.S.C. § 156(C), Bankruptcy Rule 2002 and Local Rule 2002-1(F) Authorizing Appointment and Retention of Administar Services Group LLC as Claims, Noticing and Balloting Agent” [Docket No. 134] entered by the Bankruptcy Court on February 17, 2009.

29. “Claimant” means the Holder of a Claim.

30. “Claims Reserve Account” means an interest bearing bank account or money market account to be established and held in trust by the Disbursing Agent on or after the Effective Date for the purpose of holding the Plan Proceeds to be distributed under the Plan and any interest, dividends or other income earned upon the investment of such Claims Reserve Account.

31. “Class” means a category of Holders of Claims or Equity Interests as set forth in Article 3 of the Plan.

32. “Class Actions” means the CFI Class Actions and the PA Class Action.

33. “Class Action Claimants” means the CFI Class Action Claimants and the PA Class Action Claimants.

34. “Class Action Claims” means the CFI Class Action Claims and the PA Class Action Claims.

35. “Class Action Notice Costs” means the cost of sending notice of the Confirmation Hearing and other matters relating to Confirmation to the Class Action Claimants (in a form and manner that complies with applicable law and is acceptable to the Offerors and LLCP).

36. “Class Claimant Distribution Cap” means, as to each Holder of an Allowed Class 2 Claim or an Allowed Class 3 Claim, \$1,000, which is the statutory cap under the FDCPA, 15 U.S.C. § 1692k(a)(2)(A).

37. “Closing Date” means April 11, 2009, the date the Sale closed.

38. “Confirmation” means the entry of the Confirmation Order,.

39. “Confirmation Date” means the date the Confirmation Order is entered by the Bankruptcy Court on its docket, within the meaning of Bankruptcy Rules 5003 and 9021.

40. “Confirmation Hearing” means the date set by the Bankruptcy Court to consider Confirmation of the Plan.

41. “Confirmation Order” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

42. “Consummation” or “Consummate” means the occurrence of or to achieve the Effective Date.

43. “Contingent Claim” means any Claim for which a Proof of Claim has been filed with the Bankruptcy Court but was not Filed in a sum certain and which Claim has not been estimated, fixed or liquidated by the Bankruptcy Court at a sum certain as of the Effective Date, or a Claim that has accrued but nonetheless remains dependent on the occurrence of a future event that may never occur.

44. “Creditor” means any Holder of a Claim against any Debtor that arose on or prior to the Petition Date.

45. “Debtors” means SCH, American Counseling and ACCS.

46. “Debtors in Possession” means SCH Corp., American Corrective Counseling Services, Inc. and ACCS Corp., as debtors in possession in these Chapter 11 Cases pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

47. “Debt” means liability on a Claim.

48. “Deferred Professional Fee Claims” means any Allowed Professional Fee Claims that were incurred by the Debtors before the Effective Date and that, with the express written consent of the affected Professional, are not paid as Required Confirmation Payments but

instead are deferred for payment at a later date. Any Deferred Professional Fee Claims shall be paid from Plan Proceeds or Offeror Consideration Installments, as and when such funds become available.

49. “DIP Amendment Order” means the “Order Approving Amendments to Final DIP Order, DIP Loan Terms Agreement and Cash Collateral Agreement and Stipulation and Authorizing Debtors to Incur Additional Postpetition Financing” [Docket No. 382] entered by the Bankruptcy Court on April 23, 2009.

50. “DIP Loan Terms Agreement” means that certain DIP Loan Terms Agreement, dated as of January 28, 2009, as amended or modified from time to time, between the Debtors and LLCP.

51. “Disallowed Claim” means (i) a Claim, or any portion thereof, that has been disallowed by a Final Order; (ii) a Claim that has been listed in the Schedules at zero or as contingent, disputed, or unliquidated and as to which no Proof of Claim has been timely Filed or deemed timely Filed with the Bankruptcy Court pursuant to the Bankruptcy Code, Final Order, or other applicable law; or (iii) a Claim that has not been listed in the Schedules and as to which no Proof of Claim has been timely Filed or deemed timely Filed with the Bankruptcy Court pursuant to the Bankruptcy Code, Final Order, or other applicable law.

52. “Disbursing Agent” means the Liquidating Debtors, or such other such person or persons designated to act as the disbursing agent for the purpose of making the distributions required under the Plan. The Confirmation Order shall identify the Disbursing Agent and may provide for one or more persons to serve in the capacity of Disbursing Agent.

53. “Disclosure Statement” means the Debtors’ Joint Disclosure Statement, dated [REDACTED], 2009, as amended, supplemented, or modified from time to time, describing the

Plan, that was prepared and distributed in accordance with the Bankruptcy Code and Bankruptcy Rules and other applicable law.

54. “Disputed” means, with respect to any Claim or Equity Interest, any Claim or Equity Interest: (a) listed on the Schedules as unliquidated, disputed or contingent; (b) as to which the Debtors or any other party in interest has interposed a timely objection or request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules or is otherwise disputed by the Debtors in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn or determined by a Final Order; or (c) unless otherwise indicated in the Plan, a Claim as to which the period within which to object to such Claim has not yet expired.

55. “Disputed Claim” means: (i) any Claim or portion of a Claim as to which an objection to the allowance thereof has been interposed as of the Effective Date or any later deadline fixed under the Plan or by order of the Bankruptcy Court, which objection has not been withdrawn or determined by Final Order; (ii) any Claim for which a Proof of Claim is required to be Filed and no such Proof of Claim is Filed or, if Filed, is Filed after the applicable Bar Date for such Claim; (iii) any Contingent Claim or Unliquidated Claim; (iv) any Claim scheduled by the Debtors in the Schedules as disputed, contingent or unliquidated; (v) a Proof of Claim Filed in a greater amount, or of a different nature or priority, than the amount, nature, or priority listed for that Claim in the Schedules; or (vi) a Claim that is not listed in the Schedules. To the extent an objection relates to the allowance of only a part of a Claim, such Claim shall be a Disputed Claim only to the extent of the objection and shall be deemed Allowed as to the portion for which no objection is made.

56. “Disputed Claims Amount” means the aggregate amount of Disputed Claims that are fixed and absolute. For purposes of calculating distributions of Cash under the Plan, the amount of each Disputed Claim shall be based upon either (i) the face amount of such Creditor’s Disputed Claim (or the disputed portion thereof) as set forth in the Creditor’s filed proof of Claim, (ii) the amount at which the Bankruptcy Court may estimate such Disputed Claim, or (iii) the amount which the Disbursing Agent determines in its reasonable judgment is the appropriate amount to be reserved for such Disputed Claim.

57. “Effective Date” means the first Business Day after the Confirmation Date on which: (a) no stay of the Confirmation Order is in effect and (b) all conditions specified in Article 7 of the Plan have been satisfied or waived in accordance with Article 7.

58. “Entity” means an entity as defined in section 101(15) of the Bankruptcy Code.

59. “Equity Interest” means any equity interest in any Debtor, including, but not limited to, all issued, unissued, authorized or outstanding shares or stock, together with any warrants, options or contract rights to purchase or acquire such interests at any time.

60. “Estates” means the estates of the Debtors in these Chapter 11 Cases created pursuant to section 541 of the Bankruptcy Code upon the commencement of these Chapter 11 Cases.

61. “Excluded Assets” shall have the meaning assigned to such term in the Purchase Agreement.

62. “Excluded Liabilities” shall have the meaning assigned to such term in the Purchase Agreement.

63. “FDCPA” means the Fair Debt Collection Practices Act, 15 U.S.C. § 1692k.
64. “File” or “Filed” means file or filed with the Bankruptcy Court or its authorized designee in these Chapter 11 Cases.
65. “Final Decree” means the decree contemplated under Bankruptcy Rule 3022.
66. “Final DIP Order” means the “Final Order, Pursuant to Sections 105, 361, 362, 363, 364(c)(1), 364(c)(2), 364(d)(1) and 364(e) of the Bankruptcy Code and Bankruptcy Rules 4001(c) and 4001(d), (A) Approving Cash Collateral Agreement and Stipulation, (B) Authorizing Debtors’ Use of Cash Collateral Consistent Therewith and (C) Authorizing Debtors to Incur Postpetition Financing Pursuant to DIP Loan Terms Agreement” [Docket No. 136] entered by the Bankruptcy Court on February 18, 2009.
67. “Final Distribution Date” means the date of the last payment to Holders of Allowed Claims in accordance with the provisions of the Plan.
68. “Final Order” means an order or judgment of the Bankruptcy Court or other court of competent jurisdiction (i) which has not been reversed, stayed, modified or amended, (ii) as to which the time to or the right to appeal or seek reconsideration, review, rehearing, or certiorari has expired or been waived (without regard to whether the time to seek relief from a judgment under Bankruptcy Rule 9024 has expired), and (iii) as to which no appeal or petition for reconsideration, review, rehearing, or certiorari is pending.
69. “Final Resolution Date” means the date on which all Disputed Claims in each and every Class shall have been resolved by Final Order or otherwise finally determined.

70. “First Amendment” means that certain First Amendment to Asset Purchase Agreement, dated as of April 11, 2009, by and among the Debtors and NCG.

71. “General Litigation” means the interest of the Estates or the Liquidating Debtors, as applicable, in any and all claims, rights or causes of action which have been or may be commenced by the Debtors or the Liquidating Debtors, as applicable, other than the Mealing Litigation. General Litigation includes, without limitation, (i) any Avoidance Actions; (ii) any action for the turnover of property to the Debtors or the Liquidating Debtors, as applicable; (iii) for the recovery of property or payment of money that belongs to or can be asserted by the Debtors or the Liquidating Debtors, as applicable; (iv) any action for compensation for damages incurred by the Debtors; and (v) any equitable subordination actions against Creditors.

72. “General Litigation Recovery” means any Cash or other property received by the Debtors or the Liquidating Debtors, as applicable, from all or any portion of the General Litigation, including, but not limited to, awards of damages, attorneys’ fees and expenses, interest and punitive damages, whether recovered by way of settlement, execution on judgment or otherwise. If any General Litigation is pursued on a contingent fee basis, the General Litigation Recovery will be net of any contingent fee paid to legal counsel.

73. “Governmental Bar Date” means July 20, 2009, the date set by the Bankruptcy Court as the last day for Governmental Units holding Claims against the Debtors (whether secured, unsecured, priority or unsecured nonpriority) that arose prior to the Petition Date to file such Claims.

74. “Governmental Unit” means United States; State; Commonwealth; District; Territory; municipality; foreign state; department, agency, or instrumentality of the United States (but not a United States trustee while serving as a trustee in a case under this title),

a State, a Commonwealth, a District Court, a Territory, a municipality, or a foreign state; or other foreign or domestic government.

75. “Holder” means an Entity holding a Claim or Equity Interest.

76. “Impaired” means with respect to a Claim or Class of Claims, a Claim or Class of Claims that is impaired within the meaning of section 1124 of the Bankruptcy Code.

77. “Initial Distribution Date” means the Effective Date, or as soon as practicable thereafter when the initial distribution shall be made to the Holders of Allowed Claims, as determined by the Liquidating Debtors.

78. “Initial Offeror Consideration” means up to \$600,000 of the Offeror Consideration to be paid by the Offerors into the Debtors’ Estates to be used to pay the Required Confirmation Payments. The Initial Offeror Consideration shall be paid to the Debtors promptly following approval of the Disclosure Statement as contemplated under Section 10.D hereof.

79. “Insider” means an insider of any Debtor, as defined in section 101(31) of the Bankruptcy Code.

80. “Inter-Debtor Claims” means any Claims held by a Debtor(s) against another Debtor(s).

81. “Interim Fee Order” means the “Administrative Order Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals” [Docket No. 92] entered by the Bankruptcy Court on February 5, 2009.

82. “Lien” means any charge against or interest in property (including, but not limited to, any mortgage, lien, pledge, charge, security interest, encumbrance or other security device of any kind) to secure payment of a debt or performance of an obligation.

83. “Liquidating Debtors” means the Debtors on and after the Effective Date.

84. “Liquidation Proceeds” means any Cash or other consideration paid to or realized by the Debtors or the Liquidating Debtors, as applicable, upon the sale, transfer, assignment or other disposition of the Plan Assets.

85. “LLCP” means Levine Leichtman Capital Partners III, L.P.

86. “LLCP Deficiency Claim” means the Claim of LLCP in the amount of \$10,324,990.13 plus Allowed attorneys’ fees. The LLCP Deficiency Claim is an Allowed Claim.

87. “LLCP Minimum Distribution Amount” means the Minimum Distribution Amount payable to the Holder of the Allowed Claim in Class 5.

88. “LLCP Releasees” means LLCP and its present or former officers, directors, shareholders, parents, subsidiaries, affiliates, members, managers, partners (limited or general), employees, agents, representatives, financial advisors, attorneys, accountants, predecessors, successors, and assigns.

89. “Mealing Claims” means any claims that have been or could be asserted by LLCP against any of the Offerors in the Mealing Litigation.

90. “Mealing Indemnification Claims” means any claims or potential claims of any of the Offerors against the Debtors for indemnity, contribution, or reimbursement, arising from or based upon claims asserted or threatened against any of the Offerors by the plaintiffs in the CFI Class Actions or the Mealing Litigation.

91. “Mealing Litigation” means *Levine Leichtman Capital Partners III, L.P. v. Mealing et al.*, Case No. BC 401567 (Cal. Super. Ct.), filed on November 7, 2008, and any similar rights, claims or causes of action, pending or threatened, of LLCP against any of the Offerors.

92. “Minimum Distribution Amount” means, as to each Holder of an Allowed Claim in Class 2, 3, 4, or 5, as applicable, an amount equal to the Net Plan Proceeds multiplied by a fraction, the numerator of which is the Allowed amount of the Claim of such Holder, and the denominator of which is the total amount of all Allowed Claims in Classes 2, 3, 4, and 5. For purposes of calculating the Minimum Distribution Amount for the Holder of an Allowed Claim in Class 2, 3, 4, or 5, the Allowed amount of such Holder’s Claim shall be deemed to be such Holder’s Allowed Calculation Amount.

93. “NCG” means National Corrective Group, Inc., the Purchaser of the Purchased Assets under the Purchase Agreement.

94. “NCG Releasees” means any consultants, employees of consultants, officers, directors, or other personnel of NCG who were formerly, directly or indirectly, employed by the Debtors or any affiliates of the Debtors, engaged as consultants to the Debtors or any affiliates of the Debtors, or served as an officer or director of any of the Debtors or affiliates of the Debtors.

95. “Net Offeror Consideration” shall mean the Offeror Consideration remaining after payment of the Required Confirmation Payments and deduction of any Deferred Professional Fees and any applicable Plan Expenses.

96. “Net Plan Proceeds” means all Plan Proceeds remaining after payment of all Plan Expenses.

97. “Offeror Consideration” means the amount of \$1,500,000 to be paid by the Offerors to the Debtors’ Estates, consisting of (a) the Initial Offeror Consideration; and (b) the Offeror Consideration Installments.

98. “Offeror Consideration Installments” means the balance of the Offeror Consideration after payment of the Required Confirmation Payments to be paid into the Debtors’ Estates in five (5) equal annual installments, with the first installment due upon the Effective Date.

