

IN THE UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION

IN RE: ) Chapter 11  
 )  
FLORIDA SELECT INSURANCE ) Case No: 07-01849-11  
AGENCY, INC., )  
Debtor )  
 )

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**CHAPTER 11 PLAN OF LIQUIDATION OF  
FLORIDA SELECT INSURANCE AGENCY, INC.**

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NO CREDITOR OR OTHER PARTY IN INTEREST SHOULD CONSIDER THIS PLAN BINDING ON ANY PARTY IN THE ABOVE-REFERENCED CASE UNTIL CONFIRMED IN THE CASE, AS THIS PLAN IS SUBJECT TO AMENDMENT AND MAY BE REVISED SIGNIFICANTLY. NO ASSURANCE CAN BE GIVEN THAT ANY DISTRIBUTION WILL BE MADE ON THE TERMS SET FORTH IN THIS PLAN. NO SOLICITATION OF ACCEPTANCES OF THIS PLAN IS PERMITTED UNTIL A DISCLOSURE STATEMENT IS APPROVED BY THE BANKRUPTCY COURT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE. REFERENCE IS MADE TO THE DISCLOSURE STATEMENT ACCOMPANYING THIS PLAN, WHICH DISCUSSES THE DEBTOR AND ITS ASSETS AND LIABILITIES AND WHICH CONTAINS A SUMMARY OF THIS PLAN.

Dated: December 19, 2007

## INTRODUCTION

Florida Select Insurance Agency, Inc., debtor and debtor-in-possession herein (the "Debtor"), proposes this Plan of Liquidation pursuant to Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the "Plan"). The Plan contemplates the liquidation of all assets of the Debtor and the distribution of the proceeds of these assets towards payment of allowed claims as classified in this Plan. Generally, the classification and anticipated treatment of the claims are as follows:

- (a) allowed administrative claims, priority tax claims and priority non-tax claims will be paid first and are anticipated to be paid in full;
- (b) allowed secured claims, if any, will be satisfied in full by abandonment of the collateral, payment in full with the liquidation proceeds or cure, reinstatement and payment of the secured claim;
- (c) unsecured claims will be paid on a pro rata basis from the balance of the liquidation proceeds, with no post-petition accrued interest;
- (d) equity interests in the Debtor will be canceled as of the effective date of this Plan, but will be entitled to receive any distribution available after payment in full of all claims.

Under Section 1125(b) of the Bankruptcy Code, a vote to accept or reject this Plan cannot be solicited from a Holder until such time as the Disclosure Statement has been approved by the Bankruptcy Court and distributed to the Holders. In this case, the Disclosure Statement was approved by the Bankruptcy Court and has been distributed simultaneously with this Plan to all parties whose votes are being solicited. The Disclosure Statement contains, among other things, a discussion of the Debtor's history, business, properties and operations, a summary and analysis of this Plan, and certain other matters. **ALL HOLDERS ARE ENCOURAGED TO READ THIS PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THIS PLAN.**

## ARTICLE 1

### DEFINITIONS AND RULES OF CONSTRUCTION

1.1 As used in this Plan and in the accompanying Disclosure Statement, the following terms shall have the respective meanings assigned to them (terms defined in the singular to have the same meaning when used in the plural and *vice versa*):

Administrative Claim shall mean a Claim for any cost or expense of administration in connection with this Chapter 11 case for the period of time from the Petition Date through the Confirmation Date and of the kind set forth in Section 503(b) or Section 365(d)(3) of the Bankruptcy Code, including any actual or necessary expense of preserving the estate, any compensation or reimbursement allowable under Sections 330(a) or 331 of the Bankruptcy Code,

and all fees and charges assessed against the estate pursuant to Chapter 123 of Title 28, United States Code.

Administrative Claims Bar Date shall mean, for all Administrative Claims except Professional Compensation, thirty (30) days after the Effective Date.

Affiliate shall have the meaning given to such term in Section 101 of the Bankruptcy Code.

Allowed Claim shall mean:

- (i) A Claim which has been listed by the Debtor on its Schedules as liquidated in amount and not disputed or contingent and for which no proof of claim has been filed by the applicable Bar Date, unless it is a Disputed Claim, and for which no objection or request for estimation has been filed by the Claims Objection Deadline; or
- (ii) A Claim for which a proof of claim has been filed by the applicable Bar Date, or otherwise has been deemed timely filed under applicable law, for which no objection or request for estimation has been filed by the Claims Objection Deadline; or
- (iii) A Claim that is allowed (a) by a Final Order, (b) by a settlement stipulation, or (c) pursuant to the terms of this Plan; or
- (iv) With respect to an Administrative Claim, an Administrative Claim for which a Holder thereof filed and served a request for payment of such Administrative Claim, unless it is a Disputed Claim.

No Claim shall be deemed to be an Allowed Claim for the purposes of this Plan unless and until one of the above conditions has been satisfied. The term "Allowed Claim" shall not, for purposes of computing Distributions, include interest on such Claim from and after the Petition Date, unless otherwise expressly set forth in this Plan.

Amended Certificate of Incorporation shall mean the Certificate of Incorporation as amended by the Plan Trustee in furtherance of the Plan.

Amended By-Laws shall mean the By-Laws as amended by the Plan Trustee in furtherance of the Plan.

Available Cash shall mean, at any time, the amount of Cash held by the Debtor (excluding Cash on deposit in the Expense Reserve or the Disputed Claims Reserve) and available to be distributed to the Holders of Allowed Claims in accordance with this Plan.

Avoidance Claim shall mean any claim, action or cause of action that the Debtor or the Estate may have or be entitled to assert against any Person for the avoidance or subordination of any transfer or Lien, or for the subordination of or objection to any Claim, pursuant to Sections 510, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551 or 553 of the Bankruptcy Code or pursuant to any similar or related state or federal statutes or common law (including fraudulent transfer laws) whether or not litigation has been commenced as of the Confirmation Date to prosecute such claim, action or cause of action.

Bankruptcy Administrator shall mean the Bankruptcy Administrator for the Northern District of Alabama appointed pursuant to the U.S. Bankruptcy Administrator Program.

Bankruptcy Code shall mean Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq.

Bankruptcy Court shall mean the United States Bankruptcy Court for the Northern District of Alabama, Southern Division or, in the event that such Court ceases to exercise jurisdiction over the Case, the Court that exercises jurisdiction over the Case in lieu of the United States Bankruptcy Court for the Northern District of Alabama, Southern Division.

Bankruptcy Rules shall mean the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under Section 2075 of Title 28 of the United States Code, and local rules of the Bankruptcy Court.

