



1 STEPHEN T. O'NEILL (115132)
ROBERT A. FRANKLIN (091653)
2 THOMAS T. HWANG (218678)
DORSEY & WHITNEY LLP
3 305 Lytton Avenue
Palo Alto, CA 94301
4 Telephone: (650) 857-1717
Facsimile: (650) 857-1288
5 Email: oneill.stephen@dorsey.com
Email: franklin.robert@dorsey.com
6 Email: hwang.thomas@dorsey.com

The following constitutes
the order of the court. Signed March 2, 2016

Charles Novack
U.S. Bankruptcy Judge

7 Attorneys for Debtors

8 BROWN RUDNICK LLP
CATHRINE M. CASTALDI (156089)
9 2211 Michelson Drive, Seventh Floor
Irvine, CA 92612
10 Telephone: (949) 752-7100
Facsimile: (949) 252-1514
11 Email: ccastaldi@brownrudnick.com

12 Attorneys for Official Committee of Unsecured Creditors

13 **UNITED STATES BANKRUPTCY COURT**
14 **NORTHERN DISTRICT OF CALIFORNIA**
15 **OAKLAND DIVISION**

15 In re:

16 **CEP REORGANIZATION, INC.,**
17 formerly known as
ClearEdge Power, Inc.,
18 Employer Tax I.D. No. 20-0119415

)
)
) Case No. 14-44191-CN-11
)
) Case No. 14-44192-CN-11
)
) Case No. 14-44193-CN-11

19 **CEP REORGANIZATION, LLC,**
20 formerly known as
ClearEdge Power, LLC
Employer Tax I.D. No. 06-1517615

)
)
) Cases Jointly Administered
) Under Chapter 11

21 **CEP SERVICE REORGANIZATION, LLC,**
22 formerly known as
ClearEdge Power International Service, LLC
23 Employer Tax I.D. No. 27-3468551

)
)
) **ORDER CONFIRMING SECOND AMENDED**
) **JOINT CHAPTER 11 PLAN OF DEBTORS AND**
) **OFFICIAL COMMITTEE OF UNSECURED**
) **CREDITORS (DATED JANUARY 8, 2016)**

24 Debtor(s).

)
) Date: February 25, 2016
) Time: 10:00 a.m.
) Place: 1300 Clay Street, Room 215
) Oakland, CA 94612
) Judge: Honorable Charles Novack

25 1202 Kifer Road, Suite 100
26 Sunnyvale CA 94086

27
28 1. On January 8, 2016, CEP Reorganization, Inc., formerly known as ClearEdge Power,

1 Inc. ("CEP"), CEP Reorganization LLC, formerly known as ClearEdge Power, LLC ("CEP LLC"),
2 and CEP Service Reorganization, LLC, formerly known as ClearEdge Power International Service,
3 LLC, the debtors and debtors in possession ("CEPIS" and together with CEP Inc. and CEP LLC, the
4 "Debtors") in the above-captioned Chapter 11 cases (the "Bankruptcy Cases"), and the Official
5 Committee of Unsecured Creditors appointed in the Bankruptcy Cases (the "Committee" and,
6 together with the Debtors, the "Plan Proponents"), filed their DISCLOSURE STATEMENT FOR SECOND
7 AMENDED JOINT CHAPTER 11 PLAN OF DEBTORS AND OFFICIAL COMMITTEE OF UNSECURED
8 CREDITORS (DATED JANUARY 8, 2016) (the "Disclosure Statement") and SECOND AMENDED JOINT
9 CHAPTER 11 PLAN OF DEBTORS AND OFFICIAL COMMITTEE OF UNSECURED CREDITORS (DATED
10 JANUARY 8, 2016) (the "Plan") under chapter 11 of the Bankruptcy Code. The Court determined that
11 the Disclosure Statement contained adequate information and authorized solicitation of votes on the
12 Plan pursuant to its ORDER APPROVING SECOND AMENDED DISCLOSURE STATEMENT AND FIXING
13 TIME FOR FILING ACCEPTANCES OR REJECTIONS OF PLAN, COMBINED WITH NOTICE THEREOF (the
14 "Disclosure Statement Order") entered on January 13, 2016.