99. “Offeror Consideration Reserve Account” means an interest bearing bank account or money market account established and to be held in trust by the Disbursing Agent on or after the Effective Date for the purpose of holding the Offeror Consideration to be distributed to the CFI Class Action Claimants who have not timely executed and delivered the Opt Out Notices, and any interest, dividends, or other income earned upon the investment of such Offeror Consideration Reserve Account. Any interest earned on the funds initially deposited in such account shall be for the benefit of the party or parties to whom such funds are distributed or disbursed.

100. “Offeror Releasees” means the Offerors.

101. “Offerors” means Donald Mealing, Lynn Hasney, their affiliated Entities, and Dr. Nicholas Wallner.

102. “Opt Out Notice” means the notice, in the form approved by the Bankruptcy Court, that will be sent to all Holders of Class Action Claims, pursuant to which Holders of such Claims may elect to “opt out” of the Third Party Releases and, therefore, decline any monetary distribution under the Plan from the Offerors or the Additional Distribution Amount and instead have their Class Action Claims administered under claims administration procedures of the Bankruptcy Court or otherwise handled as determined by the Bankruptcy Court. To be effective, the Opt Out Notice must be properly completed and Filed with the Bankruptcy Court, and served upon the Debtors in a manner that such Opt Out Notice is

physically received by the Debtors and actually Filed with the Bankruptcy Court on or before the last day fixed by the Bankruptcy Court for Filing objections to the Plan.

103. “Other Notice Costs” means the cost of providing notice of the Confirmation Hearing and other matters relating to Confirmation other than the Class Action Notice Costs.

104. “Other Priority Claim” means any Claim, other than an Administrative Claim or a Priority Tax Claim, to the extent entitled to priority under section 507(a) of the Bankruptcy Code.

105. “Other Unsecured Claim” means any Claim against the Debtors or their Estates that is not an Administrative Claim, Professional Fee Claim, Priority Tax Claim, Other Priority Claim, Class Action Claim, LLC Partnership Deficiency Claim or Inter-Debtor Claim.

106. “PA Class Action” means the class action or putative class action pending in federal district court in Pennsylvania, styled *Cataquet v. American Corrective Counseling Services*, Case No. 3:08-CV-1175 (M.D. Pa.).

107. “PA Class Action Claimants” means the Holders of PA Class Action Claims.

108. “PA Class Action Claims” means, as the context requires, on an individual basis, the Claim of each member or putative member in the class or putative class in the PA Class Action, and, on an aggregate basis, the Claims of all such members or putative members in such class or putative class in the PA Class Action.

109. “Petition Date” means January 19, 2009, the date on which each Debtor filed its petition for relief commencing these Chapter 11 Cases.

110. “Plan” means this Chapter 11 Plan of Liquidation, either in its present form or as it may be altered, amended, modified or supplemented from time to time in accordance with the Plan (and consistent with the Plan Term Sheet or, if inconsistent with such Term Sheet, as agreed to by the parties to such Term Sheet), the Bankruptcy Code and the Bankruptcy Rules, including, without limitation, any exhibits and schedules hereto, either in its present form or as the same may be amended, modified or supplemented from time to time in accordance with the terms and provisions hereof.

111. “Plan Assets” means any and all real property or personal property assets, all rights or interests of the Debtors, whether tangible or intangible, and any Liquidation Proceeds realized therefrom, including without limitation, all Excluded Assets, all Excluded Liabilities, all Available Cash of the Debtors, all General Litigation, and any General Litigation Recovery. The Plan Assets do not include either (i) the Purchased Assets, which are no longer part of the Estates, or (ii) the Offeror Consideration.

112. “Plan Expenses” means the expenses incurred by the Liquidating Debtors or the Disbursing Agent following the Effective Date (including the fees and costs of attorneys and other professionals) for the purpose of (i) prosecuting or otherwise attempting to collect or realize upon the General Litigation; (ii) selling or collecting upon any of the Plan Assets or otherwise incurred following the Effective Date in connection with generating the Liquidation Proceeds; (iii) resolving Disputed Claims and effectuating distributions to Creditors under the Plan; (iv) calculating, processing, issuing, mailing, and otherwise handling distributions made pursuant to this Plan, including distributions of Net Offeror Consideration, or (v) otherwise implementing the Plan and closing these Chapter 11 Cases, including, but not limited to, post-

Effective Date taxes (such as for income in the Disputed Claims Reserve) and wind-down expenses (such as document storage and final tax returns).

113. “Plan Interest Rate” means the rate of interest determined by the Bankruptcy Court upon Confirmation, if necessary, for purposes of the application of section 1124 (impairment) or section 1129(b) of the Bankruptcy Code (Present Value), as the case may be, to the distributions to certain Creditors under the Plan. The Plan Interest Rate may be different for different Classes of Claims.

114. “Plan Objection Deadline” means [REDACTED], the deadline established by the Bankruptcy Court for filing and serving objections to Confirmation of the Plan.

115. “Plan Proceeds” means the aggregate amount of Cash or other funds of the Debtors available for payment of the Allowed Claims of Creditors, including, without limitation, (a) the Sale Proceeds, (b) all Available Cash of the Debtors, (c) any General Litigation Recovery, (d) any Liquidation Proceeds, and (e) the proceeds of any Plan Assets. Under no circumstances will Plan Proceeds include any future sale of any of the Purchased Assets sold to the Purchaser pursuant to the Purchase Agreement or the Net Offeror Consideration.

116. “Plan Supplement” means the pleading or pleadings identified in the Plan or Disclosure Statement for filing with the Bankruptcy Court prior to the Confirmation Hearing.

117. “Plan Term Sheet” means the Term Sheet between the Offerors, on the one hand, and the Debtors and LLC, on the other hand, approved by those parties on April 30, 2009, setting forth certain essential terms of the Plan.

118. “Present Value” means the present value as of the Effective Date of Cash payments made under the Plan by the Debtors using the Plan Interest Rate.

119. “Priority Tax Claim” means a Claim of a Governmental Unit of the kind specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

120. “Professional” means an Entity (a) employed pursuant to a Final Order in accordance with sections 327 and 1103 of the Bankruptcy Code and to be compensated for services rendered prior to the Effective Date, pursuant to sections 327, 328, 329, 330 or 331 of the Bankruptcy Code, or (b) for which compensation and reimbursement has been allowed by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

121. “Professional Fee Claims” means those fees and expenses claimed by Professionals pursuant to sections 330, 331 and/or 503 of the Bankruptcy Code, and accrued and unpaid as of the Effective Date.

122. “Professional Fees Deposit” means the funds deposited by the Offerors with Debtors’ counsel as a non refundable pre-commitment on the settlement embodied in the Plan Term Sheet and this Plan, in the amount of \$50,000, which fees have been earmarked solely for the fees and expenses incurred by the Debtors’ Professionals in preparing and prosecuting, to the point of the hearing on the Disclosure Statement, a Plan and Disclosure Statement that is consistent with the Plan Term Sheet. Such funds are refundable to the Offerors only to the extent the fees and costs incurred in preparing the Plan and prosecuting the Disclosure Statement to the point of the Disclosure Statement hearing do not exceed the Professional Fees Deposit amount or are not Allowed by the Bankruptcy Court. Use of the Professional Fees Deposit to pay the Allowed fees and expenses of counsel to the Debtors is not dependent upon approval of the Disclosure Statement by the Bankruptcy Court.

123. “Professional Fees Escrow Account” means the escrow account established pursuant to the DIP Amendment Order for payment of budgeted but unpaid

Professional Fees that are entitled to the benefit of the “Carve-Out” from LLC as defined in the Final DIP Order (as amended by the DIP Amendment Order) in the amounts set forth in the “Professional Fee Budget” approved by LLC and annexed to the DIP Amendment Order. The Professional Fees Escrow Account was initially funded by LLC in an amount equal to \$872,524.53.

124. “Proof of Claim” means a proof of claim Filed pursuant to section 501 of the Bankruptcy Code and/or any order of the Bankruptcy Court, together with supporting documents.

125. “Pro Rata” means proportionately so that, (A) with respect to a Claim, the ratio of (a) (i) the amount of property distributed on account of a particular Claim to (ii) the Allowed amount of the Claim, is the same as the ratio of (b) (i) the amount of property distributed on account of all Claims of the Class in which the particular Claim is included (other than Claims disallowed by Final Order) to (ii) the amount of all Claims in that Class (other than Claims disallowed by Final Order); and (B) with respect to a proposed distribution on account of Allowed Claims in a particular Class, ratably, such that the dollar amount of the distribution that will be made to each Holder in such Class represents the same percentage of the Allowed amount of such Holder’s Allowed Claim as the percentage that the Allowed amount of such Holder’s Allowed Claim is of the total amount of all Allowed Claims in such Class. For purposes of calculating the Pro Rata share of Net Offeror Consideration to be distributed to the Holder of an Allowed Class 2 Claim, the Allowed amount of the Claim of such Holder shall be its Allowed Calculation Amount, provided that in no event shall the aggregate dollar amount of all distributions made to the Holder of an Allowed Class 2 Claim exceed such Holder’s Class Claimant Distribution Cap.

126. “Purchase Agreement” means that certain Asset Purchase Agreement by and among NCG and the Debtors, dated as of April 11, 2009, as amended, that was approved by the Sale Order, pursuant to which the Purchaser purchased substantially all of the Debtors’ assets as provided for therein.

127. “Purchased Assets” means substantially all of the Debtors’ assets purchased by the Purchaser pursuant to the Sale Order and Purchase Agreement, as set forth in the Purchase Agreement.

128. “Purchaser” means NCG, the purchaser of substantially all of the Debtors’ assets pursuant to the Purchase Agreement.

129. “Rejection Bar Date” means the deadline by which any Entity whose Claim arises from a Court-approved rejection of an executory contract or unexpired lease, in accordance with section 365 of the Bankruptcy Code and/or pursuant to an order of the Bankruptcy Court, must file a Proof of Claim. The Rejection Bar Date for each such Entity shall be before the later of: (i) the Bar Date or (ii) thirty (30) days after the date of the order approving the Debtors’ rejection of the applicable contract or lease, unless otherwise ordered by the Bankruptcy Court.

130. “Required Confirmation Payments” means the payment of certain claims and costs that must be paid in order to confirm the Plan, including the Class Action Notice Costs, the Other Notice Costs, unpaid Allowed Administrative Claims, Allowed Professional Fee Claims (to the extent that such Professional Fee Claims are Allowed and have not previously been paid pursuant to or are not payable from the Carve-Out or from the Professional Fees Escrow Account or the Professional Fees Deposit, but excluding any Professional Fee Claims that have been or will be paid from the Supplemental Professional Fee Deposit), Allowed

Priority Tax Claims and Allowed Other Priority Claims. The Required Confirmation Payments will be paid to the Holder of the Allowed Claim on the Effective Date from the Initial Offeror Consideration (unless (x) the Holder of the Claim agrees to defer such payments or (y) the Holder of the Claim has been paid before the Effective Date from the escrow of the Initial Offeror Consideration as in the case of Class Action Notice Costs or Other Notice Costs). Any payment of an Allowed Claim that is a Required Confirmation Payment that is made from the Initial Offeror Consideration on or before the Effective Date (but, for clarity, excluding any payments from the Professional Fees Deposit or the Supplemental Professional Fees Deposit) will reduce, dollar-for-dollar, the amount of the Offeror Consideration Installments. Notwithstanding the foregoing, (x) the obligation of the Offerors to fund the Required Confirmation Payments on the Effective Date is capped at \$600,000, and (y) the Offeror Consideration Installments or, if such Offeror Consideration Installments are insufficient, the Sale Proceeds, shall be used to the extent necessary to pay any unpaid Required Confirmation Payments not covered by the Initial Offeror Consideration.

131. “Responsible Officer” shall mean [REDACTED].

132. “Sale” means the sale of substantially all of the Debtors’ assets to the Purchaser that was approved by the Bankruptcy Court pursuant to the Sale Order.

133. “Sale Order” means the “Order (I) Authorizing and Approving Sale of Substantially All of the Debtors’ Assets Free and Clear of All Liens, Claims, Interests, and Encumbrances, (II) Authorizing Payment of the Debtors’ Lender With the Cash Proceeds Therefrom, (III) Approving Credit Bid or Winning Bid at the Auction, as Appropriate, and (IV) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired

Leases and Fixing Cure Costs Associated Therewith in Connection With the Sale” [Docket No. 322] entered by the Bankruptcy Court on March 31, 2009.

134. “Sale Proceeds” means the proceeds of the Sale that are due to the Debtors pursuant to the First Amendment consisting of (i) \$100,000 per year for five (5) years (subject to setoff as provided for in the First Amendment) regardless of whether a plan of reorganization or liquidation acceptable to LLCP is confirmed by the Bankruptcy Court (the “Non Plan Payments”); and (ii) an additional \$100,000 per year for five (5) years (subject to setoff as provided for in the First Amendment) if a plan of reorganization or liquidation acceptable to LLCP is confirmed by the Bankruptcy Court in accordance with such First Amendment (the “Plan Payments”). In the event there are more than seventy-five (75) Opt Out Notices Filed by the Holders of PA Class Action Claims, the Plan Payments shall be eliminated from the Sale Proceeds, and neither LLCP nor NCG shall be obligated to fund the Plan Payments (or any portion thereof).

135. “Schedules” means the schedules of assets and liabilities as the Bankruptcy Court required the Debtors to file pursuant to section 521 of the Bankruptcy Code, the Official Bankruptcy Forms and the Bankruptcy Rules, as they may be amended and supplemented from time to time, and the Debtors’ statements of financial affairs Filed with the Bankruptcy Court, as the Bankruptcy Court required the Debtors to File pursuant to section 521 of the Bankruptcy Code, the Official Bankruptcy Forms and the Bankruptcy Rules, as they may be amended and supplemented from time to time.

136. “Second Interim Cash Collateral Order” means the “Second Interim Cash Collateral Order, Pursuant to Sections 105, 361, 362, 363, 364(c)(1), 364(c)(2), 364(d)(1) and 364(e) of the Bankruptcy Code and Bankruptcy Rules 4001(c) and 4001(d), (A) Approving Cash

Collateral Agreement and Stipulation (B) Authorizing the Debtors' Use of Cash Collateral Consistent Therewith, (C) Authorizing Debtors to Incur Postpetition Financing Pursuant DIP Loan Terms Agreement and (D) Scheduling a Final Hearing" [Docket No. 74] entered by the Bankruptcy Court on February 3, 2009.

137. "Subordinated Claim" means (a) any Claim or portion of a Claim that has been subordinated for purposes of distribution pursuant to section 510(c) of the Bankruptcy Code; or (b) any Claim or portion of a Claim for any fine, penalty, or forfeiture, or for multiple, exemplary or punitive damages, to the extent that such Claim or portion thereof is not compensation for actual pecuniary loss.

138. "Subsequent Distribution Date" means any date after the Initial Distribution Date (a) that is (i) subject to Section 5.R below, no less frequent than once during each six (6) month period following the month of the Initial Distribution Date or (ii) otherwise ordered by the Bankruptcy Court, and (b) upon which the Liquidating Debtors make a distribution to any Holders of Allowed Other Unsecured Claims.

139. "Supplemental Professional Fees Deposit" means the additional advances of Professional Fees to augment the Professional Fees Deposit pursuant to Section 10.D of the Plan.