Bar Date shall mean, (i) with respect to Administrative Claims, the Administrative Claims Bar Date, (ii) with respect to all other Claims (excluding Claims by Governmental Units), July 13, 2007 (except as otherwise provided in Section 6.4 of this Plan), and (iii) with respect to Claims of Governmental Units, October 21, 2007.

Business Day shall mean a day of the year other than a Saturday, Sunday or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

By-Laws shall mean the by-laws of the Debtor as they exist on the Effective Date.

Case shall mean the matter styled *In re Florida Select Insurance Agency, Inc.*, Case No. 07-01849-TBB11, pending in the Bankruptcy Court, which was originally commenced by the filing of a voluntary petition for relief under Chapter 11 of the Bankruptcy Code by the Debtor.

Cash shall mean currency of the United States and Cash equivalents, including bank deposits.

Causes of Action shall mean all claims, choses in action and causes of action (including those assertable derivatively), liabilities, obligations, suits, debts, sums

of money, damages, demands, judgments, and rights to legal or equitable remedies, whether known, unknown, fixed, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, liquidated, unliquidated, reduced to judgment or not, whether assertable directly or derivatively, whether now owned or hereafter acquired by the Debtor and whether arising under the Bankruptcy Code or other federal, state or foreign law, equity or otherwise, including Avoidance Claims.

Certificate of Incorporation shall mean the certificate of incorporation of the Debtor as it exists on the Effective Date.

Claim shall have the meaning ascribed to it in Section 101 of the Bankruptcy Code.

Claims Objection Deadline shall mean the last day for filing objections to Claims (other than Disputed Claims for which no objection or request for estimation shall be required), which shall be one hundred twenty (120) days after the Effective Date or such later date as the Bankruptcy Court may order, without notice or hearing.

Class shall mean a class of Claims or Shareholder Interests as defined in Article 2 of this Plan.

Common Stock shall mean the outstanding shares of common stock of the Debtor.

Confirmed Case shall mean the Case once a Confirmation Order is entered by the Bankruptcy Court.

Confirmation Date shall mean the date of entry of the Confirmation Order.

Confirmation Order shall mean an order of the Bankruptcy Court confirming this Plan pursuant to Section 1129 of the Bankruptcy Code.

Cure shall mean the payment or other honor of all obligations required to be paid or honored in connection with the assumption of an executory contract or unexpired lease under this Plan pursuant to Section 365 of the Bankruptcy Code, including the cure of any non-monetary defaults to the extent required, if at all, pursuant to Section 365 of the Bankruptcy Code, and with respect to monetary defaults, the distribution within a reasonable period of time following the Effective Date of Cash, or such other property as may be agreed upon by the parties or ordered by the Bankruptcy Court, with respect to the assumption (or assumption and assignment) of an executory contract or unexpired lease, pursuant to Section 365(b) of the Bankruptcy Code, in an amount equal to all unpaid monetary obligations (or such other amount as may be agreed upon by the parties) under such executory contract or unexpired lease, to the extent such obligations are enforceable under the Bankruptcy Code and applicable non-bankruptcy law.

Cure Claim shall have the meaning given to it in Section 6.2 of this Plan.

D&O Policy shall mean the primary policy and excess policy issued in favor of the Debtor by XL Specialty Insurance Company and Lloyd's Policy Signing Office, being policy numbers ELU090835-05 and B066442236A05, respectively.

Debt Instruments shall mean, with respect to any Claim, all instruments or agreements (including promissory notes, debentures, bonds, and negotiable documents) evidencing such Claim.

Debtor shall mean Florida Select Insurance Agency, Inc., a Florida corporation.

Debtor Professionals shall mean any professionals, including attorneys, accountants and consultants, retained by the Debtor in the Case with Bankruptcy Court approval, whether employed before or after the Confirmation Date, but only to the extent such professionals rendered services to or on behalf of the Debtor.

Designated Parties shall mean the Vesta Trustee, Gaines Trustee and Special Deputy Receiver.

Disbursement Account shall mean the account established by the Debtor in accordance with Section 8.1(a) of this Plan.

Disclosure Statement shall mean the Disclosure Statement accompanying this Plan filed or to be filed with the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code, as approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code.

Disputed Claim shall mean a Claim asserted against the Debtor, including any Administrative Claim, which is not an Allowed Claim pursuant to this Plan, a Final Order or a settlement stipulation, and

- (i) if no proof of claim or request for payment of an Administrative Claim has been filed by the applicable Bar Date: (a) a Claim that has been or hereafter is listed on the Schedules as disputed, contingent or unliquidated; or (b) a Claim that has been or hereafter is listed on the Schedules as other than disputed, contingent or unliquidated, but as to which the Debtor, the Plan Trustee or any other party in interest has interposed a timely objection or request for estimation in accordance with this Plan, the Bankruptcy Code and the Bankruptcy Rules by the Claims Objection Deadline or with respect to Administrative Claims, the deadline set forth in Section 3.1 of this Plan, as applicable, which objection or request for estimation has not been withdrawn or determined by a Final Order; or

(ii) if a proof of claim or request for payment of an Administrative Claim has been filed by the applicable Bar Date: (a) a Claim for which no corresponding Claim has been or hereafter is listed on the Schedules; (b) a Claim for which a corresponding Claim has been or hereafter is listed on the Schedules as other than disputed, contingent or unliquidated, but the nature or amount of the Claim as asserted in the proof of claim varies from the nature or amount of such Claim as listed on the Schedules; (c) a Claim for which a corresponding Claim has been or hereafter is listed on the Schedules as disputed, contingent or unliquidated; or (d) a Claim or request for payment of an Administrative Claim for which a timely objection or request for estimation is interposed by the Debtor, the Plan Trustee or any other party in interest in accordance with this Plan, the Bankruptcy Code and the Bankruptcy Rules by the Claims Objection Deadline or, with respect to Administrative Claims, the deadline set forth in Section 3.1 of this Plan, as applicable, which objection or request for estimation has not been withdrawn or determined by a Final Order. A Claim of the type listed in clauses (a) through (c) of this clause (ii) shall no longer be considered a Disputed Claim if no objection or request for estimation has been filed by the Claims Objection Deadline.

Disputed Claims Reserve shall mean a reserve into which the Debtor shall deposit monies on account of Disputed Claims in accordance with the provisions of Section 8.4(b) of this Plan.

Distribution shall mean any distribution of Estate Property (including Cash) pursuant to this Plan.

District Court shall mean the United States District Court for the Northern District of Alabama, Southern Division.