15 2. The hearing (the "Hearing") pursuant to 11 U.S.C. § 1128 (a) to consider
16 confirmation of the Plan came on before this Court pursuant to the Disclosure Statement Order on
17 February 25, 2016, at 10:00 a.m. The Debtors appeared by and through their counsel, Dorsey &
18 Whitney LLP, and Stephen T. O'Neill and Thomas T. Hwang; the Committee appeared by and
19 through its counsel Brown Rudnick LLP and Cathrine M. Castaldi; the United States Trustee
20 appeared by and through trial attorney Margaret H. McGee; REF Investments, Ltd. appeared by and
21 through its counsel Trodella & Lapping LLP and Richard A. Lapping; and Verizon Sourcing LLC
22 appeared by and through its counsel Silicon Valley Law Group and David V. Duperrault.

23 3. All capitalized terms used but not separately defined herein shall have the meaning
24 ascribed to them in the Plan. A term that is not defined herein or in the Plan but is used in the
25 Bankruptcy Code or the Bankruptcy Rules shall have the meaning ascribed to such term in the
26 Bankruptcy Code or the Bankruptcy Rules.

27 **II. FINDINGS OF FACT**

28 THE COURT FINDS that service of the Plan, the Disclosure Statement, the Disclosure

1 Statement Order, notice of the Hearing, a ballot for accepting or rejecting the Plan (where
2 appropriate), and a form to elect to be a Plan Sponsor under the Plan (where appropriate) was duly
3 and properly made on all known holders of Claims, holders of Interests and holders of stock option
4 Interests, as well as to other parties in interest.

5 THE COURT FURTHER FINDS that the Plan complies with the applicable provisions of
6 Title 11, United States Code; the Plan Proponents have complied with the applicable provisions of
7 Title 11, United States Code for confirmation of the Plan; and the Plan has been proposed in good
8 faith and not by any means forbidden by law.

9 THE COURT FURTHER FINDS that the Plan has been accepted in writing by the classes of
10 Creditors and Interest holders whose acceptance is required by applicable law; and that at least one
11 class of Claims that is impaired under the Plan has accepted the Plan, determined without including
12 any acceptance of the Plan by any insider.

13 THE COURT FURTHER FINDS that with respect to the executory contracts to be assumed
14 and assigned by the Debtors under the Plan and this Order as set forth at Section 10.5 of the Plan, no
15 party to any such executory contract has objected to the assumption of such executory contract, and
16 the assumption of such executory contract is in the best interests of the Bankruptcy Estates as
17 determined by the Plan Proponents in the exercise of their good faith business judgment.

18 THE COURT FURTHER FINDS that with respect to the executory contracts to be rejected
19 by the Debtors under the Plan and this Order as set forth at Section 10.6 of the Plan, no party to any
20 such executory contract has objected to the rejection of such executory contract, and the rejection of
21 such executory contract is in the best interests of the Bankruptcy Estates as determined by the Plan
22 Proponents in the exercise of their good faith business judgment.

23 THE COURT FURTHER FINDS that the Plan Proponents have made all of the disclosures
24 required under Section 1129(a)(5) of the Bankruptcy Code with respect to the designation of Peter S.
25 Kravitz as the Liquidating Trustee and Responsible Person under the Plan.

26 THE COURT FURTHER FINDS that only two objections to Confirmation of the Plan were
27 filed: the precautionary objection [Docket No. 1011] filed by Washington County, Oregon
28 (“Washington County”), and (2) the limited objection [Docket No. 1013] filed by Verizon Sourcing

1 LLC (“Verizon”).

2 To the extent that any of the foregoing findings of fact are, or can be construed as,
3 conclusions of law, such findings shall be, and are hereby, determined to be the conclusions of law
4 of this Court.

5 **III. CONCLUSIONS OF LAW**

6 THE COURT CONCLUDES that Confirmation of the Plan is governed by 11 U.S.C. § 1129
7 (a) and (b).

8 THE COURT FURTHER CONCLUDES that the Plan Proponents have satisfied all of the
9 requirements for Confirmation of the Plan.

10 THE COURT FURTHER CONCLUDES that the Plan does not discriminate unfairly and is
11 fair and equitable with respect to Classes 6(b) and 7.

12 To the extent that any of the foregoing conclusions of law are, or can be construed as,
13 findings of fact, such conclusions shall be, and are hereby, determined to be the findings of fact of
14 this Court.