140. "Tax" means any tax, charge, fee, levy, impost or other assessment by any federal, state, local or foreign taxing authority, including, without limitation, income, excise, property, sales, transfer, employment, payroll, franchise, profits, license, use, *ad valorem*, estimated, severance, stamp, occupation and withholding tax. "Tax" shall include any interest or additions attributable to, imposed on or with respect to such assessments.

141. “Tax Claim” means all or that portion of an Allowed Claim held by a Governmental Unit for a Tax assessed or assessable against any Debtor, including income and employment Taxes and any related penalties or interest.

142. “Third Party Releases” means, as the context requires, individually, each of, and collectively, all of, the Offeror Releases, the LLCP Releases, and/or the NCG Releases.

143. “Third Party Releases” means the Third Party Releases (All) and the Third Party Releases (Partial).

144. “Third Party Releases (All)” means the releases granted to the Offeror Releases, the LLCP Releases, and the NCG Releases pursuant to Section 8.F of the Plan.

145. “Third Party Releases (Partial)” means the releases granted to the LLCP Releases and the NCG Releases pursuant to Section 8.F of the Plan.

146. “Unimpaired” means, with respect to a Claim or Class of Claims, a Claim or Class of Claims that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

147. “Unliquidated Claim” means any Claim for which a Proof of Claim has been filed with the Bankruptcy Court but was not filed in a sum certain, and which Claim has not been estimated, fixed or liquidated by the Bankruptcy Court at a sum certain as of the Effective Date.

148. “U.S. Trustee” means the United States Trustee for the District of Delaware.

149. “Voting Instructions” means the instructions for voting on the Plan contained in Article [ ] of the Disclosure Statement and in the Ballots.

150. “Voting Record Date” means the date as of which the identity of Holders of Claims is set for purposes of determining the Entities entitled to receive and vote on the Plan. Pursuant to Bankruptcy Rules 3017(d) and 3018(a), this date is the date of entry of the Bankruptcy Court’s order approving the Disclosure Statement or such other date as the Bankruptcy Court may set.

## **ARTICLE 2**

### **ADMINISTRATIVE CLAIMS, PROFESSIONAL FEES AND PRIORITY TAX CLAIMS**

#### **A. Introduction**

Certain types of Claims are not placed into voting Classes; instead they are unclassified. They are not considered Impaired and they do not vote on the Plan because they are automatically entitled to the specific treatment provided for them in the Bankruptcy Code. As such, the Debtors have not placed the following Claims in a Class:

#### **B. Administrative Claims**

Each Holder of an Allowed Administrative Claim shall receive, from the Initial Offeror Consideration or if such Initial Offeror Consideration is insufficient, from the first available funds from Available Cash, Plan Proceeds, or the Offeror Consideration Installments, without interest, Cash equal to the Allowed amount of such Claim, unless such Holder shall have agreed to different treatment of such Claim, at the sole option of the Debtors or the Liquidating Debtors, as the case may be: (a) on or as soon as practicable after the later of (i) the Effective Date, or (ii) the date upon which the Bankruptcy Court enters a Final Order determining or approving such Claim; (b) in accordance with the terms and conditions of agreements that either have been or may be approved by the Bankruptcy Court between the Holders of such Claims and the Debtors or the Liquidating Debtors, as the case may be; (c) with respect to Administrative Claims

representing obligations incurred in the ordinary course of the Debtors' business, upon such regular and customary payment or performance terms as may exist in the ordinary course of the Debtors' business or as otherwise provided in the Plan; or (d) with respect to statutory fees due pursuant to 28 U.S.C. § 1930(a)(6), until the entry of a Final Decree or an order converting or dismissing the Chapter 11 Cases.

Holders of Administrative Claims (including, without limitation, Professionals) requesting compensation or reimbursement of such expenses pursuant to sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code that do not File such requests by the applicable deadline provided for herein shall be forever barred from asserting such Claims against the Debtors, their Estates, the Liquidating Debtors, or their successors or assigns, or their property. Any objection to Professional Fee Claims shall be Filed on or before the objection deadline specified in the application for final compensation or order of the Bankruptcy Court; provided that such objection deadline is at least **twenty (20) days** after the filing and service of such final fee application. As provided herein, the Claims Reserve Account will include funds sufficient to cover the aggregate asserted amount of all disputed Administrative Claims. Without limiting the foregoing, all fees payable under 28 U.S.C. § 1930 that have not been paid, shall be paid on or before the Effective Date.

Notwithstanding any provision in the Plan regarding payment of Administrative Claims to the contrary, and without waiver of any argument available that such Claim is already time-barred by prior orders of the Bankruptcy Court, all Administrative Claims that are required to be Filed and not Filed by the Administrative Claim Bar Date shall be deemed disallowed and discharged.

**C. Professional Fee Claims**

The Liquidating Debtors shall pay the Professionals all of their respective accrued and Allowed fees and reimburse all of their respective expenses arising prior to the Effective Date plus post-Effective Date fees and expenses approved by the Responsible Officer. To the extent not covered by the Professional Fees Escrow Account, the Professional Fees Deposit or the Supplemental Professional Fees Deposit, such payments shall be made from the Initial Offeror Consideration, or if such Initial Offeror Consideration is insufficient, from the first available funds from Available Cash, Plan Proceeds, or the Offeror Consideration Installments.

Professionals requesting compensation or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code for services rendered prior to the Effective Date (other than for Bankruptcy Clerk's Office fees, the fees and expenses of the Claims Agent, and the U.S. Trustee's fees) must File and serve pursuant to the notice provisions of the Interim Fee Order, an application for final allowance of compensation and reimbursement of expenses no later than **sixty (60) days** after the Effective Date. All such applications for final allowance of compensation and reimbursement of expenses will be subject to the authorization and approval of the Bankruptcy Court. Only the amount of fees and expenses Allowed by the Bankruptcy Court will be owed and required to be paid under the Plan.

The Liquidating Debtors may retain and compensate Professionals for services rendered following the Effective Date without order of the Bankruptcy Court. If the Liquidating Debtors object in writing to the payment of any compensation, such Disputed amount shall not be paid prior to the earlier of the resolution of such dispute or a ruling by the Bankruptcy Court.

**D. Priority Tax Claims**

On the later to occur of (i) the Effective Date or (ii) the date on which such Claim shall become an Allowed Claim, the Liquidating Debtors shall pay to each Holder of an Allowed

Priority Tax Claim from the Initial Offeror Consideration, or, if such Initial Offeror Consideration is insufficient, from the first available funds from Available Cash, Plan Proceeds, or the Offeror Consideration Installments, the Allowed amount of such Allowed Priority Tax Claim without interest from the Petition Date.

### **ARTICLE 3**

#### **CLASSIFICATION AND TREATMENT OF CLASSIFIED CLAIMS AND EQUITY INTERESTS**

##### **A. Summary**

The categories of Claims and Equity Interests listed below classify Claims and Equity Interests for all purposes, including voting, Confirmation and distribution pursuant to the Plan and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or Equity Interest shall be deemed classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that such Claim or Equity Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date.

##### **B. Classification and Treatment of Claims against the Debtor**

The classification of Claims and Equity Interests against the Debtor pursuant to the Plan, is as follows:

<b>Class</b>	<b>Status</b>	<b>Voting Rights</b>
Class 1 – Other Priority Claims	Impaired	Entitled to Vote
Class 2 – CFI Class Action Claims	Impaired	Entitled to Vote
Class 3 – PA Class Action Claims	Impaired	Entitled to Vote
Class 4 – Other Unsecured Claims	Impaired	Entitled to Vote
Class 5 – LLC/LLCP Deficiency Claim	Impaired	Entitled to Vote
Class 6 – Inter-Debtor Claims	Impaired	Not Entitled to Vote
Class 7 – Subordinated Claims	Impaired	Not Entitled to Vote
Class 8 – Equity Interests	Impaired	Not Entitled to Vote

1. Class 1 – Other Priority Claims

(a) Classification: Class 1 consists of the Other Priority Claims against the Debtors.

(b) Treatment: The Liquidating Debtors shall pay from the Initial Offeror Consideration (or, if such Initial Offeror Consideration is insufficient, from the first available funds from Available Cash, Plan Proceeds, or the Offeror Consideration Installments) the Allowed amount of each Class 1 Other Priority Claim to each Entity holding a Class 1 Other Priority Claim as soon as practicable following the later of (a) the Effective Date and (b) the date such Class 1 Other Priority Claim becomes an Allowed Claim (or as otherwise permitted by law). The Liquidating Debtors shall pay each Entity holding a Class 1 Other Priority Claim in Cash in full in respect of such Allowed Claim without interest from the Petition Date; provided, however, that such Entity may be treated on such less favorable terms as may be agreed to in writing by such Entity.

(c) Voting: Holders of Class 1 Claims are Impaired and, therefore, each Holder of a Class 1 Claim is entitled to vote to accept or reject the Plan.

2. Class 2 – CFI Class Action Claims

(a) Classification: Class 2 consists of the Claims of Holders of CFI Class Action Claims.

(b) Treatment: Each Holder of an Allowed Class 2 Claim shall receive its Minimum Distribution Amount. In addition, if Class 2 votes to accept the Plan, provided that such Holder does not File the Opt Out Notice referred to in subsection (e) below and refuse to grant the Third Party Releases (All), such Holder will also receive its Additional Distribution Amount. Regardless of whether Class 2 votes to accept the Plan, provided such Holder does not File the Opt Out Notice referred to in subsection (e) below and refuse to grant the Third Party Releases (All), such Holder will also receive its Pro-Rata share of the Net Offeror Consideration. Any calculation of the distributions to be made to the Holder of an Allowed Class 2 Claim shall be performed using such Holder's Allowed Calculation Amount. The aggregate dollar amount of all distributions made to the Holder of an Allowed Class 2 Claim in accordance with the calculations performed using such Holder's Allowed Calculation Amount shall be such Holder's Allowed Distribution Amount. In no event shall the Holder of an Allowed Class 2 Claim receive aggregate distributions under this Plan in excess of such Holder's Class Claimant Distribution Cap.

(c) Voting: Class 2 is an Impaired Class and each Holder of a Class 2 Claim is entitled to vote to accept or reject the Plan.

(d) Third Party Releases (All): Each Holder of an Allowed Class 2 Claim that does not File the Opt Out Notice referred to in subsection (e) below and refuse to grant the Third Party Releases (All) shall receive its Pro Rata share of the Net Offeror Consideration and, so long as Class 2 votes to accept the Plan, its Additional Distribution Amount. In consideration of such payments, each such Holder shall be deemed to have provided the Third Party Releases (All) and shall thereafter be barred and permanently enjoined from pursuing any released claims or released causes of action against the Offeror Releasees, the

LLCP Releasees, and the NCG Releasees. Such Holder shall receive its Minimum Distribution Amount regardless of whether Class 2 Votes to accept or reject the Plan or such Holder Files the Opt Out Notice.

(e) Opt Out: Each Holder of an Allowed Class 2 Claim that affirmatively opts out of the Third Party Releases (All) by properly completing, Filing and serving an Opt Out Notice will forfeit its right to receive both its Pro-Rata share of the Net Offeror Consideration and its Additional Distribution Amount.

3. Class 3 – PA Class Action Claims

(a) Classification: Class 3 consists of the Claims of Holders of PA Class Action Claims.

(b) Treatment: Each Holder of an Allowed Class 3 Claim shall receive its Minimum Distribution Amount. In addition, if Class 3 votes to accept the Plan, provided that such Holder does not File the Opt Out Notice referred to in such subsection (e) below and refuse to grant the Third Party Releases (Partial), such Holder of an Allowed Class 3 Claim will also receive its Additional Distribution Amount. Any calculation of the distributions to be made to the Holder of an Allowed Class 3 Claim shall be performed using such Holder's Allowed Calculation Amount. The aggregate dollar amount of all distributions made to the Holder of an Allowed Class 3 Claim in accordance with the calculations performed using such Holder's Allowed Calculation Amount shall be such Holder's Allowed Distribution Amount. In no event shall the Holder of an Allowed Class 3 Claim receive aggregate distributions under this Plan in excess of such Holder's Class Claimant Distribution Cap.

(c) Voting: Class 3 is an Impaired Class and each Holder of a Class 3 Claim is entitled to vote to accept or reject the Plan.

(d) Third Party Releases (Partial): Each Holder of an Allowed Class 3 Claim that does not File the Opt Out Notice referred to in subsection (e) below and refuse to grant the Third Party Releases (Partial) shall receive its Additional Distribution Amount, so long as Class 3 votes to accept the Plan. In consideration of its receipt of its receipt of such payment, each such Holder shall be deemed to have provided the Third Party Releases (Partial) and shall thereafter be barred and permanently enjoined from pursuing any released claims or released causes of action against the LLC Releasees and the NCG Releasees. Such Holder shall receive the Minimum Distribution Amount regardless of whether Class 3 votes to accept or reject the Plan or such Holder Files the Opt Out Notice.

(e) Opt Out: Each Holder of an Allowed Class 3 Claim that affirmatively opts out of the Third Party Releases (Partial) by properly completing, Filing and serving an Opt Out Notice will forfeit its right to receive its Additional Distribution Amount.

4. Class 4 – Other Unsecured Claims

(a) Classification: Class 4 consists of the Claims of Holders of Other Unsecured Claims.

(b) Treatment: Each Holder of an Allowed Class 4 Claim shall receive its Minimum Distribution Amount. In addition, if Class 4 votes to accept the Plan, each Holder of an Allowed Class 4 Claim will also receive its Additional Distribution Amount. The Allowed Calculation Amount and the Allowed Distribution Amount for each Holder of an Allowed Class 4 Claim is the Allowed amount of such Claim.

(c) Voting: Class 4 is an Impaired Class and each Holder of a Class 4 Claim is entitled to vote to accept or reject the Plan.

5. Class 5 – LLCP Deficiency Claim

(a) Classification: Class 5 consists of the LLCP Deficiency Claim.

(b) Treatment: LLCP will receive its Minimum Distribution Amount; provided, however, that if any or all of Classes 2, 3 and/or 4 vote to accept the Plan, LLCP will not receive any distribution on account of its LLCP Deficiency Claim, and the LLCP Minimum Distribution Amount will be distributed, ratably, to each Holder of an Allowed Claim in any such accepting Class or Classes. The Allowed Calculation Amount and the Allowed Distribution Amount for the Holder of the Allowed Class 5 Claim is the Allowed amount of such Claim.

(c) Voting: Class 5 is an Impaired Class and LLCP is entitled to vote to accept or reject the Plan.

6. Class 6 – Inter-Debtor Claims

(a) Classification: Class 6 consists of the Claims of Holders of Inter-Debtor Claims.

(b) Treatment: The value of the Plan Assets and the amount of the Net Plan Proceeds will not be sufficient to satisfy the Allowed Claims in Classes 1, 2, 3, 4, and 5 in full. Accordingly, there shall be no distribution to the Holders of Class 6 Claims.

(c) Voting: Holders of Class 6 Claims will receive no distribution under the Plan. Accordingly, Holders of Class 6 Claims are not entitled to vote and are deemed to have rejected the Plan.

7. Class 7 – Subordinated Claims

(a) Classification: Class 7 consists of the Claims of Holders of Subordinated Claims.