Effective Date shall mean the date on which this Plan takes effect, which shall be a date designated by the Debtor not more than thirty (30) days after the Confirmation Date; provided, however, that if a stay of the Confirmation Order is in effect on such date, the Effective Date will be the first Business Day after such stay is no longer in effect.

Employee-Related Agreements shall mean those agreements between the Debtor and any of its employees or any Person acting on behalf of such employees.

Estate shall mean the bankruptcy estate of the Debtor created pursuant to Section 541(a) of the Bankruptcy Code upon the filing of the Case and shall include all Estate Causes of Action, which shall remain in existence for the purpose of allowing the investigation, prosecution and/or settlement of the Estate Causes of Action pursuant to the terms of this Plan.

Estate Causes of Action shall mean any and all Causes of Action that the Debtor, the Estate or the Plan Trustee has or may have against any Person, including (a) Avoidance Claims; (b) any rights to property of the estate of the Debtor pursuant to Section 541 of the Bankruptcy Code; and (c) any rights to legal or equitable remedies (including rights to payment), whether known or unknown, reduced to judgment, not reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, secured or unsecured, and whether asserted or assertable directly or derivatively, in law or equity, and in any court or tribunal or otherwise.

Estate Property shall mean property of the Debtor, including Cash, securities, Estate Causes of Action (and recoveries thereon), and other real or personal property, and all property of the Estate as defined in Section 541 of the Bankruptcy Code (all of which property shall, on the Effective Date, continue to be vested in the Estate).

Expense Reserve shall mean a reserve in an amount reasonably estimated by the Plan Trustee as being necessary to assure payment of accrued but unpaid professional fees, expenses and costs, estimated professional fees, Post-Confirmation Administrative Expenses, expenses and costs that the Plan Trustee anticipates will be incurred in connection with the performance of the Debtor's duties under this Plan and applicable law and the pursuit of any Estate Causes of Action, which amounts are to be reserved from distributions to the Holders of Claims pending full implementation of this Plan.

Final Decree shall mean a Final Order entered by the Court pursuant to Section 350 of the Bankruptcy Code closing the Case.

Final Distribution shall have the meaning given to it in Section 8.3 of this Plan.

Final Order shall mean an order or judgment of a court as to which no motion for rehearing, reconsideration, or new trial has been filed and remains pending and (i) the time to appeal or to seek certiorari or review has expired and as to which no appeal or petition for certiorari or review has been timely filed, or (ii) any timely-filed appeal or petition for certiorari or review has been finally determined or dismissed.

Gaines shall mean J. Gordon Gaines, Inc., a Delaware corporation.

Gaines Trustee shall mean the "Plan Trustee" under (and as defined in) the Third Amended Chapter 11 Plan of Liquidation of Gaines in the matter styled In re J. Gordon Gaines, Inc., Case No. 06-02808-TBB11, which was confirmed by the Bankruptcy Court on December 22, 2006.

General Unsecured Claim shall mean an Unsecured Claim other than an Administrative Claim or Priority Claim, but including any Secured Creditor Deficiency Claim.

Governmental Unit shall have the meaning given to such term in Section 101 of the Bankruptcy Code.

Holder means the Person who owns a Claim or is a Shareholder.

Initial Distribution Date shall have the meaning given to it in Section 8.3 of this Plan.

Insurance Policies shall mean any and all policies of insurance of the Debtor or of the Estate and all agreements, instruments, and documents relating to these policies, including, without limitation, the D&O Policy and any property insurance.

Lien shall have the meaning given to such term in Section 101 of the Bankruptcy Code.

Permitted Investments shall have the meaning given to it in Section 7.4 of this Plan.

Person shall mean any individual, corporation, partnership, trust, limited liability partnership, limited liability company, venture, unincorporated organization, any other business or commercial association or governmental agency or unit or political subdivision.

Petition Date shall mean April 24, 2007.

Plan shall mean this Chapter 11 Plan of Liquidation of Florida Select Insurance Agency, Inc., and any accompanying schedules, exhibits, supplements or other documents filed in connection herewith.

Plan Trustee shall mean Ralph Brotherton of Atlanta, Georgia, or any successor appointed pursuant to this Plan.

Post-Confirmation Administrative Expenses shall mean the fees, costs and expenses incurred after the Confirmation Date in connection with the administration and consummation of this Plan by the Plan Trustee and Post-Confirmation Professionals, including expenses of operation, salaries of employees of the Debtor and Plan Trustee, and expenses and fees of Post-Confirmation Professionals for services rendered (including the review of Claims against the Debtor and the filing of objections thereto and the prosecution of any litigation or enforcement of Causes of Action in connection with the Plan, such as Estate Causes of Action).

Post-Confirmation Professional shall mean the Plan Trustee and any professional, including an attorney, accountant or consultant (whether previously employed by the Debtor in the Case or otherwise), retained by the Plan Trustee to provide services to the Plan Trustee after the Confirmation Date.

Post-Confirmation Professional Compensation shall mean any claim for Post-Confirmation Administrative Expenses by Post-Confirmation Professionals.

Priority Claim shall mean an Unsecured Claim (or portion thereof) that is entitled to priority under Section 507 of the Bankruptcy Code.

Priority Non-Tax Claim shall mean all Priority Claims other than Administrative Claims and Priority Tax Claims.

Priority Tax Claim shall mean a Priority Claim (or portion thereof) that is entitled to priority under Section 507(a)(8) of the Bankruptcy Code.

Pro Rata Share shall mean, with respect to a Distribution on account of any Allowed Claim, an amount determined by multiplying such Claim by a fraction, the numerator of which shall be the amount of such Allowed Claim and the denominator of which shall be the aggregate amount on such date of all Claims in such Class on such date subject to any order entered by the Bankruptcy Court estimating the Disputed Claim on a preliminary or final basis for purposes of making the Distribution.

Professional Compensation shall mean any amounts claimed by a Professional Person for services rendered or expenses incurred by such Professional Person in representing the Debtor.

Professional Persons shall mean Debtor Professionals.

Professional Statement shall mean a billing statement from a Post-Confirmation Professional, including an attorney, accountant, or consultant, describing services rendered and expenses incurred by the professional.