15 **IV. ORDER**

16 NOW, THEREFORE, based on the foregoing Recitals, Findings of Fact and Conclusions of
17 Law, for the reasons stated on the record at the Hearing, and good cause appearing therefore, IT IS
18 HEREBY ORDERED as follows:

- 19 1. The Washington County Objection and the Verizon Objection are withdrawn or
20 otherwise overruled.
- 21 2. The Plan docketed in these Bankruptcy Cases as Docket No. 950 on January 8, 2016,
22 as modified herein, is confirmed.
- 23 3. The following modifications to the Plan are approved as neither material nor adverse,
24 and are hereby incorporated into the Plan:
 - 25 a. Section 1.57 of the Plan shall be modified to read as follows:
26 1.57 “Liquidation Trust Assets” means the proceeds received by the
27 Debtors from the Purchase Transaction, all Retained Claims and proceeds
28 thereof, the Reorganized CEP Contributions, and all other Assets that do not
constitute Purchased Assets included in the Purchase Transaction including all
claims and causes of action retained by the Debtors’ Estates and not sold to

1 Doosan, which are vested in the Liquidation Trust. For the avoidance of
2 doubt, (a) Liquidation Trust Assets shall not include Excluded Liquidation
3 Trust Assets, and (b) the escrowed funds held by Dorsey & Whitney LLP (or
4 its successor escrow agent) pursuant to the Sale Order, the Verizon Stipulation
5 (as defined in section 5.1 of the Plan) and the Assumption Order (as defined in
6 section 7.4 of the Plan) shall become Liquidation Trust Assets only to the
7 extent that such funds are released from escrow and paid to the Liquidation
8 Trust after all disputes concerning Verizon's cure claims have been resolved
9 and after all cure amounts, as determined by agreement or by the Bankruptcy
10 Court, have been paid to Verizon.

11 b. Section 4.1(a) of the Plan shall be modified to read as follows:

12 4.1 **Class 1 (Secured Claims of Sale Proceeds Lienholders).**

13 (a) **Classification.** Class 1 consists of the Allowed Claims of Sale
14 Proceeds Lienholders, including, without limitation, Claim No. CEP 0282
15 filed by Washington County, Oregon, to the extent that such Claims, if any,
16 constitute Allowed Secured Claims. Class 1 is unimpaired by the Plan and the
17 holders of Secured Claims of Sale Proceeds Lienholders are deemed to accept
18 the Plan and, therefore, are not entitled to vote on the Plan.

19 c. Section 4.2(b) of the Plan shall be modified to read as follows:

20 4.2 **Class 2 (Other Secured Claims).**

21 (b) **Treatment.** Except to the extent a holder of a Class 2 Other
22 Secured Claim agrees to less favorable treatment, the legal, equitable, and
23 contractual rights of holders of Class 2 Other Secured Claims, including the
24 retention of any lien to the extent not avoidable, remain unaltered. Each
25 holder of an Allowed Class 2 Other Secured Claim, to the extent there are any
26 such Secured Claims, shall receive no later than sixty (60) days after the
27 Effective Date, at the Liquidation Trustee's option: (a) the net proceeds from
28 the sale of its collateral at the time of such sale, up to the unpaid Allowed
Amount of such Claim and to the same extent, priority and validity of the lien
securing such Allowed Claim, subject in all events to such holder's right to
credit bid at any sale of its collateral conducted by the Liquidating Trustee, its
Secured Claim pursuant to 11 U.S.C. § 363(k) to the extent permitted by
applicable law; (b) the return of its collateral; or (c) such other less favorable
treatment as may be agreed to by the Liquidation Trustee and the holder of
such Claim; provided, however, that if the holder of an Allowed Other
Secured Claim holds cash with a right of setoff, such holder shall be entitled
to effect the setoff and thereby satisfy the Claim in lieu of receiving payment.

d. Section 5.1 of the Plan shall be modified to read as follows:

5.1 **Allowed Administrative Claims.**

(b) **Treatment.** Except to the extent that the holder of a particular
Administrative Claim has agreed to a different treatment of such Claim, each
holder of an Allowed Administrative Claim shall be paid in cash, in full upon
the later of: (a) the Initial Distribution Date; (b) if such Claim is initially a
Disputed Claim or an order of the Court is required prior to any payment, on
the Subsequent Distribution Date following the ultimate allowance of such
Administrative Claim by a Final Order of the Bankruptcy Court; or (c) if such
Administrative Claim is incurred after the Petition Date in the ordinary course
of the Debtors' business, within such time as payment is due pursuant to the