(b) Treatment: The value of the Plan Assets and the amount of the Net Plan Proceeds will not be sufficient to satisfy the Allowed Claims in Classes 1, 2, 3, 4, and 5 in full. Accordingly, there shall be no distribution to the Holders of Class 7 Claims.

(c) Voting: Holders of Class 7 Claims will receive no distribution under the Plan. Accordingly, Holders of Class 7 Claims are not entitled to vote and are deemed to have rejected the Plan.

8. Class 8 – Equity Interests

(a) Classification: Class 8 consists of all Equity Interests in the Debtors.

(b) Treatment: The value of the Plan Assets and the amount of the Net Plan Proceeds will not be sufficient to satisfy the Allowed Claims in Classes 1, 2, 3, 4, and 5 in full. Accordingly, there shall be no distribution on account of Class 8 Equity Interests. After the entry of the Effective Date, the Equity Interests will be canceled and will cease to exist.

(c) Voting: Holders of Class 8 Equity Interests will receive no distribution under the Plan. Accordingly, Holders of Class 8 Claims are not entitled to vote and are deemed to have rejected the Plan.

**ARTICLE 4**

**ACCEPTANCE OR REJECTION OF THE PLAN**

**A. Voting Classes**

Each Holder of an Allowed Claim in Classes 1, 2, 3, 4, and 5 is entitled to vote either to accept or to reject the Plan. Only those votes cast by Holders of Allowed Claims in those Classes shall be counted in determining whether acceptances have been received sufficient in number and amount to obtain Confirmation.

**B. Acceptance by Impaired Classes**

An Impaired Class of Claims shall have accepted the Plan if (a) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (b) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan.

**C. Presumed Acceptance/Rejection of Plan**

Holders of Claims in Classes 6, 7, and 8 shall not receive any distributions under the Plan and are therefore deemed to reject the Plan and are not entitled to vote.

**D. Nonconsensual Confirmation**

Because Classes 6, 7, and 8 are deemed to reject the Plan by operation of law, the Debtor will request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code. Without limiting the foregoing, in the event that any Class of Claims entitled to vote on the Plan fails to accept the Plan as required by section 1129(a) of the Bankruptcy Code, the Plan may be amended and, in any event, the Debtors reserve the right to seek confirmation of the Plan over such rejection pursuant to section 1129(b) of the Bankruptcy Code.

**E. How to Vote**

A form of Ballot is being provided to each Creditor in Classes 1, 2, 3, 4, and 5 by which each Creditor in such Class may vote to accept or reject the Plan. The Ballot for voting on the Plan gives you an important choice to make with respect to the Plan - - you can vote for or against this Plan. If you are in Class 2, 3, or 4 and your Class votes to reject the Plan, you will not receive the Additional Distribution Amount.

To vote on the Plan, please complete the Ballot, as indicated thereon, (1) by indicating on the enclosed ballot that (a) you accept the Plan or (b) reject the Plan; and (2) by signing your name and mailing the Ballot in the envelope provided for this purpose. The Claims Agent will count the Ballots.

In addition to the Ballot, Creditors in Class 2 -- CFI Class Action Claimants -- will also receive a form of Opt Out Notice whereby Holders of such Claims may elect to “opt out” of the Third Party Releases (All). Any Holder of a Class 2 Claim that opts out of the Third Party Releases (All) will forfeit both his or her Pro Rata share of the Net Offeror Consideration and his or her Additional Distribution Amount, and, consequently, receive a smaller distribution under this Plan.

In addition to the Ballot, Creditors in Class 3 - - PA Class Action Claimants - - will receive a form of Opt Out Notice whereby Holders of such Claim may elect to “opt out” of the Third Party Releases (Partial). Any Holder of a Class 3 Claim that opts out of the Third Party Releases (Partial) will forfeit his or her Additional Distribution Amount, and, consequently, receive a smaller distribution under the Plan.

The distribution to any Holder of a Class 2 Claim or a Class 3 Claim who elects to opt out of the Third Party Releases will be limited to the Minimum Distribution Amount.

TO OPT OUT OF THE THIRD PARTY RELEASE, YOU MUST COMPLETE AND RETURN THE OPT OUT NOTICE IN A TIMELY MANNER. IF YOU ARE A HOLDER OF A CFI CLASS ACTION CLAIM AND YOU WANT TO GRANT THE THIRD PARTY RELEASES AND THEREFORE RECEIVE A PRO RATA SHARE OF THE NET OFFEROR CONSIDERATION AND ADDITIONAL DISTRIBUTION AMOUNT, DO NOT SIGN OR FILE THE OPT OUT NOTICE. IF YOU ARE A HOLDER OF A PA CLASS ACTION

CLAIM AND YOU WANT TO GRANT THE THIRD PARTY RELEASES AND THEREFORE RECEIVE THE ADDITIONAL DISTRIBUTION AMOUNT, DO NOT SIGN THE OPT OUT NOTICE.

IN ORDER TO BE COUNTED, BALLOTS MUST BE COMPLETED, SIGNED AND RECEIVED NO LATER THAN 4:00 p.m. Eastern Time ON [REDACTED], 2009 AT THE FOLLOWING ADDRESS:

**If by overnight courier or hand delivery:**

**In re: SCH Corp., et al. Ballot Processing  
c/o Administar Services Group LLC  
8475 Western Way, Suite 110  
Jacksonville, FL 32256  
(Attn: Jeff Pirrung)**

**If by standard mail (including U.S. Express Mail):**

**In re: SCH Corp., et al. Ballot Processing  
c/o Administar Services Group LLC  
8475 Western Way, Suite 110  
Jacksonville, FL 32256  
(Attn: Jeff Pirrung)**

**DO NOT SEND YOUR BALLOT VIA FACSIMILE OR E-MAIL.**

IF YOUR BALLOT IS NOT PROPERLY COMPLETED, SIGNED AND RECEIVED AS DESCRIBED, IT WILL NOT BE COUNTED. IF YOUR BALLOT IS DAMAGED OR LOST, YOU MAY REQUEST A REPLACEMENT BY ADDRESSING A WRITTEN REQUEST TO THE ADDRESS SHOWN ABOVE. FACSIMILE OR ELECTRONICALLY SUBMITTED BALLOTS WILL NOT BE COUNTED.

IF YOU HOLD A CFI CLASS ACTION CLAIM AND DO NOT PROPERLY COMPLETE, FILE AND SERVE THE OPT OUT NOTICE, YOU WILL BE DEEMED TO HAVE ACCEPTED THE TERMS OF THE THIRD PARTY RELEASE PROVISIONS SET FORTH IN SECTION 8.F OF THE PLAN, WHICH SHALL RELEASE YOUR CLAIMS (IF

ANY) AGAINST THE OFFERORS, LLCP, AND PERSONNEL OF NCG WHO WERE FORMERLY EMPLOYED BY THE DEBTORS.

ANY CLAIMANT HOLDING A CFI CLASS ACTION CLAIM WHO COMPLETES, FILES AND RETURNS THE OPT OUT NOTICE WILL WAIVE ANY RIGHT TO RECEIVE THE ADDITIONAL DISTRIBUTION AMOUNT. THEREFORE, DO NOT SIGN AND FILE THE OPT OUT NOTICE IF YOU WANT TO BE ELIGIBLE TO RECEIVE THIS PAYMENT.

IF YOU HOLD A PA CLASS ACTION CLAIM AND DO NOT PROPERLY COMPLETE, FILE AND SERVE THE OPT OUT NOTICE, YOU WILL BE DEEMED TO HAVE ACCEPTED THE TERMS OF THE THIRD PARTY RELEASE PROVISIONS SET FORTH IN SECTION 8.F OF THE PLAN, WHICH SHALL RELEASE YOUR CLAIMS (IF ANY) AGAINST LLCP AND PERSONNEL OF NCG WHO WERE FORMERLY EMPLOYED BY THE DEBTORS.

ANY CLAIMANT HOLDING A PA CLASS ACTION CLAIM WHO COMPLETES, FILES AND RETURNS THE OPT OUT NOTICE WAIVES ANY RIGHT TO RECEIVE THE ADDITIONAL DISTRIBUTION AMOUNT. THEREFORE, DO NOT SIGN AND FILE THE OPT OUT NOTICE IF YOU WANT TO BE ELIGIBLE TO RECEIVE THIS PAYMENT.

UNLESS THE BANKRUPTCY COURT DETERMINES OTHERWISE, ONLY CLAIMANTS WHO AFFIRMATIVELY OPT OUT OF THE THIRD PARTY RELEASE PROVISIONS OF THE PLAN WILL BE ENTITLED AFTER CONFIRMATION OF THE PLAN TO CONTINUE WITH LITIGATION WITH RESPECT TO THE OFFERORS AND ANY OTHER THIRD PARTY.

## ARTICLE 5

### MEANS FOR IMPLEMENTATION OF THE PLAN

**A. Substantive Consolidation.**

Entry of the Confirmation Order shall constitute the approval, pursuant to section 105(a) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of the Debtors for all purposes related to the Plan, including, without limitation, for purposes of voting, Confirmation, and distribution. On and after the Effective Date, (i) all assets and liabilities of the Debtors shall be treated, for purposes of the Plan, including, without limitation, for purposes of voting, Confirmation, and distribution, as though they were merged, (ii) no distributions shall be made under the Plan on account of any Equity Interest held by the Debtors in any of the Debtors, (iii) all guarantees of any of the Debtors of any of the Debtors shall be eliminated so that any Claim against any of the Debtors and any guarantee thereof executed by any of the Debtors and any joint or several liability of any of the Debtors shall be one obligation of the Debtors and (iv) each and every Claim Filed or to be Filed in the Chapter 11 Cases of any of the Debtors shall be deemed Filed against the Debtors and shall be one Claim against and obligation of the Debtors.<sup>4</sup>

**B. Available Cash.**

On or as soon as practicable following the Effective Date, the Claims Reserve Account and the Offeror Consideration Reserve Account shall be opened by the Disbursing Agent and the appropriate account shall be funded with the Initial Offeror Consideration (minus any Class Action Notice Costs as Other Notice Costs previously expended), the first Offeror Consideration Installment, the first installment of Sale Proceeds, and all Available Cash, as applicable.

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<sup>4</sup> The Debtors do not believe that there are any Claims against SCH or ACCS other than the LLC Partnership Deficiency Claim, the Claims of Insiders, or Inter-Debtor Claims.

Thereafter, from time to time, (i) upon receipt of any additional proceeds, including, without limitation, installments of Sale Proceeds, Liquidation Proceeds or any General Litigation Recovery, such funds will be promptly delivered by the Liquidating Debtors to the Disbursing Agent for deposit into the Claims Reserve Account and shall become part of the Plan Proceeds; and (ii) any Offeror Consideration Installments received by the Liquidating Debtors shall be promptly delivered to the Disbursing Agent for deposit into the Offeror Consideration Reserve Account.

**C. Handling of Plan Assets and Collection of Plan Proceeds and Offeror Consideration.**

On the Effective Date, the Plan Assets and any other property of the Estates shall revert in the Liquidating Debtors, free and clear of all Claims and Liens other than any Liens recognized by this Plan. The Plan Assets shall be held by the Liquidating Debtors in trust for Creditors and shall be distributed only in accordance with this Plan. From and after the Effective Date, the Liquidating Debtors shall retain and pursue the General Litigation on such terms and conditions as are consistent with the interests of Creditors and the reasonable business judgment of the Liquidating Debtors, sell or liquidate Plan Assets, and collect the accounts receivable, if any, of the Debtors. In addition, from and after the Effective Date, except as otherwise provided in this Plan or in the Confirmation Order, the Liquidating Debtors shall be free to operate without any limitation or restriction by, and without any requirement to comply with, the Bankruptcy Code, Bankruptcy Rules, or Guidelines of the United States Trustee. All Cash, all Liquidation Proceeds, and all General Litigation Recoveries realized or obtained by the Liquidating Debtors shall be promptly delivered to the Disbursing Agent for deposit into the Claims Reserve Account and such funds shall be held in trust by the Disbursing Agent as Plan Proceeds. Except as otherwise provided in this Plan and the Confirmation Order, such Plan Proceeds shall be free and clear of all Claims and Liens and shall only be expended in

accordance with the provisions of this Plan. To the extent required to make distributions to the Holders of Allowed Claims, fund the Claims Reserve Account, pay Plan Expenses, and otherwise implement this Plan, all Plan Proceeds shall be held in trust by the Disbursing Agent and shall be distributed to Creditors in accordance with section 1123 of the Bankruptcy Code. In addition, any Offeror Consideration received by the Liquidating Debtors on or after the Effective Date shall be promptly delivered to the Disbursing Agent for deposit into the Offeror Consideration Reserve Account and such funds shall be used to pay Required Confirmation Payments and to make distributions to the Holders of Allowed Class 2 Claims who have not opted out of the Third Party Releases.

**D. General Litigation.**

Except as otherwise provided in this Plan, all General Litigation is retained and preserved pursuant to section 1123(b) of the Bankruptcy Code. From and after the Effective Date, all General Litigation will be prosecuted or settled by the Liquidating Debtors. To the extent any General Litigation is already pending on the Effective Date, the Liquidating Debtors as successor to the Debtors will continue the prosecution of such General Litigation. Any General Litigation Recovery from the General Litigation will be deposited in the Claims Reserve Account as Plan Proceeds.

**E. Mealing Litigation.**

Upon the Effective Date, (i) LLCPC will assign all of its rights in the Mealing Litigation to the Debtors and the Debtors will, in turn, release the Mealing Claims in consideration of the Offerors providing the Offeror Consideration; (ii) as additional consideration, the Offerors will release the Mealing Indemnification Claims; and (iii) the Debtors and/or LLCPC will cause the Mealing Litigation to be dismissed with prejudice. But for LLCPC's assignment of the Mealing Litigation to the Debtors and the release of the Mealing Claims by the Debtors, the Offerors

would not have provided the Offeror Consideration. On the Effective Date, the Offerors, LLCP and the Liquidating Debtors will execute any documents reasonably necessary to effectuate the releases set forth in the Plan.

**F. Third Party Releases.**

The Plan provides for the Third Party Releases. Valuable consideration is being provided to those Creditors who do not Opt Out of the Third Party Releases because each such Creditor to the extent that it holds an Allowed Claim in the applicable Class will either receive its Additional Distribution Amount and its Pro Rata share of the Net Offeror Consideration (Class 2) or its Additional Distribution Amount (Class 3).

**G. Channeling Injunction.**

The Confirmation Order will provide for a Channeling Injunction, pursuant to which (i) the Class Actions will be permanently enjoined as to the Debtors under section 105 of the Bankruptcy Code, or other applicable law, and all Allowed Class Action Claims will be limited to the distributions to be provided on account of such Claims under the Plan, and (ii) the claims or causes of action that have been or could be asserted against the Third Party Releasees (All) in the CFI Class Actions or the Third Party Releasees (Partial) in the PA Class Action will either be subject to the applicable Third Party Releases or, in the event a Class Action Claimant opts out of the Third Party Releases, such claims and causes of action shall be administered in the Bankruptcy Court or in such other manner as the Bankruptcy Court may determine.