Receivers shall mean any Person who is a plaintiff or petitioner in any of the following styled proceedings: (i) *Department of Insurance v. Vesta Fire Insurance Corporation, Vesta Insurance Corporation, Shelby Casualty Insurance Company, The Shelby Insurance Company, Texas Select Lloyds Insurance Company and Select Insurance Services, Inc.*, Cause No. D-GN-06-002366, In the 126th District Court, Travis County, Texas; (ii) *State of Florida ex rel., The Department of Financial Services of the State of Florida v. Florida Select Insurance Company*, Case No. 2006-1669, In the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida; and (iii) *J.P Schmidt, as Insurance Commissioner of the State of Hawaii v. Hawaiian Insurance & Guaranty Company Limited*, S.P. No. 06-1-0225-VSM, In the Circuit Court of the First Circuit, State of Hawaii.

Schedules shall mean the schedules of assets and liabilities, the list of Holders of Shareholder Interests and the statement of financial affairs filed with the Bankruptcy Court by the Debtor, including any amendments or supplements thereto.

Secured Claim shall mean a Claim against the Debtor that arose before the Petition Date, to the extent of the value of any Lien on Property of the Debtor that secures payment of such Claim.

Secured Creditor Deficiency Claim shall mean the Claim of a creditor against the Debtor for the excess of such creditor's Claim over the value of the Liens securing such Claim.

Shareholders shall mean all holders of Shareholder Interests.

Shareholder Interests shall mean the Common Stock and other equity securities of the Debtor (as defined in Section 101(16) of the Bankruptcy Code) outstanding prior to the Effective Date and any option, warrant or other right to acquire any equity interests of the Debtor that was issued or outstanding prior to the Effective Date.

Special Deputy Receiver shall mean Prime Tempus, Inc. in its capacity as Special Deputy Receiver and any successor in such capacity.

Taxing Authorities shall mean the various Governmental Units holding tax claims against the Debtor.

Title 28 shall mean title 28 of the United States Code, 28 U.S.C. §§ 1 et seq.

Unclaimed Property shall mean any funds in the Disbursement Account or otherwise distributed pursuant to this Plan by the Debtor which are unclaimed and shall include (a) checks (and the funds represented thereby) which have been returned as undeliverable without a proper forwarding address, (b) funds for checks which have not been presented and paid within ninety (90) days of their issuance, and (c) checks (and the funds represented thereby) which were not mailed or delivered because of the absence of a proper address to mail or deliver such property.

Unpaid Claims Reserve shall mean an account established and maintained by the Plan Trustee for the deposit of Unclaimed Property pursuant to Section 8.6 of this Plan.

Unsecured Claim shall mean a Claim against the Debtor that arose or is deemed to have arisen before the Petition Date, to the extent the amount of such Claim (a) is not secured by any interest in any Estate Property or (b) is greater than the value of any interest in Estate Property which secures such Claim.

Vesta shall mean Vesta Insurance Group, Inc., a Delaware corporation.

Vesta Trustee shall mean the "Plan Trustee" under (and as defined in) the Third Amended Chapter 11 Plan of Liquidation of Vesta in the matter styled In re Vesta

Insurance Group, Inc., Case No. 06-02517-TBB11, which was confirmed by the Bankruptcy Court on December 22, 2006.

1.2 The terms "herein," "hereof" and "hereunder" and other words of similar import refer to this Plan as a whole and not to any particular section, paragraph or subdivision. Any pronoun used shall be deemed to cover all genders. All references to any statute shall include all related rules and implementing regulations and any amendments of same and any successor statutes, rules and regulations; to this Plan or any other agreement, instrument or document (including any Debt Instruments) shall include any and all modifications and supplements thereto and any and all restatements, extensions or renewals thereof; to any Person shall mean and include the successors and permitted assigns of such Person; or to "including" and "include" shall be understood to mean "including, without limitation" (and, for purposes hereof, the rule of *ejusdem generis* shall not be applicable to limit a general statement, which is followed by or referable to an enumeration of specific matters to matters similar to the matters specifically mentioned). All calculations and payments are to be made in lawful currency of the United States of America. The phrase "full satisfaction" when used with reference to Distributions on account of a Claim shall mean the full and complete settlement, satisfaction, release and discharge of such Claim. In computing any period of time prescribed or allowed by this Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006(a) shall apply.

## ARTICLE 2

### CLASSIFICATION OF CLAIMS AND INTERESTS

All Claims and Shareholder Interests, except Administrative Claims and Priority Tax Claims, are placed in the Classes set forth below. In accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified.

A Claim or Shareholder Interest is placed in a particular Class only to the extent that the Claim or Shareholder Interest falls within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim or Shareholder Interest falls within the description of such other Classes. A Claim is also placed in a particular Class for the purpose of receiving Distributions pursuant to this Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released or otherwise settled prior to the Effective Date.

2.1 Unimpaired Classes of Claims (deemed to have accepted this Plan and, therefore, not entitled to vote on this Plan):

(a) Class A - Priority Non-Tax Claims -- Class A shall consist of all Allowed Claims that are Priority Claims other than Administrative Claims and Priority Tax Claims.

(b) Class B - Secured Claims -- Class B shall consist of all Allowed Claims that are Secured Claims.

2.2 Impaired Classes of Claims and Shareholder Interests (entitled to vote on this Plan, unless deemed to have rejected this Plan and therefore not entitled to vote):

(a) Class C - General Unsecured Claims -- Class C shall consist of all Allowed Claims that are General Unsecured Claims.

(b) Class D - Shareholder Interests -- Class D shall consist of all Shareholder Interests.

## ARTICLE 3

### **TREATMENT OF ADMINISTRATIVE CLAIMS AND PRIORITY TAX CLAIMS**

Administrative and Priority Tax Claims shall be treated in the following fashion:

3.1 Non-Ordinary Course Administrative Claims and Bar Date. Any Person who asserts an Administrative Claim that arises before the Confirmation Date, including Claims under Section 503(b)(2)-(5) of the Bankruptcy Code, but excluding Claims of Professional Persons for the payment of Professional Compensation and Claims described in Sections 3.3 or 3.4 of this Plan, shall, on or before the Administrative Claims Bar Date, file an application with the Bankruptcy Court for allowance of such Claim as an Administrative Claim (specifying the amount of and basis for such Claim) and serve such application on counsel for the Debtor and the Bankruptcy Administrator; provided, however, that applicants who have filed an application with the Bankruptcy Court before the Administrative Claims Bar Date need not file a new application. Failure to file a timely application for allowance pursuant to this section shall bar a claimant from seeking recovery on such Administrative Claim. The Plan Trustee shall have ninety (90) days (or such longer period as may be allowed by order of the Bankruptcy Court) from the Effective Date to review and object to any such Administrative Claims. Administrative Claims that are allowed under applicable provisions of the Bankruptcy Code shall be paid, in full, in single Cash payments on the later to occur of the Effective Date or thirty (30) days following entry of an order by the Bankruptcy Court allowing the Claim, unless the Holder agrees in writing to a different treatment of such Administrative Claim.