1 terms giving rise to such Claim; provided, however, that payments to Verizon
2 Sourcing LLC (“Verizon”) on its Administrative Claim from the Escrowed
3 Funds (as that term is defined in the STIPULATION RESOLVING LIMITED
4 OBJECTION OF VERIZON SOURCING LLC TO MOTION TO AUTHORIZE DEBTORS
5 TO ASSUME AND ASSIGN EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN
6 CONNECTION WITH THE SALE OF CERTAIN OF THEIR ASSETS (11 U.S.C. §§
7 363 AND 365) (the “Verizon Stipulation”) filed on July 18, 2014) shall be
8 made by Dorsey & Whitney LLP (or its successor escrow agent) directly from
9 escrow to Verizon promptly upon determination of the cure amounts payable
10 to Verizon, whether by agreement or by order of the Bankruptcy Court.

11 e. Section 7.4 of the Plan shall be modified to read as follows:

12 7.4 **Continuing Effect and Performance of Existing Orders.**

13 The Bankruptcy Court has entered various orders, including the Sale
14 Order, the Verizon Stipulation and the ORDER PURSUANT TO SECTIONS 105
15 AND 365 OF THE BANKRUPTCY CODE AUTHORIZING (I) THE ASSUMPTION AND
16 ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND (II) GRANTING
17 RELATED RELIEF (the “Assumption Order”), during the pendency of the
18 Bankruptcy Cases which shall remain in effect notwithstanding confirmation
19 of the Plan, and the Liquidation Trust shall continue to carry out the matters
20 provided for under such orders, as applicable. The Debtors and the
21 Committee reserve the right to move the Bankruptcy Court to rule on and
22 resolve any issues related to these orders.

23 Nothing in this Plan or the Disclosure Statement is intended to conflict
24 with or derogate from the provisions of the Sale Order, the Verizon
25 Stipulation, the Assumption Order or the Purchase Agreement. In the event
26 that any provision of this Plan or the Disclosure Statement conflicts with the
27 Sale Order, the Verizon Stipulation, the Assumption Order or the Purchase
28 Agreement, the Sale Order, the Verizon Stipulation, the Assumption Order or
the Purchase Agreement, as applicable, shall control.

1 4. The Debtors are authorized to execute the Liquidation Trust Agreement and any and
2 all other documents and take any and all actions necessary to effectuate and consummate the Plan.

3 5. Notwithstanding anything to the contrary in the Liquidation Trust Agreement, the
4 Debtors and the Liquidation Trustee are authorized and directed to comply with the terms of the
5 Plan, including taking any necessary actions to administer the Liquidation Trust Assets and making
6 Disbursements of Available Cash pursuant to the terms of the Plan. The Court reserves jurisdiction
7 to issue any further order as may be needed to carry out the provisions of the Plan regarding the
8 Liquidation Trust Agreement.

9 6. On the Effective Date, the Liquidation Trustee shall be appointed and all Liquidation
10 Trust Assets shall be vested in the Liquidation Trust, which also shall be authorized to obtain,
11 liquidate, and collect all of the Liquidation Trust Assets not in its possession.

1 7. On the Effective Date, the Oversight Committee shall be created and consist of the
2 following three (3) members: (a) Peter Wojciechowski, or other designee appointed by the Plaintiff
3 class in the adversary proceeding entitled *Wojciechowski et al. v. ClearEdge Power, Inc.*, Case No.
4 14-05043 (Bankr. N.D. Cal.); (b) the Claims Recovery Group; and (c) Michelle Hilderbrand.

5 8. CEP shall be continued as a corporation immediately following the Effective Date.
6 On the Effective Date, holders of Interests in Reorganized CEP may take any and all necessary or
7 appropriate actions to appoint directors, officers, and managers of Reorganized CEP consistent with
8 the charter, articles of incorporation, and/or by-laws of Reorganized CEP, subject to any limitations
9 of applicable non-bankruptcy law.

10 9. **Exhibit “A”** attached hereto constitutes the complete and final list of qualifying Plan
11 Sponsors under the Plan.