In the absence of a contrary ruling by the Bankruptcy Court, the Channeling Injunction will channel to the Bankruptcy Court for estimation or other resolution the claims against the Third Party Releasees held by Class Action Claimants that have opted out of the Third Party Releases, provided, however, that any other alternative treatment for such claims against the Third Party Releasees that the Bankruptcy Court might require in lieu of retaining jurisdiction

over such claims shall be acceptable to the Offerors so long as the Offerors are not deprived of any rights or defenses they would have outside the Bankruptcy Court.

Without limiting the foregoing, on the Effective Date, all Entities shall be permanently and forever stayed, restrained, and enjoined from taking any of the following actions for the purpose of, directly or indirectly, collecting, recovering, or receiving payment of, on, or with respect to any Class Action Claims and any claims or causes of action against the Third Parties held by a Class Action Claimant:

1. commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding (including, without express or implied limitation, a judicial, arbitral, administrative, or other proceeding) in any forum against or affecting the Debtors, the Liquidating Debtors, the Third Party Releasees, or any property or interests in property of any of the foregoing;

2. enforcing, levying, attaching (including, without express or implied limitation, any prejudgment attachment), collecting, or otherwise recovering by any means or in any manner, whether directly or indirectly, any judgment, award, decree, or other order against the Debtors, the Liquidating Debtors, the Third Party Releasees, or any property or interests in property of any of the foregoing;

3. creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any Encumbrance against the Debtors, the Liquidating Debtors, the Third Party Releasees, or any property or interests in property of any of the foregoing; and

4. setting off, seeking reimbursement of, contribution from, or subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against any

liability owed to the Debtors, the Liquidating Debtors, the Third Party Releasees, or any property or interests in property of any of the foregoing.

Nothing contained herein shall constitute or be deemed a waiver of any claim, right or cause of action that the Debtors, the Liquidating Debtors or their affiliates may have against any Entity in connection with or arising out of any Class Action Claims, and the Channeling Injunction shall not apply to the assertion of any such claim, right, or cause of action by the Debtors, the Liquidating Debtors or their affiliates.

**H. Payment of Plan Expenses.**

All Plan Expenses may be paid by the Disbursing Agent from the Claims Reserve Account without further notice to Creditors or approval of the Bankruptcy Court. The Confirmation Order shall advise Creditors and other parties in interest of the right to deliver a written request to the Liquidating Debtors for notice of any post-Confirmation applications by the post-Confirmation professionals seeking approval of post-Confirmation fees and expenses. Any disputes concerning the payment of Plan Expenses shall be submitted to the Bankruptcy Court for resolution.

**I. Distribution of Plan Proceeds and Offeror Consideration**

The Plan Proceeds shall be used to satisfy the payments required under the Plan, provided that the Disbursing Agent shall only distribute Plan Proceeds to the Holders of Allowed Claims in such amounts and at such times as are set forth in this Plan. No payments or distributions shall be made by the Disbursing Agent on account of Disputed Claims unless and to the extent such Claims become Allowed Claims. The Plan Proceeds allocated to Disputed Claims will not be distributed but will be held in the Claims Reserve Account by the Disbursing Agent in accordance with this Plan pending resolution of such Disputed Claims.

The Offeror Consideration shall be held by the Disbursing Agent in the Offeror Consideration Reserve Account and the Disbursing Agent shall distribute such funds to the appropriate Claimant or other recipient as and when and in such amounts as contemplated under this Plan.

**J. Post-Confirmation Operations of the Liquidating Debtors.**

Following the Effective Date, the Liquidating Debtors shall sell or dispose of any remaining assets, collect any accounts receivable, generate Liquidation Proceeds, prosecute or settle the General Litigation, promptly transfer all receipts and collections to the Disbursing Agent for deposit into the Claims Reserve Account, and generally administer the Plan.

**K. Power and Authority of Responsible Officer**

From and after the Effective Date, the Liquidating Debtors will be managed and governed by the Responsible Officer who shall act as the representative of the Liquidating Debtors. Activities of the Liquidating Debtors as permitted and limited under this Plan will be managed by the Responsible Officer. The Responsible Officer may use lower-priced employees of his or her firm as he or she deems appropriate. Compensation and reimbursement of the Responsible Officer, and any lower-priced employees from his or her firm, shall be considered Plan Expenses. Confirmation of the Plan shall constitute the appointment of the Responsible Officer by the Bankruptcy Court as the representative of the Liquidating Debtors to (a) exercise the rights, power and authority of the Liquidating Debtors under applicable provisions of the Plan and bankruptcy and non-bankruptcy law, (b) retain professionals to represent the Liquidating Debtors in performing and implementing the Plan, (c) marshal and liquidate the Plan Assets and to collect the Plan Proceeds for the benefit of Creditors, (d) prosecute the General Litigation and otherwise attempt to collect or realize upon the Plan Assets, (e) resolve Disputed Claims and effectuate distributions to Creditors under the Plan, and (f) otherwise implement the

Plan, wind up the affairs of the Debtors and close the Chapter 11 Cases. The compensation arrangements with the Responsible Officer shall be [REDACTED]. On the Effective Date, the Responsible Officer will be deemed to have retained the Debtors' Professionals under the arrangements existing on the Effective Date, without any need for new retention agreements or further orders of the Bankruptcy Court. The Confirmation Order shall provide that the Responsible Officer is authorized to execute a certificate of dissolution for each Liquidating Debtor pursuant to applicable non-bankruptcy law, at such time as all Liquidating Debtors have fully wound up their affairs in accordance with applicable law pursuant to the provisions of the Plan. The Responsible Officer shall serve until all of the Liquidating Debtors are dissolved and a Final Decree is entered closing the Chapter 11 Cases, unless earlier removed by the Bankruptcy Court for cause shown, after notice and a hearing. Upon the removal of the Responsible Officer for cause, [REDACTED] shall select a replacement Responsible Officer; in all other instances, if the sitting Responsible Officer becomes unable, unavailable or unwilling to continue to serve, [REDACTED] will select a replacement. The Responsible Officer shall be responsible for ensuring that the Liquidating Debtors comply with their obligation to pay statutory fees under 28 U.S.C. § 1930(a)(6) and the Responsible Officer shall File all post-Confirmation reports required by the Bankruptcy Rules, the Bankruptcy Court, the Local Bankruptcy Rules, or any applicable Guidelines of the United States Trustee.

**L. Liquidation and Dissolution of the Liquidating Debtors**

The Liquidating Debtors shall conduct no business following the Effective Date other than winding up their affairs in accordance with applicable law and the provisions of this Plan. Without limiting the generality or effect of the foregoing, following the Effective Date, the Liquidating Debtors shall: (i) undertake those transactions that are necessary, advantageous or practicable to obtain the maximum value from the Plan Assets; and (ii) exercise their best efforts

and endeavor in good faith and without undue delay to liquidate all of the Plan Assets and to successfully prosecute the General Litigation. Pursuant to applicable bankruptcy and non-bankruptcy law, the Liquidating Debtors (acting through the Responsible Officer) shall be authorized to (i) wind up their affairs and dissolve, and (ii) put into effect and carry out the terms of the Plan and any orders of the Bankruptcy Court entered in the Chapter 11 Cases, without further action by their boards of directors or stockholders.

**M. Full and Final Satisfaction**

Commencing upon the Effective Date, the Disbursing Agent shall be authorized and directed to distribute the amounts required under the Plan to the Holders of Allowed Claims according to the provisions of the Plan. Upon the Effective Date, all Debts of the Debtors shall be deemed fixed and adjusted pursuant to this Plan and the Debtors shall have no further liability on account of any Claims or Interests except as set forth in this Plan. All payments and all distributions made by the Disbursing Agent under the Plan shall be in full and final satisfaction, settlement and release of all Claims; provided, however, that nothing contained in this Section 5.M of the Plan, or in any other provision of this Plan, shall be deemed to constitute or result in a discharge of the Debtors under section 1141(d) of the Bankruptcy Code.

**N. Distribution Procedures**

Except as otherwise agreed by the Holder of a particular Claim, or as provided in this Plan, all amounts to be paid by the Disbursing Agent under the Plan shall be distributed in such amounts and at such times as is reasonably prudent. On the Effective Date, or as soon as practicable thereafter, the Disbursing Agent shall: (i) marshal all then available Plan Proceeds; (ii) to the extent of unencumbered Cash or Cash distributable to the Holders of Allowed Claims, establish and fund the Claims Reserve Account pursuant to Section 5.P of the Plan; (iii) promptly pay the Holders of (a) Allowed Administrative Claims, (b) Allowed Professional Fee Claims, (c)

Allowed Priority Tax Claims and (d) Allowed Other Priority Claims; and (iv) make interim and final distributions of Plan Proceeds to the Holders of Allowed Claims in Classes 1, 2, 3, 4 and 5 from the Claims Reserve Account in the amounts and according to the provisions of and priorities set forth this Plan. Notwithstanding any provision to the contrary in this Plan, distributions may be made in full or on a Pro Rata basis depending on (i) the amount of the Allowed Claim, (ii) the then available Plan Proceeds in the Claims Reserve Account, and (iii) the then anticipated Plan Proceeds. The Disbursing Agent shall make the Cash payments to the Holders of Allowed Claims: (a) in U.S. dollars by check, draft or warrant, drawn on a domestic bank selected by the Disbursing Agent in its sole discretion, or by wire transfer from a domestic bank, at the Disbursing Agent's option, and (b) by first-class mail (or by other equivalent or superior means as determined by the Disbursing Agent). On the Effective Date, or as soon as practicable thereafter, the Disbursing Agent shall: (i) establish and fund the Offeror Consideration Reserve Account pursuant to Section 5.P of the Plan; (ii) make distributions of the Offeror Consideration to pay the Required Confirmation Payments and to the Holders of Allowed CFI Class Action Claims that have not opted out of the Third Party Releases.

**O. Disbursing Agent**

The Disbursing Agent may employ or contract with other Entities to perform the obligations created under the Plan. Any third party Disbursing Agent shall receive reasonable compensation for services rendered and reimbursement for expenses incurred in connection with this Plan or any functions or responsibilities adopted under the Plan, which amounts may be deducted from the Claims Reserve Account as Plan Expenses. The Disbursing Agent shall be empowered to (i) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan, (ii) make all distributions contemplated hereby, (iii) employ professionals to represent it with respect to its responsibilities, and (iv) exercise such

other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof. To the extent that the Liquidating Debtors act as the Disbursing Agent, the Liquidating Debtors shall not receive a fee for such services, although the Liquidating Debtors may employ and pay persons or Entities salaries, wages or ordinary compensation for services performed.

**P. Reserve Accounts**

On or as soon as practicable after the Effective Date, the Disbursing Agent shall (a) to the extent of any Available Cash or, where applicable, unencumbered Cash, create and fund the Claims Reserve Account, and (b) periodically deposit the Cash from Plan Proceeds into the Claims Reserve Account to satisfy the obligations created under the Plan. The Claims Reserve Account shall contain the following sub-accounts: (1) Administrative Claims, (2) Professional Fee Claims, (3) Priority Tax Claims, (4) Other Priority Claims, (5) Allowed CFI Class Action Claims, (6) Allowed PA Class Action Claims, (7) Allowed Other Unsecured Claims, (8) LLCP Deficiency Claim and (9) Plan Expenses. Each sub-account within the Claims Reserve Account shall contain an amount of Cash deemed sufficient by the Liquidating Debtors for the payment of Allowed Claims in accordance with the provisions, priorities and amounts set forth in Article 3, all anticipated Professional fees and expenses, Plan Expenses, and Disputed Claims. The Disbursing Agent shall be authorized to transfer funds among sub-accounts as necessary to replenish any sub-accounts as and when distributions are made to Creditors. All Plan Expenses may be deducted and paid from the appropriate sub-account without further order of the Bankruptcy Court. Subject to the priorities established under the Bankruptcy Code, the Disbursing Agent shall periodically transfer all earnings and interest income on the Claims

Reserve Account for deposit to and distribution from sub-accounts 5, 6, 7 and 8<sup>5</sup> on a Pro Rata basis. Unless otherwise provided in the Confirmation Order, the Claims Reserve Account shall be invested by the Disbursing Agent in a manner consistent with the objectives of section 345(a) of the Bankruptcy Code. In addition, the Disbursing Agent shall transfer funds from the Offeror Consideration Reserve Account to the appropriate sub-account of the Claims Reserve Account to pay the Required Confirmation Payments and retain the balance of such funds in the Offeror Consideration Reserve Account to be used to pay the Pro Rata share of the Net Offeror Consideration to those Holders of Allowed Class 2 Claims that have not opted out of the Third Party Releases.

**Q. Resolution of Disputed Claims**

All objections to Claims shall be Filed and served not later than ninety (90) days following the Effective Date; provided, however, such date may be extended beyond ninety (90) days by the Bankruptcy Court for cause shown. If an objection is not timely Filed by the deadline established in this Section 5.Q, any remaining Disputed Claims shall be deemed to be Allowed Claims for purposes of this Plan. Unless otherwise provided in the Confirmation Order, the Liquidating Debtors shall be authorized to settle, or withdraw any objections to, any Disputed Claim following the Confirmation Date without further notice to Creditors or authorization of the Bankruptcy Court, in which event such Claim shall be deemed to be an Allowed Claim in the amount compromised for purposes of this Plan. Under no circumstances will any distributions be made on account of Disallowed Claims.

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<sup>5</sup> Such funds shall be distributed to sub-account 8 only in the event that none of Classes 2, 3 or 4 has voted to accept the Plan.

**R. Reserve Provisions for Disputed Claims**

The Disbursing Agent shall implement the following procedures with respect to the allocation and distribution of Cash in the Claims Reserve Account, after payment of all senior Claims, to the Holders of Disputed Claims that become Allowed Claims:

- (i) Cash respecting Disputed Claims shall not be distributed, but, if necessary, shall be withheld by the Disbursing Agent in an amount equal to the amount of the distributions that would otherwise be made to the Holders of such Claims if such Claims had been Allowed Claims, based on the Disputed Claims Amount.
- (ii) All Holders of Allowed Other Unsecured Claims shall be entitled to receive interim distributions under the Plan. No distributions may be made to the Holders of Allowed Other Unsecured Claims unless adequate reserves are established for the payment of Disputed Claims, and sufficient funds are also reserved for payment of expected Plan Expenses. Upon the Final Resolution Date, after payment of all senior Claims, all amounts (if any) remaining in sub-accounts 1-9 of the Claims Reserve Account, after reservation of an appropriate amount for anticipated Plan Expenses, shall be transferred to sub-accounts 5, 6, 7 and 8<sup>6</sup> for final distribution to the Holders of Allowed Class 3 Claims pursuant to the Plan.
- (iii) Where only a portion of a Claim is Disputed, at the option of the Liquidating Debtors or Disbursing Agent, as applicable, interim or partial distributions may (but are not required to) be made with respect to the portion of such Claim that is not Disputed.
- (iv) For the purposes of effectuating the provisions of this Section 5.R(iv), the Bankruptcy Court may estimate the amount of any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code, in which event the amounts so fixed or liquidated shall be deemed to be Allowed Claims pursuant to section 502(c) of the Bankruptcy Code for purposes of distribution under this Plan. In lieu of estimating the amount of any Disputed Claim, the Bankruptcy Court or the Disbursing Agent may determine the Disputed Claims Amount to be reserved for such Disputed Claim, or such amount may be fixed by agreement in writing by and between the Liquidating Debtors and the Holder thereof.
- (v) When a Disputed Claim becomes an Allowed Claim, there shall be distributed to the Holder of such Allowed Claim, in accordance with the

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<sup>6</sup> Such funds shall be distributed to sub-account 8 only in the event that none of Classes 2, 3 or 4 has voted to accept the Plan.

provisions of this Plan, Cash equal to a Pro Rata share of the Cash set aside for Disputed Claims within the applicable sub-account of the Claims Reserve Account, but in no event shall such Holder be paid more than the amount that would otherwise have been paid under the Plan to such Holder if the Claim (or the Allowed portion of the Claim) had not been a Disputed Claim.