3.2 Professional Compensation. All Professional Persons entitled to Professional Compensation for services rendered to the Debtor shall file and serve on the Debtor, the Plan Trustee, and the Bankruptcy Administrator an application for final allowance of compensation and reimbursement of expenses not later than sixty (60) days after the Effective Date. Such application may include fees and expenses of the applicant incurred after the Confirmation Date but prior to the Effective Date. All such Professional Compensation, when and if so awarded, shall be paid, in full, in single Cash payments within thirty (30) days following the date on which the order by the Bankruptcy Court allowing the Professional Compensation becomes a Final Order, unless the party entitled to payment thereof agrees in writing to a different treatment thereof. Notwithstanding the foregoing, any Professional Person who is entitled to receive compensation or reimbursement of expenses pursuant to any prior order of the Bankruptcy Court establishing procedures for the allowance of such compensation may continue to receive such compensation and reimbursement of expenses for services rendered before the Confirmation Date, without further Bankruptcy Court review or approval. Professional Persons who are required to file and serve applications for final allowance of their Claims for Professional Compensation and who do not file and serve such applications by the deadline required herein

shall be forever barred from asserting such Claims for Professional Compensation against the Debtor, and such Claims for Professional Compensation shall be deemed discharged as of the Effective Date. Objections to any Claim for Professional Compensation must be filed and served on the Debtor, the Plan Trustee, and the Bankruptcy Administrator, as well as the Professional Person asserting the Claim for Professional Compensation, not later than thirty (30) days (or such longer period as may be allowed by order of the Bankruptcy Court) after the date on which an application for final allowance of such Claim for Professional Compensation was served.

**3.3 Ordinary Course Administrative Claims.** The Debtor shall have the right to satisfy administrative expenses arising from obligations of the Debtor incurred in the ordinary course of business on or after the Petition Date by means of the Debtor's performance of the obligations in accordance with the terms and conditions of the agreement or applicable law giving rise thereto; provided, however, that the Debtor's failure to perform such obligations shall not relieve the Holder of such Claim from the requirement to file and serve before the Administrative Claims Bar Date an application with the Bankruptcy Court for allowance of such Claim as an Administrative Claim.

**3.4 Payment of Bankruptcy Administrator Fees.** All fees due the Bankruptcy Administrator shall be paid in the ordinary course of the Debtor's business, and no proof of claim shall be required to be filed.

**3.5 Priority Tax Claims.** Except to the extent that the Holder thereof agrees to a different treatment, each Holder of a Priority Tax Claim that is an Allowed Claim shall receive, in full satisfaction of such Claim, Cash in the amount of such Claim on the later to occur of the Effective Date or thirty (30) days after the date on which such Priority Tax Claim becomes an Allowed Claim.

## **ARTICLE 4**

### **TREATMENT OF UNIMPAIRED CLASSES**

**4.1 Treatment of Class A Priority Non-Tax Claims.** Each Holder of an Allowed Claim in Class A shall receive, on account of such Claim and in full satisfaction thereof, Cash on the Initial Distribution Date in the allowed amount of such Claim, unless the Holder of such Claim agrees to different treatment.

**4.2 Treatment of Class B Secured Claims.** Unless the Holder thereof agrees to different treatment, each Holder of an Allowed Claim in Class B shall receive, on account of such Claim and in full satisfaction thereof, either (a) abandonment of the collateral securing the Claim or (b) Cash in the allowed amount of such Claim as of the Effective Date (including any interest on such Claim required to be paid pursuant to Section 506(b) of the Bankruptcy Code); provided, however, the Debtor may elect by notice to the Holder of such Claim to (i) cure all defaults that occurred before or after the Petition Date (other than a default of a kind specified in Section 365(b)(2) of the Bankruptcy Code or of a kind that Section 365(b)(2) expressly does not require to be cured), (ii) reinstate the maturity of such Claim as such maturity existed before such default, compensate the Holder of such Claim for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law, (iii) if

such Claim arises from any failure to perform a non-monetary obligation, compensate the Holder of such Claim for any actual pecuniary loss incurred by such Holder as a result of such failure, and (iv) otherwise comply with the legal, equitable and contractual rights to which the Holder of the Claim is entitled under the Debt Instruments evidencing such Claim. Distributions on account of Allowed Claims in Class B shall be made on the later to occur of the Initial Distribution Date or ten (10) days after the date on which such Secured Claim becomes an Allowed Claim.

## ARTICLE 5

### **TREATMENT OF IMPAIRED CLASSES**

Except as otherwise provided in Article 4 of this Plan, all Classes of Claims and Shareholder Interests are impaired under this Plan. In the event a dispute arises as to whether any Class of Claims or Shareholder Interests is impaired under this Plan, the Bankruptcy Court, after notice and an opportunity for a hearing, shall resolve such controversy. All impaired Classes shall receive the Distribution set forth in this Article on account of, and in full satisfaction of, all Claims against the Debtor and the Estate, and shall have no rights or remedies against the Debtor, the Estate, or any Estate Property except as specifically set forth in this Plan; provided, however, such restriction shall be without prejudice to the rights of any party in interest to pursue Causes of Action (other than Estate Causes of Action) against Persons other than the Debtor or the Estate or any Estate Property. If and to the extent that any Claim is equitably subordinated pursuant to Section 510(c) of the Bankruptcy Code prior to any Distribution under this Plan, then in making such Distribution, the Plan Trustee shall cause Available Cash that would otherwise be distributed to the Holder of such equitably subordinated Claim to be distributed instead to the Holder of the Claim, or ratably to the Holders of the Claims, to which such equitably subordinated Claim is subordinated.

The treatment of Classes C and D shall be as follows:

5.1 Treatment of Class C (General Unsecured Claims). To the extent there are funds remaining after payment, or a reserve for payment, of Allowed Claims in Classes A and B, and a reserve for payment of any Disputed Claims in such Classes, upon the Initial Distribution Date and thereafter as provided in Section 8.3 of this Plan, each Holder of a General Unsecured Claim shall be entitled to receive on account of such Claim a Pro Rata Share of the Available Cash, until such Claim is paid in full without post-petition interest or the Estate Property is exhausted.

5.2 Treatment of Class D (Shareholder Interests). On the Effective Date, all Shareholder Interests shall be deemed canceled and shall have no further legal effect, provided that such cancellation shall be without prejudice to the rights of Shareholders to receive Distributions on account of their Shareholder Interests after the payment in full, with interest to the fullest extent permitted by applicable law, of all Allowed Claims.