12 10. The Plan and this Order shall bind the Debtors, any entity acquiring property under
13 the Plan, any Creditor of the Debtors, any holder of Interests in the Debtors and any holder of stock
14 option Interests in the Debtors, whether or not the Claim of such Creditor or Interest of such Interest
15 holder or stock option holder is impaired under the Plan, whether or not such Claim or Interest arose
16 before or after the commencement of the Debtors’ Bankruptcy Cases, and whether or not such
17 Creditor, Interest holder or holder of stock option Interest has accepted the Plan.

18 11. All property of the Debtors or the Bankruptcy Estates vesting in the Liquidation Trust
19 shall be distributed only as permitted by the Plan, shall be held in trust by the Liquidation Trust for
20 the benefit of holders of Allowed Claims.

21 12. For the purposes of the Plan and this Order, the “Effective Date” of the Plan shall be
22 the first business day following the date on which this Order becomes a Final Order.

23 13. For the purposes of the Plan and this Order, the “Record Date” of the Plan shall be the
24 thirtieth (30th) day after the date on which this Order is entered.

25 14. Any request for allowance of an Administrative Claim pursuant to 11 U.S.C. §
26 503(b), other than by the Debtors’ Professionals and the Committee’s Professionals, shall be filed no
27 later than thirty (30) days following the Effective Date. Any such Administrative Claim which is not
28 filed prior to the foregoing deadline shall be forever barred and the holder thereof shall be prohibited

1 from asserting such Claim or receiving any payment or other Distribution on account of such Claim.

2 15. All Final Fee Applications shall be filed with the Bankruptcy Court on or before 5:00
3 p.m. (prevailing Pacific Time) on the date that is the first Business Day after the date that is thirty
4 (30) days after Effective Date, unless extended by order of the Bankruptcy Court.

5 16. Any Claim arising from the Debtors' rejection of an executory contract or unexpired
6 lease pursuant to the Plan shall be filed no later than thirty (30) days following the Effective Date.
7 Any such Rejection Claim which is not filed on or before such date shall be forever barred and the
8 holder thereof shall be prohibited from asserting such Claim or receiving any payment or other
9 Distribution on account of such Claim.

10 17. Unless extended by this Court for cause as provided by the Plan, (a) objections to
11 Claims and Interests shall be filed no later than the date six (6) months after the Effective Date, and
12 (b) objections to Administrative Claims shall be filed no later than the date ninety (90) days after the
13 Effective Date.

14 18. To the extent applicable, not later than sixty (60) days after the Effective Date, the
15 Debtors' articles, charters and/or operating agreements shall be amended to include a prohibition
16 against the issuance of non-voting equity securities and to provide for the distribution of voting
17 power equitably among the classes of voting securities.

18 19. The Responsible Person for purposes of the Plan shall be Peter S. Kravitz.

19 20. The Responsible Person shall serve without a guaranty or fiduciary bond unless
20 otherwise ordered by this Court.

21 21. The compensation procedures set forth at Section 7.16 of the Plan are hereby
22 approved as reasonable for purposes of 11 U.S.C. § 1129(a)(4).

23 22. Not later than thirty (30) days after the end of each calendar quarter following the
24 Confirmation Date, the Liquidation Trustee shall pay to the United States Trustee the quarterly fee
25 for such quarter until these Bankruptcy Cases are converted, dismissed or closed, as required by 28
26 U.S.C. § 1930(a)(6).

27 23. Not later than thirty (30) days after the end of each calendar quarter which ends after
28 the Effective Date, the Liquidation Trustee shall file and serve on the United States Trustee a

1 quarterly post-Confirmation status report in substantially the form provided by the United States
2 Trustee until entry of a Final Decree, unless otherwise ordered by the Court.

3 24. After these Bankruptcy Cases are fully administered, the Liquidation Trustee shall
4 file and serve on the Notice Parties, an application for entry of the Final Decree.

5 25. This Court retains jurisdiction as set forth in the Plan.

6 **APPROVED AS TO CONTENT AND FORM:**

7 SUSSMAN SHANK LLP

SILICON VALLEY LAW GROUP

8
9 BY: /s/ Jeffrey C. Misley
10 Jeffrey C. Misley
Attorneys for Washington County, Oregon

BY: /s/ David V. Duperrault
David V. Duperrault
Attorneys for Verizon Sourcing LLC

11 TRODELLA & LAPPING LLP

12
13 BY: /s/ Richard A. Lapping
14 Richard A. Lapping
Attorneys for REF Investments, Ltd.

15 ****END OF ORDER****

COURT SERVICE LIST

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ECF Registered Participants