- (vi) Interim distributions may be made from time to time to the Holders of Allowed Claims prior to the resolution by Final Order or otherwise of all Disputed Claims, provided that interim distributions shall be made no less frequently than once during each six (6) month period following the month of the Initial Distribution Date, and provided further that the aggregate amount of Cash to be distributed at such time from the Claims Reserve Account is practicable in comparison to the anticipated costs of such interim distributions. Notwithstanding the foregoing, in accordance with Section 5.U below, no interim distribution shall be made to any Creditor if the cost of making such distribution in relation to the amount of the payment renders such interim distribution impractical or not economically feasible.
- (vii) No Holder of a Disputed Claim shall have any Claim against the Cash reserved with respect to such Claim until such Disputed Claim shall become an Allowed Claim. In no event shall any Holder of Disputed Claim be entitled to receive (under the Plan or otherwise) from the Debtors, the Liquidating Debtors, or the Claims Reserve Account any payment (x) which is greater than the amount reserved for such Disputed Claim by the Bankruptcy Court pursuant to this Section 5.R(vii), or (y) except as otherwise permitted under this Plan, of interest or other compensation for delays in distribution. In no event shall the Liquidating Debtors have any responsibility or liability for any loss to or of any amount reserved under the Plan.
- (viii) To the extent a Disputed Claim ultimately becomes an Allowed Claim in an amount less than the Disputed Claim Amount reserved for such Disputed Claim, then the resulting surplus of Cash shall be retained in the Claims Reserve Account and shall be distributed among all Holders of Allowed Claims until such time as each Holder of an Allowed Claim has been paid the Allowed amount of its Claim.

**S. Allocation of Distributions.**

Distributions to any Holder of an Allowed Claim shall be allocated first to the principal amount of any such Allowed Claim, as determined for federal income tax purposes, and then, to the extent the consideration exceeds such amount, to the remainder of such Claim comprising

interest, if any (but solely to the extent that interest is an allowable portion of such Allowed Claim).

**T. Rounding.**

Whenever any payment of a fraction of a cent would otherwise be called for, the actual distribution shall reflect a rounding of such fraction down to the nearest cent.

**U. No Interim Cash Payments if Not Economically Feasible.**

If an interim distribution to be received by the Holder of an Allowed Claim would not be economically feasible or prudent due to the cost of making such distribution in relation to the dollar amount of such distribution, then notwithstanding any contrary provision in the Plan, the Disbursing Agent shall have the discretion to not make such interim payment to such Holder, and such Cash shall be held for such Holder until the earlier of (i) the time when making an interim distribution to such Holder would be economically feasible or prudent, or (ii) the date on which final distributions are made to the Holders of Allowed Claims.

**V. Disputed Payments.**

In the event of any dispute between and among Creditors as to the right of any Entity to receive or retain any payment or distribution to be made to such Entity under the Plan, the Disbursing Agent may, in lieu of making such payment or distribution to such Entity, instead hold such payment or distribution until the disposition thereof shall be determined by the Bankruptcy Court.

**W. Unclaimed Property.**

Any Entity which fails to claim any Cash within sixty (60) days from the date upon which a distribution is first made to such Entity shall forfeit all rights to any distribution under the Plan. Upon forfeiture, such Cash (including interest thereon) shall be deposited into the Claims Reserve Account to be distributed to the Holders of Allowed Claims in the manner

described in Section 5.R(vii) for distribution of excess amounts. Entities that fail to claim Cash shall forfeit their rights thereto and shall have no claim whatsoever against the Debtors, the Liquidating Debtors, or the Disbursing Agent or any Holder of an Allowed Claim to whom distributions are made by the Disbursing Agent.

**X. No Distributions on Late-Filed Claims**

Except as otherwise provided in a Final Order of the Bankruptcy Court, any Claim as to which a Proof of Claim was first Filed after the Bar Date shall be a Disallowed Claim, and the Liquidating Debtors shall not make any distribution to a Holder of such a Claim; provided, however, that to the extent such Claim was listed in the Schedules (other than as contingent, disputed, or unliquidated) and would be an Allowed Claim but for the lack of a timely Proof of Claim, the Liquidating Debtors shall treat such Claim as an Allowed Claim in the amount in which it was so listed.

**Y. Withholding Taxes**

Pursuant to section 346(f) of the Bankruptcy Code, the Disbursing Agent shall be entitled to deduct any federal, state or local withholding taxes from any Cash payments made with respect to Allowed Claims, as appropriate. The Debtors shall comply with all reporting obligations imposed on it by any Governmental Unit.

**Z. U.S. Trustee Fees.**

All outstanding amounts due under 28 U.S.C. § 1930 that have not been paid shall be paid by the Debtors on or before the Effective Date. Thereafter, the Liquidating Debtors shall pay any statutory fees due pursuant to 28 U.S.C. § 1930(a)(6) and such fees shall be paid until entry of a Final Decree or an order converting or dismissing the Chapter 11 Cases.

**AA. Compromise and Settlement.**

This Plan represents a compromise and settlement of the Mealing Claims, the Mealing Indemnification Claims, and the claims and causes of action that are released pursuant to the Third Party Releases. The compromise is fair and equitable and is reasonable under the circumstances of these Chapter 11 Cases and the applicable standards used by the Bankruptcy Court for the approval of compromises and settlements. But for the release of the Mealing Claims, the Offeror Consideration would not be paid by the Offerors and the Debtors would not be released from the Mealing Indemnification Claims.

**ARTICLE 6**

**TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**A. Rejection of Executory Contracts and Unexpired Leases**

Except with respect to executory contracts or unexpired leases that were (i) previously assumed or rejected by order of the Bankruptcy Court, (ii) are the subject of a pending motion to assume or reject, pursuant to section 365 of the Bankruptcy Code, or (iii) were assumed by the Debtors and assigned to the Purchaser pursuant to the Sale Order, on the Effective Date, each executory contract and unexpired lease entered into by any Debtor prior to the Petition Date that has not previously expired or terminated pursuant to its own terms shall be deemed rejected pursuant to section 365 of the Bankruptcy Code. Nothing in this Article 6 shall be construed as an acknowledgement that a particular contract or agreement is executory or is properly characterized as a lease. The Confirmation Order shall constitute an Order of the Bankruptcy Court approving such rejections pursuant to section 365 of the Bankruptcy Code, as of the Effective Date. The non-Debtor parties to any rejected personal property leases shall be responsible for taking all steps necessary to retrieve the personal property that is the subject of such executory contracts and leases.

**B. Claims Based on Rejection of Executory Contracts or Unexpired Leases**

All Proofs of Claim with respect to Claims arising from the rejection of executory contracts or unexpired leases pursuant to Confirmation of the Plan, if any, must be Filed with the Bankruptcy Court before the Rejection Bar Date. Any Claims arising from the rejection of an executory contract or unexpired lease pursuant to Confirmation of the Plan that is not Filed within such times will be forever barred from assertion against the Debtors, the Liquidating Debtors, or the Estates and their property. All such Claims for which Proofs of Claim are timely and properly Filed and ultimately Allowed will be treated as Other Unsecured Claims AND subject to the provisions of Article 3 hereof.

**ARTICLE 7**

**CONDITIONS PRECEDENT TO CONFIRMATION  
OF THE PLAN AND TO THE EFFECTIVE DATE**

**A. Conditions to Confirmation of the Plan.**

There are no conditions to Confirmation of this Plan other than the Court shall have signed the Confirmation Order.

**B. Effective Date.**

Provided that no stay of the Confirmation Order is then in effect, the following conditions are conditions precedent to the Effective Date, and this Plan shall become effective on the first Business Day following Confirmation on which all of the following conditions have either been satisfied or waived in writing by each of the Debtors, LLCP and the Offerors:

1. Delivery of Offeror Consideration. Delivery of the Offeror Consideration is a condition to the Effective Date. The commitment of the Offerors to contribute the Offeror Consideration is subject to Confirmation of a plan of liquidation that is consistent with the Plan Term Sheet (or to which the Offerors have consented) and that is otherwise acceptable to the

Offerors. Notwithstanding the foregoing, and without prejudice to the absolute right of the Offerors to decline to provide the Supplemental Professional Fees Deposit and the Offeror Consideration prior to the commencement of solicitation of acceptances to the Plan by the Debtors, promptly following approval of the Disclosure Statement by the Bankruptcy Court, but in no event later than ten (10) days after entry of the order of the Bankruptcy Court approving the Disclosure Statement, the Offerors will (i) make the Supplemental Professional Fees Deposit, and (ii) deliver the Initial Offeror Consideration (which includes funds to pay the Class Action Notice Costs and the Other Notice Costs) into an escrow established with the Debtors, unless such order is stayed pending appeal, in which case the ten (10) day period will commence to run upon the earlier to occur of the date on which such stay expires or is lifted or terminated or the date on which such appeal is finally determined in favor of the Debtors. If the Offerors fail or refuse to make the Supplemental Professional Fees Deposit or deliver the Initial Offeror Consideration into the escrow within the time period set forth in the immediately preceding sentence, the Debtors may, in their sole discretion, withdraw the Plan. Assuming the Offerors have made the Supplemental Professional Fees Deposit and delivered the Initial Offeror Consideration into escrow on or before the expiration of the foregoing ten (10) day period, upon entry of the Confirmation Order, provided that (i) the Plan is consistent with the Plan Term Sheet (or the Offerors have consented to the Plan) or is otherwise acceptable to the Offerors, (ii) the other conditions to the Effective Date set forth in this Section 7.B have been satisfied or waived (in writing), and (iii) no stay of the Confirmation Order is in effect: (x) the balance (if any) of the Initial Offeror Consideration remaining in the escrow after payment of the Class Action Notice Costs and the Other Notice Costs shall be released from the escrow to be used to pay the

Required Confirmation Payments, and (y) the first Offeror Consideration Installment shall be paid by the Offerors to the Debtors.

2. Form of Confirmation Order. The form of Confirmation Order is a condition to the Effective Date. The form of the Confirmation Order (including the scope of the Third Party Releases and the Channeling Injunction) as entered or approved by or as acceptable to the Bankruptcy Court must be reasonably acceptable to the Offerors and LLCP. The form of Confirmation Order shall be deemed to be reasonably acceptable to the Offerors and LLCP so long as the provisions of such order are not inconsistent with the Plan or the Plan Term Sheet (or such parties have approved the form of such order).

3. Minimum Number of Non-Opt Outs. No more than five hundred (500) CFI Class Action Claimants have timely Filed an Opt Out Notice.

4. Form of Third Party Releases. The form of Third Party Releases set forth in the Plan and in the Confirmation Order shall be in form and substance satisfactory to the Offeror Releasees and the LLCP Releasees.

5. Automatic Stay Remains in Effect. The automatic stay of Bankruptcy Code section 362 shall still be in effect as to all of the Class Actions.

**C. Effect of Failure of Conditions to Effective Date.**

If any one or more of the conditions in this Article 7 is not met, the Debtors may, at their option, seek to revoke the Confirmation Order and withdraw this Plan. If withdrawn, this Plan shall be of no further force or effect and the Debtors shall promptly return to the Offerors any unused balance of the Supplemental Professional Fees Deposit and any unused funds in the escrow established to hold the Initial Offeror Consideration.

## ARTICLE 8

### EFFECTS OF CONFIRMATION

**A. Binding Effect of Plan.**

The provisions of the confirmed Plan shall bind the Debtors, the Liquidating Debtors, any Entity acquiring property under the Plan, and any Creditor or Interest Holder, whether or not such Creditor or Interest Holder has filed a Proof of Claim or Interest in these Chapter 11 Cases, whether or not the Claim of such Creditor or the Interest of such Interest Holder is impaired under the Plan, and whether or not such Creditor or Interest Holder has accepted or rejected the Plan. All Claims and Debts shall be as fixed and adjusted pursuant to this Plan. Pursuant to Section 10.N of the Plan, with respect to any taxes of the kind specified in Bankruptcy Code section 1146(c), this Plan shall also bind any taxing authority, recorder of deeds or similar official for any county, state, or Governmental Unit or parish in which any instrument related to under this Plan or related to any transaction contemplated under this Plan is to be recorded.

**B. Revesting of Property of Debtors.**

Upon the Effective Date, other than with respect to the Purchased Assets (which assets have been sold to NCG), title to all property of the Estates of the Debtors in the Chapter 11 Cases shall revert in the Liquidating Debtors, free and clear of any Liens or Claims except any Liens and Claims expressly preserved by this Plan, the Confirmation Order, the Second Interim Cash Collateral Order, the Final DIP Order, the DIP Amendment Order or the Sale Order, and shall be retained by the Liquidating Debtors for the purposes contemplated under the Plan. Without limiting the generality of the foregoing, all General Litigation Recoveries, rights to Liquidation Proceeds, and all resulting Plan Proceeds earmarked for disbursement to

Creditors under the Plan, shall vest in the Liquidating Debtors upon the Effective Date and shall no longer constitute property of the Estates.

**C. Property Free and Clear.**

Except as otherwise provided in this Plan or the Confirmation Order, all property that shall revert in the Liquidating Debtors shall be free and clear of all Claims, including Liens, interests, charges or other encumbrances of Creditors or Interest Holders, other than any Liens specifically recognized and continued under this Plan. Following the Effective Date, the Liquidating Debtors may transfer and dispose of any such property free of any restrictions imposed by the Bankruptcy Code or the Bankruptcy Rules and without further approval of the Bankruptcy Court or notice to Creditors, except as may otherwise be required under the Plan or the Confirmation Order.

**D. Limitation of Liability.**

The Debtors and their respective officers, directors, managers, employees, agents, advisors, accountants, attorneys and representatives (collectively, the “Exculpated Parties”), will neither have nor incur any liability to any Entity for any action in good faith taken or omitted to be taken in connection with or related to the Chapter 11 Cases, the Sale, or the formulation, preparation, dissemination, implementation, Confirmation or consummation of the Plan, the Disclosure Statement, or any agreement created or entered into in connection with the Plan or incident to the Chapter 11 Cases; provided, however, that this limitation will not affect or modify the obligations created under this Plan, or the rights of any Holder of an Allowed Claim to enforce its rights under the Plan.