## ARTICLE 6

### **TREATMENT OF EXECUTORY CONTRACTS AND LEASES**

6.1 Assumption or Rejection of Executory Contracts and Unexpired Leases. All executory contracts (including Employee-Related Agreements and Management Contracts) and unexpired leases that have not been assumed and assigned in an order entered by the Bankruptcy Court shall be deemed to be rejected by the Debtor on the Confirmation Date; provided, however, that the Debtor reserves the right to change the election with respect to the acceptance or rejection of any executory contract or unexpired lease at any time prior to the Confirmation Date. Notwithstanding the foregoing, to the extent that any Insurance Policy is deemed to be an executory contract, the Debtor hereby assumes such Insurance Policy effective as of the Confirmation Date. The Debtor is not in default under any Insurance Policy and, therefore, the Debtor shall not make any cure payments in connection with the assumption of the Insurance Policies under this Section 6.1.

6.2 Payments Related to Assumption of Executory Contracts and Unexpired Leases. The provisions of each executory contract or unexpired lease to be assumed under this Plan which are or may be in default shall be satisfied solely by Cure. Any party to an executory contract or unexpired lease that wishes to assert that Cure is required as a condition to assumption shall file a proposed claim (a "Cure Claim") within forty-five (45) days after service of the Confirmation Order, after which the Debtor, acting through the Plan Trustee, shall have forty-five (45) days to file any objections thereto. If there is a dispute regarding (a) the nature or amount of any Cure, (b) the ability of the Debtor to provide "adequate assurance of future performance" (within the meaning of Section 365 of the Bankruptcy Code) under the contract or lease to be assumed, or (c) any other matter pertaining to assumption, the matter shall be set for hearing in the Bankruptcy Court on the next available hearing date, or such other date as may be mutually agreed upon, and Cure shall occur following the entry of a Final Order of the Bankruptcy Court resolving the dispute and approving the assumption and assignment, as the case may be; provided, however, if there is a dispute as to the amount of Cure that cannot be resolved consensually among the parties, the Debtor shall have the right to reject the contract or lease for a period of five (5) days after entry of a Final Order establishing a Cure amount in excess of that provided by the Debtor. If the Cure amount is not disputed, the Debtor shall pay the Cure Claim, if any, to the claimant within twenty (20) days after service of the Cure Claim. Disputed Cure amounts that are resolved by agreement or Final Order shall be paid by the Debtor within twenty (20) days of such agreement or Final Order.

6.3 Insurance Policies. Nothing contained in this Plan shall constitute or be deemed a waiver of any claim or Cause of Action that the Debtor may hold against any Person, including an insurer, under any of the Insurance Policies (including the D&O Policy).

6.4 Rejection Damages Bar Date. If the rejection by the Debtor (pursuant to this Plan or otherwise) of an executory contract or unexpired lease results in a Claim, then such Claim shall be forever barred and shall not be enforceable against the Debtor or the Estate, or with respect to any Estate Property, unless a proof of claim is filed and served upon counsel to the Debtor and, if after the Effective Date, the Plan Trustee, within thirty (30) days after service of

the later of (a) notice of the Confirmation Order or (b) other notice that the executory contract or unexpired lease has been rejected.

## ARTICLE 7

### **CORPORATE GOVERNANCE AND MANAGEMENT OF DEBTOR**

7.1 Continued Corporate Existence; Dissolution of the Debtor. The Debtor shall continue to exist after the Effective Date in accordance with the laws of the State of Florida and pursuant to the Amended Certificate of Incorporation and Amended By-Laws, for the limited purpose of liquidating and distributing all of the Estate Property. As soon as practicable after the Plan Trustee exhausts the assets of the Estate and the Debtor by making the final Distribution of Cash under this Plan, the Plan Trustee shall, to the extent necessary, (i) effectuate the dissolution of the Debtor in accordance with the laws of the State of Florida and (ii) resign as the sole officer and sole director of the Debtor.

7.2 Certificate of Incorporation and By-Laws. The Certificate of Incorporation and By-Laws of the Debtor shall be amended as necessary to satisfy the provisions of this Plan and the Bankruptcy Code. The Certificate of Incorporation of the Debtor shall be amended to, among other things, include pursuant to Section 1123(a)(6) of the Bankruptcy Code a provision prohibiting the issuance of non-voting equity securities and limit the activities of the Debtor to matters related to the implementation of this Plan.

7.3 Directors and Officers. From and after the Effective Date, the Plan Trustee shall serve as the sole officer and sole director of the Debtor and in those capacities shall be authorized to execute, deliver, file or record such documents, instruments, releases and other agreements and to take such actions as may be necessary or appropriate to effectuate and to further evidence the terms and conditions of this Plan. As of the Effective Date, all officers and directors of the Debtor shall be deemed removed from their positions effective as of 12:01 a.m. on the Effective Date.

7.4 Plan Trustee. From and after the Effective Date, the Plan Trustee shall serve under this Plan and shall discharge all of the rights, powers and duties set forth in this Plan. In the event of the death, resignation, incapacity, disqualification, or misconduct of the Plan Trustee, the Bankruptcy Court may appoint a successor Plan Trustee. The Debtor shall retain and have all of the rights, powers and duties necessary to carry out its responsibilities under this Plan, provided that such rights, powers and duties shall be exercisable solely by the Plan Trustee on behalf of the Debtor pursuant to this Plan. Without limiting the generality of the foregoing, the Plan Trustee, acting on behalf of the Debtor, shall have the following rights, powers and duties: (i) the rights, powers, and duties of a trustee under Sections 704(a)(1), (2), (4), (5) and (7) and 1106(a)(6) and (7) of the Bankruptcy Code and the rights and duties set forth in this Plan; (ii) to employ and compensate the professionals currently employed by the Debtor or such other professionals as the Plan Trustee may select pursuant to the procedures set forth in this Plan; (iii) to liquidate and collect all Estate Property and administer the Estate; (iv) to review, investigate and (if appropriate) object to or seek equitable subordination of Claims against the Estate; (v) to investigate, prosecute and/or settle (as provided in this Plan) all Estate Causes of Action; (vi) to

voluntarily engage in mediation or arbitration with respect to any Estate Cause of Action; (vii) to invest the Debtor's Cash in (a) direct obligations of the United States of America or obligations of any agency or instrumentality thereof which are guaranteed by the full faith and credit of the United States of America, (b) in money market deposit accounts, checking accounts, savings accounts or certificates of deposit, or other time deposit accounts that are issued by a commercial bank or savings institution organized under the laws of the United States of America or any state thereof, or (c) or any other investments that may be permissible under Section 345 of the Bankruptcy Code or order of the Bankruptcy Court (collectively, "Permitted Investments"); (viii) to calculate and make all Distributions to be made pursuant to this Plan; (ix) to make and file tax returns for the Debtor; (x) to seek estimation of contingent or unliquidated Claims under Section 502(c) of the Bankruptcy Code or determinations of tax liabilities under Section 505 of the Bankruptcy Code; and (xi) to take all other actions in furtherance of the implementation of this Plan. The retention by the Plan Trustee of any Post-Confirmation Professionals shall be done in the ordinary course of business and shall not be subject to the prior approval of the Bankruptcy Court.