**E. Debtor Releases.**

**As part of the Plan, the releases set forth below shall be granted pursuant to this Plan and the Confirmation Order:**

1. **Release by Debtors. On the Effective Date, the Debtors and Liquidating Debtors shall release and be permanently enjoined from any prosecution or**

**attempted prosecution of any and all General Litigation or potential General Litigation that they have or may have against any of their present or former officers, directors, shareholders, parents, subsidiaries, affiliates, members, managers, partners, employees, agents, representatives, financial advisors, attorneys, accountants, predecessors, successors, and assigns, and their respective property; provided, however, that the foregoing shall not operate as a waiver of or release from any General Litigation or potential General Litigation arising out of (i) any express contractual obligation owing by any such present or former officers, directors, shareholders, parents, subsidiaries, affiliates, members, managers, partners, employees, agents, representatives, financial advisors, attorneys, accountants, predecessors, successors, and assigns or (ii) the willful misconduct or gross negligence of such present or former officers, directors, shareholders, parents, subsidiaries, affiliates, members, managers, partners, employees, agents, representatives, financial advisors, attorneys, accountants, predecessors, successors, and assigns in connection with, related to, or arising out of these Chapter 11 Cases, the pursuit of Confirmation of the Plan, the Consummation of the Plan, the administration of the Plan, or the property to be distributed under the Plan.**

**In addition, on the Effective Date, the Debtors and Liquidating Debtors shall release and be permanently enjoined from any prosecution or attempted prosecution of any and all General Litigation or potential General Litigation against NCG or against LLCPC in its capacity as prepetition lender and/or lender under the DIP Loan Terms Agreement, and/or as Purchaser, and their respective present or former officers, directors, shareholders, parents, subsidiaries, affiliates, members, managers, partners (limited and general), employees, agents, representatives, financial advisors, attorneys, accountants, predecessors,**

successors, and assigns, and their property, including, without limitation, any and all General Litigation or potential General Litigation which the Debtors and Liquidating Debtors may be entitled to assert, whether for tort, fraud, contract, violations of federal or state securities laws, or otherwise, whether known or unknown, foreseen or unforeseen, existing or thereafter arising, based in whole or in part upon any act or omission, transaction, or other occurrence taking place on or before the Confirmation, in any way relating to the Chapter 11 Cases or the Plan, including, but not limited to the Disclosure Statement, the negotiation, solicitation, Confirmation and Consummation of the Plan, or any Avoidance Actions that have been or may be brought against NCG or LLCP, in connection with (i) actions taken as or in its capacity as prepetition lender and/or lender under the DIP Loan Terms Agreement, and/or as Purchaser, or (ii) the Chapter 11 Cases.

2. Release of Debtors re Chapter 11 Cases. On the Effective Date, except as otherwise provided in the Plan or in the Confirmation Order, the Debtors and the Liquidating Debtors, and their present or former officers, directors, shareholders, parents, subsidiaries, affiliates, members, managers, partners, employees, agents, representatives, financial advisors, attorneys, accountants, predecessors, successors, and assigns, and their respective property, are released from any and all General Litigation or potential General Litigation which any non-Debtor may be entitled to assert against such parties, whether for tort, fraud, contract, violations of federal or state securities laws, or otherwise, whether known or unknown, foreseen or unforeseen, existing or thereafter arising, based in whole or in part upon any act or omission, transaction, or other occurrence taking place on or before the Confirmation, in any way relating to the Chapter 11 Cases or the Plan, including, but not limited to, the Disclosure Statement or the negotiation, solicitation,

**Confirmation and Consummation of the Plan (but, for clarity, excluding the Allowed Claims of Creditors); provided, however, that nothing shall release any person from any claims, obligations, rights, causes of action, or liabilities based upon any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the solicitation of acceptances of the Plan, the pursuit of Confirmation of the Plan, the Consummation of the Plan, the administration of the Plan, or the Property to be distributed under the Plan arising out of such person's gross negligence or willful misconduct.**

Each party to which this Section 8.E applies shall be deemed to have granted the releases set forth herein notwithstanding that it may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such party expressly waives any and all rights that it may have under any statute or common law principle, including section 1542 of the California Civil Code or similar law or rule, which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of Confirmation. Section 1542 of the California Civil Code generally provides as follows: "A general release does not extend to claims which the creditors does not know or suspect to exist in his or her favor at the time of executing the Release, which if known by him or her must have materially affected his or her settlement with the debtor."

**F. Third Party Releases.**

**As part of the Plan, the releases set forth below shall be granted pursuant to this Plan and the Confirmation Order:**

1. **Release of Offerors. Upon the Effective Date, in consideration of the Offeror Consideration and the other consideration provided under the Plan, the Offeror Releasees shall be released from any liability to (i) the Debtors and their Estates, for any**

and all claims or causes of action, including any claims or causes of action for indemnity, reimbursement, or contribution, or any claims or causes of action based on a theory of alter ego, (ii) LLC for any matters relating to the Debtors, including, without limitation, the Mealing Claims, and (iii) the CFI Class Action Claimants for any and all pending or threatened claims or causes of action that have been or could be asserted against the Offerors in the CFI Class Actions, including, without limitation, any claims under the FDCPA or similar state law or under any veil piercing or alter ego theories; provided that each Holder of a CFI Class Action Claim may elect to not grant the releases set forth in this Section 8.F.1 by Filing with the Bankruptcy Court and serving upon the Debtors an Opt Out Notice on or before the last day fixed by the Bankruptcy Court for Filing objections to the Plan. All Holders of CFI Class Action Claims who do not “opt out” by properly completing and timely Filing and serving such notice shall be bound by the Third Party Releases contained herein.

2. Release of LLC. Upon the Effective Date, in consideration of the Offeror Consideration, the Additional Distribution Amounts and the other consideration provided or made available under the Plan, the LLC Releasees shall be released from any liability to the Class Action Claimants for any matters relating to the Debtors; provided that each Holder of a Class Action Claim may elect to not grant the releases set forth in this Section 8.F.2 by Filing with the Bankruptcy Court and serving upon the Debtors an Opt Out Notice on or before the last day fixed by the Bankruptcy Court for Filing objections to the Plan. All Holders of Class Action Claims who do not “opt out” by properly completing and timely Filing and serving such notice shall be bound by the Third Party Releases contained herein.

3. **Release of NCG Personnel.** Upon the Effective Date, in consideration of the Offeror Consideration and the other consideration provided under the Plan, the NCG Releasees shall be released from any liability to the Class Action Claimants for any and all pending or threatened claims or causes of action that have been or could be asserted against such former employees in the Class Actions, including, without limitation, any claims or causes of action relating to the Debtors or any claims or causes of action under the FDCPA or similar state law or under any veil piercing or alter ego theories, **provided** that each Holder of a Class Action Claim may elect to not grant the releases set forth in this Section 8.F.3 by Filing with the Bankruptcy Court and serving upon the Debtors an Opt Out Notice on or before the last day fixed by the Bankruptcy Court for Filing objections to the Plan. All Holders of Class Action Claims who do not “opt out” by properly completing and timely Filing and serving such notice shall be bound by the Third Party Releases contained herein.

4. **Mealing Releases.** Donald Mealing and Lynn Hasney will release any and all Claims (including, without limitation, indemnity claims or any claims for reimbursement or contribution) against the Debtors, and their respective present or former officers, directors, shareholders, parents, subsidiaries, affiliates, members, managers, partners, employees, agents, representatives, financial advisors, attorneys, accountants, predecessors, successors, and assigns.

5. **Other Releases.** Each person or Entity participating in distributions under the Plan or pursuant to the Plan, for itself and its respective present or former officers, directors, shareholders, parents, subsidiaries, affiliates, members, managers, partners, employees, agents, representatives, financial advisors, attorneys, accountants,

predecessors, successors, and assigns, in each case in their capacity as such, shall, by virtue of its acceptance of the payments made to it under this Plan, and each member of each Class that votes to accept or who is bound by this Plan, shall, by virtue of Bankruptcy Code sections 1126(c) and 1141(a), be bound to the treatment provided for his, her, or its Allowed Claim under the Plan and shall be deemed to have released any and all other Claims and other causes of action arising prior to the Effective Date (A) against the Debtors, the Liquidating Debtors, or the Estates, and their respective present or former officers, directors, shareholders, parents, subsidiaries, affiliates, members, managers, partners, employees, agents, representatives, financial advisors, attorneys, accountants, predecessors, successors, and assigns and their respective property, and (B) against NCG or against LLCP in its capacity as prepetition lender and/or lender under the DIP Loan Terms Agreement, and/or as Purchaser, and its present or former officers, directors, shareholders, parents, subsidiaries, affiliates, members, managers, partners, employees, agents, representatives, financial advisors, attorneys, accountants, predecessors, successors, and assigns, and their respective property; provided, however, that nothing in this Section 8.F.5 shall be construed to release or exculpate any person or Entity from fraud, gross negligence, willful misconduct, criminal conduct, unauthorized use of confidential information that causes damages or for personal ultra vires acts; provided further that this Section 8.F.5 shall not apply to the United States of America or to any Federal Agency thereof. Nothing in the previous sentence shall be deemed to release the Debtors and Liquidating Debtors from liability for (i) Claims filed before the Bar Date, the Governmental Bar Date and the Administrative Claims Bar Date, and (ii) Claims scheduled by the Debtors that are not contingent, disputed or unliquidated; provided,

**however, that, notwithstanding clause (i) above, the Debtors or Liquidating Debtors, as appropriate, may object to the allowance of any Claim on any ground.**

Each party to which this Section 8.F.5 applies shall be deemed to have granted the releases set forth herein notwithstanding that it may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such party expressly waives any and all rights that it may have under any statute or common law principle, including section 1542 of the California Civil Code, or similar law or rule which would limit the effect of such releases to those Claims or causes of action actually known or suspected to exist at the time of Confirmation. Section 1542 of the California Civil Code generally provides as follows: “A general release does not extend to claims which the creditors does not know or suspect to exist in his or her favor at the time of executing the Release, which if known by him or her must have materially affected his or her settlement with the debtor.”

**G. Plan Injunction.**

Debtors. In implementation of the Plan, except as otherwise expressly provided in the Confirmation Order or the Plan, and except in connection with the enforcement of the terms of the Plan or any documents provided for or contemplated in the Plan, all Entities who have held, hold or may hold Claims against or Interests in the Debtors, the Liquidating Debtors or the Estates that arose prior to the Effective Date are permanently enjoined from: (a) commencing or continuing in any manner, directly or indirectly, any action or other proceeding of any kind against the Debtors, the Liquidating Debtors, the Estates, or any property of the Debtors, the Liquidating Debtors, or the Estates, with respect to any such Claim or Interest; (b) the enforcement, attachment, collection or recovery by any manner or means, directly or indirectly, of any judgment, award, decree, or order against the Debtors, the Liquidating Debtors, the

Estates, or any property of the Debtors, the Liquidating Debtors, or the Estates, with respect to any such Claim or Interest; (c) creating, perfecting or enforcing, directly or indirectly, any Lien or encumbrance of any kind against the Debtors, the Liquidating Debtors, the Estates, or any property of the Debtors, the Liquidating Debtors, or the Estates, with respect to any such Claim or Interest; (d) asserting, directly or indirectly, any setoff, right of subrogation, or recoupment of any kind against any obligation due the Debtors, the Liquidating Debtors, the Estates, or any property of the Debtors, the Liquidating Debtors, or the Estates, with respect to any such Claim or Interest; and (e) any act, in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan with respect to such Claim or Interest. Nothing contained in this section shall prohibit the Holder of a timely-filed Proof of Claim from litigating its right to seek to have such Claim declared an Allowed Claim and paid in accordance with the distribution provisions of this Plan, or enjoin or prohibit the interpretation or enforcement by the Claimant of any of the obligations of the Debtors or the Liquidating Debtors under this Plan.

Third Parties. In implementation of the Plan, except as otherwise expressly provided in the Confirmation Order or the Plan, and except in connection with the enforcement of the terms of the Plan or any documents provided for or contemplated in the Plan, each Class Action Claimant who has, held, holds, or may hold, claims or causes of action against the Third Party Releasees and who has not timely signed and Filed an Opt Out Notice to opt out of the Third Party Releases granted pursuant to the terms of this Plan to the Offeror Releasees, the LLC Releasees and/or the NCG Releasees, as applicable, is permanently enjoined from:

(a) commencing or continuing in any manner, directly or indirectly, any action or other proceeding of any kind against such Third Party Releasees with respect to the released claims or causes of action; (b) the enforcement, attachment, collection or recovery by any manner or

means, directly or indirectly, of any judgment, award, decree, or order against the Third Party Releasees, or any property of such Third Party Releasees, with respect to any such released claims or causes of action; (c) creating, perfecting or enforcing, directly or indirectly, any Lien or encumbrance of any kind against the Third Party Releasees, or any property of such Third Party Releasees, with respect to any such released claims or causes of action; (d) asserting, directly or indirectly, any setoff, right of subrogation, or recoupment of any kind against any obligation due Third Party Releasees, or any property of such Third Party Releasees, with respect to any such released claims or causes of action; and (e) any act, in any manner, in any place whatsoever, that does not conform to or comply with the Third Party Releasees provisions of the Plan with respect to any released claims or causes of action.

**H. Post-Confirmation Liability of Responsible Officer and Disbursing Agent.**

The Responsible Officer and the Disbursing Agent, and the consultants, agents, advisors, attorneys, accountants, financial advisors, other representatives and the professionals engaged by the foregoing (collectively, the “Indemnified Parties”) shall not be liable for any and all liabilities, losses, damages, claims, causes of action, costs and expenses, including but not limited to attorneys’ fees arising out of or due to their actions or omissions, or consequences of such actions or omissions, to the Holders of Claims or Equity Interests for any action or inaction taken in good faith in connection with the performance or discharge of his or her duties under this Plan, except the Indemnified Parties will be liable for actions or inactions that are grossly negligent or that constitute willful misconduct. However, any act or omission taken with the approval of the Bankruptcy Court, and not inconsistent therewith, will be conclusively deemed to not constitute gross negligence or willful misconduct. In addition, the Liquidating Debtors and the Estates shall, to the fullest extent permitted by the laws of the State of Delaware, indemnify

and hold harmless the Indemnified Parties from and against and with respect to any and all liabilities, losses, damages, claims, costs and expenses, including but not limited to attorneys' fees arising out of or due to their actions or omissions, or consequences of such actions or omissions, with respect to the Liquidating Debtors and the Estates or the implementation or administration of the Plan if the Indemnified Party acted in good faith and in a manner reasonably believed to be in or not opposed to the best interest of the Liquidating Debtors and the Estates. To the extent the Liquidating Debtors indemnify and hold harmless the Indemnified Parties as provided above, the legal fees and related costs incurred by counsel to the Responsible Officer in monitoring and participating in the defense of such claims giving rise to the right of indemnification shall be paid as Plan Expenses. All rights of the Persons exculpated and indemnified pursuant hereto shall survive Confirmation of the Plan.

**I. Insurance.**

On or after the Effective Date, the Responsible Officer and the Disbursing Agent shall obtain a fidelity bond or similar insurance. In addition, the Responsible Officer may obtain (if available) directors' and officers' liability insurance or errors and omission insurance (or equivalent insurance), provided that such insurance is available at a reasonable price. The cost of any fidelity bond or insurance obtained under this Section 8.I shall be a Plan Expense.

**ARTICLE 9**

**RETENTION OF JURISDICTION**

From and after the Confirmation Date, the Bankruptcy Court shall retain such jurisdiction as is legally permissible, including, but not limited to, for the following purposes:

1. To hear and determine any and all objections to the allowance of a Claim, actions to equitably subordinate a Claim, or any controversy as to the classification of a Claim in a particular Class under the Plan;

2. To administer the Plan, the Plan Assets, and the Plan Proceeds;
3. To liquidate any Disputed Claims;
4. To hear and determine any and all adversary proceedings, contested matters or applications pending on the Effective Date;
5. To consider Claims or the allowance, classification, priority, compromise, estimation, or payment of any Claim, Administrative Expense Claim, or Equity Interest;
6. To hear and determine any and all motions and/or objections to fix and allow any Claims arising therefrom;
7. To hear and determine any and all applications by Professionals for an award of Professional Fees;
8. To enable the Liquidating Debtors to commence and prosecute any General Litigation that may be brought after the Effective Date;
9. To interpret and/or enforce the provisions of the Plan and the Channeling Injunction provided for in Section 5.G of the Plan and to determine any and all disputes arising under or regarding interpretation of the Plan or any agreement, document or instrument contemplated by the Plan;
10. To enter and implement such orders as may be appropriate in the event Confirmation is for any reason stayed, reversed, revoked, modified or vacated;
11. To modify any provision of the Plan to the extent permitted by the Bankruptcy Code and to correct any defect, cure any omission, or reconcile any inconsistency in the Plan or in the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan;

12. To enter such orders as may be necessary or appropriate in furtherance of Confirmation and the successful implementation of the Plan and to determine such other matters as may be provided for in the Confirmation Order or as may be authorized under the provisions of the Bankruptcy Code; and

13. To close the Chapter 11 Cases when administration of the cases has been completed.

## **ARTICLE 10**

### **MISCELLANEOUS**

**A. Revocation of Plan of Reorganization.**

The Debtors reserve the right to revoke and withdraw the Plan at any time on or before the Confirmation Date for any reason, including, without limitation, withdrawal by the Offerors under Section 10.C, below. If the Debtors revoke or withdraw the Plan pursuant to this Section, or if Confirmation or the Effective Date does not occur, then the Plan shall be deemed null and void and, in such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors or any other Entity or to prejudice in any manner the rights of the Debtors or any Entity in any further proceedings involving the Debtors.

**B. Severability of Plan Provisions.**

In the event that, prior to the Confirmation Date, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court shall, with the consent of the Debtors, LLCP, and the Offerors, have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and

provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision hereof, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

**C. Offeror Right of Withdrawal.**

Following approval or disapproval of the Disclosure Statement, before the Debtors incur any expense in connection with sending out notice of a Confirmation hearing, incur any Class Action Notice Costs or Other Notice Costs, or incur any expense in furtherance of soliciting acceptances for or seeking Confirmation of the Plan, the Offerors will have the absolute right, in their sole discretion, to withdraw from any obligation to contribute the Offeror Consideration, support the Plan, or make the Supplemental Professional Fees Deposit for the payment of professional fees and costs (other than the Professional Fees Deposit, which is non-refundable). Any withdrawal by the Offerors must occur no later than ten (10) days following approval or disapproval of the Disclosure Statement or the Debtors may elect to withdraw or otherwise abandon the Plan, provided, however, that, (1) if there is a stay of the order approving the Disclosure Statement pending appeal, the ten (10) day period will commence to run upon the earlier to occur of the date on which such stay expires or is lifted or terminated or the date on which such appeal is finally determined in favor of the Debtors, and (2) notwithstanding such deadline, following the approval or disapproval of the Disclosure Statement, under no circumstance shall the Debtors be required to incur any expense in connection with notice or seeking Confirmation of the Plan until such time as the Offerors provide the Debtors with the Supplemental Professional Fees Deposit in an amount and on terms acceptable to the Debtors in their sole discretion and pay the Initial Offeror Consideration into escrow.

**D. Supplemental Professional Fees Deposit and Initial Offeror Consideration.**

Following approval of the Disclosure Statement by the Bankruptcy Court, the Debtors will not be required to seek Confirmation of the Plan or incur any costs or expenses in pursuit of Confirmation of the Plan until the Supplemental Professional Fees Deposit is provided by the Offerors to the Debtors to cover these costs. The Offerors shall decide, in their sole discretion whether to provide the Supplemental Professional Fees Deposit. The Supplemental Professional Fees Deposit shall be in an amount deemed sufficient by the Debtors and such funds shall only be used by the Debtors following the approval of the Disclosure Statement to pay professional fees relating to the development, solicitation, prosecution, and/or Confirmation of the Plan, including any litigation over Confirmation of the Plan. Subject to the absolute right of the Offerors to decline to make the Supplemental Professional Fees Deposit, the Supplemental Professional Fees Deposit will be deposited into the Professional Fees Escrow Account promptly following approval of the Disclosure Statement by the Bankruptcy Court but in no event later than ten (10) days after entry of the order of the Bankruptcy Court approving the Disclosure Statement or the Debtors may elect to withdraw or otherwise abandon the Plan; provided, however, that, (1) if there is a stay of the order approving the Disclosure Statement pending appeal, the ten (10) day period will commence to run upon the earlier to occur of the date on which such stay expires or is lifted or terminated or the date on which such appeal is finally determined in favor of the Debtors, and (2) once the Supplemental Professional Fees Deposit is made by the Offerors, use of those funds to pay the fees and expenses of Debtors' counsel shall not be dependent upon whether the Bankruptcy Court approves the Plan or Creditors vote for the Plan, or dependent upon Confirmation of the Plan. Any unused balance of the Supplemental Professional Fees Deposit shall be returned the Offerors.

In addition, following approval of the Disclosure Statement by the Bankruptcy Court, the Debtors will not be required to seek Confirmation of the Plan or incur any costs in pursuit of Confirmation of the Plan until the Initial Offeror Consideration is paid into an escrow to be held by the Debtors. The Offerors shall have the absolute right in their sole discretion to decide whether to pay the Initial Offeror Consideration to the Debtors to be held in escrow, provided, however, that subject to the absolute right of the Offerors to decline to pay the Initial Offerors Consideration into escrow, the Initial Offeror Consideration will be paid into escrow promptly following approval of the Disclosure Statement by the Bankruptcy Court but in no event later than ten (10) days after entry of the order approving the Disclosure Statement or the Debtors may elect to withdraw or otherwise abandon the Plan, provided, however, if there is a stay of the order approving the Disclosure Statement pending appeal, the ten (10) day period will commence to run upon the earlier to occur of the date on which such stay expires or is lifted or terminated or the date on which such appeal is finally determined in favor of the Debtors. The Initial Offeror Consideration shall include the funds necessary to pay the Class Action Notice Costs and the Other Notice Costs and those costs shall be paid from the escrow as and when incurred.

Notwithstanding anything to the contrary herein, the decision of the Offerors to make the Supplemental Professional Fees Deposit and to pay the Initial Offeror Consideration into escrow shall be irrevocable and once the Supplemental Professional Fees Deposit has been made and the Initial Offeror Consideration has been paid into escrow: (a) the Supplemental Professional Fees Deposit shall be irrevocably available to pay the professional fees incurred by the Debtors in the prosecution of the Plan; and (b) the Initial Offeror Consideration (i) shall be irrevocably available to pay the Class Action Notice Costs and the Other Notice Coast as and when incurred,

and (ii) shall be irrevocably available, assuming the Effective Date occurs, to be used to make the other payments and distributions contemplated under this Plan to be made using such funds.

**E. Governing Law.**

Except to the extent that the Bankruptcy Code or other federal law is applicable, the rights, duties and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware.

**F. Exhibits.**

All exhibits attached to this Plan, the Plan Supplement, or the Disclosure Statement are, by this reference, hereby incorporated into the Plan. The final version of all Exhibits to the Plan, the Plan Supplement, and the Disclosure Statement will be substantially in the forms attached hereto or thereto. The Debtors reserve the right to make nonsubstantive changes and corrections to such Exhibits in advance of the Confirmation Hearing. If any Exhibits are changed or corrected, the replacement Exhibits will be filed with the Bankruptcy Court prior to the commencement of the Confirmation Hearing

**G. Notices.**

All notices required or permitted to be made in accordance with the Plan shall be in writing and shall be delivered personally or by nationally recognized overnight or next-day courier service, first class mail or via facsimile with electronic confirmation of receipt as follows:

**If to the Debtors**

(By Mail or Facsimile)  
Friedman Kaplan Seiler & Adelman LLP  
1633 Broadway  
New York, NY 10019-6708  
Tel. (212) 833-1100, Fax (212) 833-1250  
Attn: William P. Weintraub, Esq. and Shira D. Weiner, Esq.

(By Mail or Facsimile)  
Pepper Hamilton LLP  
Hercules Plaza, Suite 5100  
1313 Market Street  
P.O. Box 1709  
Wilmington, DE 19899-1709 (Courier 19801-1151)  
Tel. (302) 777-6500, Fax (302) 421-8390  
Attn: David M. Fournier, Esq. and James C. Carignan, Esq.

**With a copy to [REDACTED]**

**H. Reservation of Rights.**

Neither the filing of the Plan nor any statement or provision contained in the Plan or in the Disclosure Statement, nor the taking by any party in interest of any action with respect to the Plan, shall (a) be or be deemed to be an admission against interest, and (b) until the Effective Date, be or be deemed to be a waiver of any rights any party in interest may have (i) against any other party in interest, or (ii) in any of the assets of any other party in interest, and, until the Effective Date, all such rights are specifically reserved. In the event that the Plan is not confirmed or fails to become effective, neither the Plan nor the Disclosure Statement nor any statement contained in the Plan or in the Disclosure Statement may be used or relied upon in any manner in any suit, action, proceeding or controversy within or without these Chapter 11 Cases involving the Debtors, except with respect to Confirmation of the Plan.

**I. Computation of Time Periods.**

In computing any period of time prescribed or allowed by the Plan, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, a Sunday, or a legal holiday, or, when the act to be done is the filing of a paper in the Bankruptcy Court, a day

on which weather or other conditions have made the clerk's office inaccessible, in which event the period runs until the end of the next day which is not one of the aforementioned days.

**J. Defects, Omissions and Amendments.**

The Debtors may, with the approval of the Bankruptcy Court and without notice to all Holders of Claims or Interests, insofar as it does not materially and adversely affect Holders of Claims, correct any defect, omission or inconsistency in the Plan in such manner and to such extent as may be necessary or desirable to expedite the execution of the Plan. The Plan may be altered or amended before or after Confirmation as provided in section 1127 of the Bankruptcy Code if, in the opinion of the Bankruptcy Court, the modification does not materially and adversely affect the interests of Holders of Claims, so long as the Plan, as modified, complies with sections 1122 and 1123 of the Bankruptcy Code and the Debtors have complied with section 1125 of the Bankruptcy Code. The Plan may be altered or amended before or after the Confirmation Date but, prior to substantial consummation, in a manner which, in the opinion of the Bankruptcy Court, materially and adversely affects Holders of Claims, so long as the Plan, as modified, complies with Bankruptcy Code sections 1122 and 1123, the Debtors have complied with Bankruptcy Code section 1125 and, after notice and a hearing, the Bankruptcy Court confirms such Plan, as modified, under Bankruptcy Code section 1129.

**K. Filing of Additional Documents.**

The Debtors shall file with the Bankruptcy Court such agreements or other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, including, without limitation, the Plan Supplement.

**L. Successors and Assigns.**

The rights, benefits and obligations of any Entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of, the heirs, executors, administrators, successors and/or assigns of such Entity.

**M. Setoffs and Recoupments.**

The Disbursing Agent may, but shall not be required to, set off against or recoup from the payments to be made pursuant to this Plan in respect of a Claim, any Claim of any nature whatsoever that the Debtors, the Liquidating Debtors, or the Estates, as applicable, may have against the Holder of such Claim, but neither the failure to do so or the allowance of any Claim hereunder shall constitute a waiver or release of any such Claim by the Debtors, the Liquidating Debtors, or the Estates, against such Holder. Nothing contained in this Plan shall constitute a waiver or release by the Debtors and/or Liquidating Debtors of any right of setoff or recoupment the Debtors and/or Liquidating Debtors may have against any Creditor or Interest Holder.

**N. Tax Exemption.**

Pursuant to Bankruptcy Code section 1146(a), the issuance, transfer or exchange of any security under this Plan, or the execution, delivery or recording of an instrument of transfer pursuant to, in implementation of or as contemplated by this Plan, including, without limitation, any transfers to or by the Debtors or the Disbursing Agent of the Debtors' property in implementation of or as contemplated by this Plan, shall not be taxed under any state or local law imposing a stamp tax, transfer tax or similar tax or fee. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or Governmental Unit or parish in which any instrument hereunder is to be recorded shall, pursuant to the Confirmation Order, be ordered and directed to accept such instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp tax, transfer tax, intangible tax or similar tax.

**O. Plan Interest Rate.**

If and to the extent it is determined by the Bankruptcy Court that interest is required to be paid on an Allowed Claim other than as set forth in this Plan, the interest rate to be used shall be the Plan Interest Rate as determined by the Bankruptcy Court for such Claim.

**P. Implementation.**

Upon Confirmation, the Debtors shall be authorized to take all steps and execute all documents necessary to effectuate the provisions contained in the Plan.

**Q. Record Date.**

To the extent a record date is required for implementation of this Plan, the record date shall be the Voting Record Date established by the Bankruptcy Court in the order approving the Disclosure Statement or such other date as the Bankruptcy Court may set.

**R. Certain Actions.**

By reason of entry of the Confirmation Order, prior to, on or after the Effective Date (as appropriate), all matters provided for under the Plan that would otherwise require approval of directors or stockholders of the Debtors under the Plan, including, without limitation, (i) the distribution of Cash pursuant to the Plan, (ii) the adoption, execution, delivery, and implementation of all contracts, leases, instruments, releases, and other agreements or documents related to the Plan, and (iii) the adoption, execution, and implementation of other matters provided for under the Plan involving the companies or organizational structure of the Debtors, shall be deemed to have occurred and shall be in effect prior to, on or after the Effective Date (as appropriate), pursuant to the applicable general corporation, limited liability, or partnership law of the state in which the Debtors are chartered, organized or incorporated, without any requirement of further action by the directors and stockholders of the Debtors.

1. Effective upon the Effective Date, each of the Debtors' formation documents shall each be deemed amended to prohibit the issuance by the Debtors of nonvoting securities to the extent required under section 1123(a)(6) of the Bankruptcy Code.

2. On or as soon as practicable following the Effective Date, the Responsible Officer shall be authorized to cancel, annul and extinguish all Interests.

**S. Waiver of Ten (10) Day Stay.**

The Debtors request as part of the Confirmation Order a waiver from the Bankruptcy Court of the ten (10) day stay of Bankruptcy Rule 3020(e) and, to the extent applicable, a waiver of the ten (10) day stay of Bankruptcy Rule 6004(h).

**T. Substantial Consummation.**

On the Effective Date, the Plan shall be deemed substantially consummated under Bankruptcy Code sections 1101 and 1127(b).

Dated: May     , 2009

Respectfully submitted,

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Chief Executive Officer

Submitted by:

PEPPER HAMILTON LLP

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James C. Carignan, Esq. (Bar No. 4230)  
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1313 Market Street  
P.O. Box 1709  
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and

FRIEDMAN KAPLAN SEILER & ADELMAN LLP  
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Shira D. Weiner, Esq.  
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1633 Broadway  
New York, NY 10019-6708  
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