**7.5 Compensation of Plan Trustee.** The Plan Trustee shall be compensated from available funds in the Estate, on such terms and conditions as shall be set forth in a retention agreement between the Debtor and the Plan Trustee to be filed with the Bankruptcy Court by the Person designated to be Plan Trustee, which retention agreement shall be filed with the Bankruptcy Court on or before the hearing on confirmation of this Plan. Any professional persons retained by the Plan Trustee shall be entitled to reasonable compensation for services rendered and reimbursement of expenses incurred from available funds of the Estate. The payment of fees and expenses of the Plan Trustee and any Post-Confirmation Professional retained by the Plan Trustee shall be made in the ordinary course of business and shall not be subject to the prior approval of the Bankruptcy Court.

**7.6 Indemnification.** The Debtor shall indemnify and hold harmless the Plan Trustee (in his capacity as such and as an officer and director of the Debtor) and his respective agents, representatives, Post-Confirmation Professionals, advisors and employees (collectively, the "Indemnified Parties") from and against and with respect to any and all liabilities, losses, damages, claims, costs and expenses, including reasonable attorneys' fees, arising out of or due to their acts or omissions, or consequences of such acts or omissions, with respect to the Debtor and the Estate or the implementation or administration of this Plan, other than acts or omissions resulting from an Indemnified Party's willful misconduct or gross negligence.

**7.7 Authority to Object to Claims.** From and after the Effective Date, the Debtor, acting through the Plan Trustee, shall be authorized, with respect to those Claims that are not Allowed Claims hereunder or by Bankruptcy Court order, (i) to object to any Claims or Shareholder Interests filed against the Estate, (ii) to seek equitable subordination of the whole or any part of a Claim under Section 510(c)(i) of the Bankruptcy Code or other applicable law, and (iii) pursuant to Bankruptcy 9019(b) and Section 105(a) of the Bankruptcy Code, to compromise and settle Disputed Claims, in accordance with the following procedures, which shall constitute sufficient notice in accordance with the Bankruptcy Code and the Bankruptcy Rules for compromises and settlement of claims:

(a) If the resulting settlement provides for an Allowed Claim in an amount equal to or less than \$50,000, then the Debtor may settle the Disputed Claim and execute necessary documents, including a stipulation of settlement or release, in its sole and absolute discretion without notice to any party.

(b) If the resulting settlement provides for an Allowed Claim in an amount greater than \$50,000 but no more than \$100,000, then the Debtor shall be authorized and empowered to settle such Disputed Claim and to execute necessary documents, including a stipulation of settlement or release, subject to notifying the Designated Parties of the terms of the settlement. If the Designated Parties indicate their approval or do not provide the Plan Trustee with an objection to the proposed settlement agreement within ten (10) days after it receives notice of such settlement in writing, then the Debtor shall be authorized to accept and consummate the settlement agreement and record an Allowed Claim in the settled amount. If the Designated Parties object to the proposed settlement not later than ten (10) days after it receives notice of such settlement in writing, then the settlement may not be consummated without approval of the Bankruptcy Court pursuant to Bankruptcy Rule 9019.

(c) If the resulting settlement provides for an Allowed Claim in an amount greater than \$100,000, then the Debtor shall, upon written notice to the Designated Parties, be authorized and empowered to settle such Disputed Claim in accordance with Bankruptcy Rule 9019.

**7.8 Authority to Settle Causes of Action.** From and after the Effective Date, the Debtor, acting through the Plan Trustee, shall be authorized pursuant to Bankruptcy Rule 9019(b) and Section 105(a) of the Bankruptcy Code to compromise and settle any Cause of Action, in accordance with the following procedures, which shall constitute sufficient notice in accordance with the Bankruptcy Code and the Bankruptcy Rules for compromises and settlements:

(a) If the resulting settlement provides for settlement of a Cause of Action originally asserted in an amount equal to or less than \$25,000, then the Debtor may settle the Cause of Action upon notice to the Designated Parties and execute necessary documents, including a stipulation of settlement or release, in its sole discretion and without notice to any party.

(b) If the resulting settlement involves a Cause of Action initially asserted in an amount in excess of \$25,000 but no more than \$100,000, then the Debtor shall be authorized and empowered to settle such Cause of Action and execute necessary documents, including a stipulation of settlement or release, subject to notifying the Designated Parties of the terms of the settlement agreement. If the Designated Parties indicate their approval or do not provide the Plan Trustee with an objection to the proposed settlement agreement within ten (10) days after it receives notice of such settlement in writing, then the Debtor shall be authorized to accept and consummate the settlement agreement. If a timely objection is made by the Designated Parties to the proposed settlement, then the settlement may not be consummated without approval of the Bankruptcy Court in accordance with Bankruptcy Rule 9019.

(c) If the resulting settlement involves a Cause of Action initially asserted in an amount exceeding \$100,000, then the Debtor shall, upon written notice to the Designated Parties, be authorized and empowered to settle such Cause of Action in accordance with Bankruptcy Rule 9019.

**7.9 Issuance of New Interests in Debtor.** Upon the Effective Date, all existing Shareholder Interests in the Debtor will be canceled and will no longer represent an ownership interest (or right to acquire an ownership interest) in the Debtor. Upon the Effective Date, new Shareholder Interests will be issued solely to the Plan Trustee for the benefit of the Persons entitled to distributions under this Plan, and with full and exclusive voting rights and management authority vested in the Plan Trustee. Nothing herein shall affect the right of Holders of Shareholder Interests in the Debtor to receive Distributions on account thereof under the provisions of this Plan.

## **ARTICLE 8**

### **MEANS OF IMPLEMENTATION OF THE PLAN**

The Plan shall be implemented as follows:

**8.1 Disbursement Account; Records.**

(a) By no later than forty-five (45) days after the Effective Date, the Debtor, acting through the Plan Trustee, shall establish the Disbursement Account to be used for the purpose of making all Distributions pursuant to this Plan. All Available Cash shall be deposited into the Disbursement Account and shall be held for the purpose of paying Holders of Allowed Claims. Cash in the Disbursement Account, the Expense Reserve, and the Disputed Claims Reserve may be invested in Permitted Investments, giving due regard to the Plan Trustee's need for such monies to ensure availability of sufficient funds to make all disbursements authorized or required by this Plan on a timely basis.

(b) The Debtor, acting through the Plan Trustee, shall maintain records of all Allowed Claims and all Disputed Claims, including the amount and classification of each such Claim, the name and address of the Holder thereof, and the amount of each periodic Distribution with respect to each Claim. The Plan Trustee shall update these records as required to reflect changes in any of the information maintained with respect to the Claims, including the change in the status of previously Disputed Claims that have become Allowed Claims. Promptly after a Final Order is entered recognizing a Disputed Claim as an Allowed Claim, the Plan Trustee shall amend the records maintained in accordance with this Plan to delete such Disputed Claim from the list of Disputed Claims and add it, in the amount allowed, to the list of Allowed Claims.

**8.2 Asset Collections; Claims Resolution.** Upon the Effective Date, the Debtor, acting through the Plan Trustee, shall have the sole and exclusive responsibility and authority to collect all Estate Property, to convert such Estate Property to Cash, to deposit the proceeds thereof in the Disbursement Account, the Expense Reserve, or the Disputed Claims Reserve as appropriate, to transfer funds to and from any of such accounts to the extent deemed necessary to implement the provisions of this Plan, to review all Claims, to make proper objections to any

Claims and to settle any and all such objections in accordance with the terms of this Plan. Without limiting the generality of the foregoing, the Debtor, acting through the Plan Trustee, shall have the sole and exclusive responsibility and authority to investigate and prosecute Estate Causes of Action and to settle any such Estate Causes of Action on such terms and conditions as the Plan Trustee believes to be appropriate, subject to all of the terms and conditions of this Plan. All proceeds realized or received in connection with the sale of any Estate Property or the prosecution or settlement of any Causes of Action shall be deposited in accordance with Section 8.1 of this Plan and disbursed as provided in Section 8.3 of this Plan.

### 8.3 Distributions.

(a) Except as otherwise provided herein or as ordered by the Bankruptcy Court, the initial Distributions to be made on account of Claims that are Allowed Claims shall be made no later than one hundred twenty (120) days after the Effective Date (such initial distribution date being referred to as the "Initial Distribution Date"). Any Distribution to be made on the Effective Date pursuant to this Plan shall be deemed as having been made on the Effective Date if such Distribution is made on the Effective Date or as soon thereafter as is reasonably practicable. Any Distribution required to be made under this Plan on a day other than a Business Day shall be made on the next succeeding Business Day.

(b) After the initial Distribution, the Plan Trustee shall make additional Distributions in payment of Allowed Claims at such times and in such amounts as the Plan Trustee, in his sole discretion, deems appropriate. Within thirty (30) days following the entry of an order that becomes a Final Order allowing, in whole or in part, a Disputed Claim, the Plan Trustee shall distribute an amount of Cash from the Disputed Claims Reserve that represents the Pro Rata Share that the Holder of such Claim would have been entitled to receive based upon the amount of the Disputed Claim that is allowed by such Final order. With regard to Post-Confirmation Professional Compensation, the Plan Trustee shall distribute within thirty (30) days after the receipt of a Professional Statement, an amount from the Expense Reserve (or, if the Expense Reserve is without sufficient funds to pay same, from Available Cash) necessary to pay such Professional Statement. Post-Confirmation Administrative Expenses, other than Post-Confirmation Professional Compensation, shall be paid by the Plan Trustee in the ordinary course of the Debtor's business. On the date that the Plan Trustee determines that he has fully recovered and liquidated all of the Estate Property in the Confirmed Case to the extent feasible as determined by the Plan Trustee in his best business judgment and all Disputed Claims have been resolved by Final Order, the Plan Trustee shall distribute all Available Cash and all amounts in the Expense Reserve that are not required to pay Post-Confirmation Administrative Expenses as a final distribution for payment of Allowed Claims (the "Final Distribution").

(c) Unless otherwise specifically provided for in this Plan or the Confirmation Order, or required by applicable bankruptcy law, post-petition interest and attorneys' fees shall not accrue or be paid on any Claims and no Holder of the Claims shall be entitled to interest accruing on or after the Petition Date with respect to the Claim of such Holder.

(d) Distributions under this Plan shall be made by the Debtor, acting through the Plan Trustee, to each Holder of an Allowed Claim at the address for such Holder as set forth

in the proofs of claim or transfers of claim filed pursuant to Bankruptcy Rule 3001 (or at the last known address of such Holder if the Plan Trustee has been notified in writing of a change of address).

(e) Notwithstanding any other provision of this Plan, the Debtor shall not be required to make Distributions to the Holder of fractions of dollars. Whenever any payment of a fraction of a dollar would otherwise be called for, the actual payment made shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down. The Debtor shall have no obligation to make a Distribution on account of an Allowed Claim if the aggregate amount of all Distributions authorized or required to be made at the time in question is less than \$5,000 or to a specific Holder of an Allowed Claim if the amount to be distributed to that Holder on the particular date does not constitute a final distribution to such Holder and is less than \$50.

(f) The aggregate consideration to be distributed to the Holders of Allowed Claims in each Class (other than the Claims, if any, of the Internal Revenue Service) shall, solely for the purpose of calculating Distributions, be treated as first satisfying an amount equal to the stated principal amount of the Allowed Claim for such Holders and any remaining consideration as satisfying accrued, but unpaid, interest and cost, if any, and attorneys' fees where applicable.

(g) The Debtor shall comply with all withholding and reporting requirements imposed by federal, state or local taxing authorities in connection with making Distributions pursuant to this Plan.

#### 8.4 Objections to and Estimation of Claims; Disputed Claims Reserve.

(a) Parties in interest may file, on or before the Claims Objection Deadline, objections to Claims or motions to estimate Claims pursuant to Section 502(c) of the Bankruptcy Code. An objection or motion may include an objection to the claimed classification and a request that the Bankruptcy Court determine the appropriate class of the Claim or Shareholder Interest under this Plan. Except as otherwise provided herein, the Bankruptcy Court shall hear and determine objections to Claims or Shareholder Interests, motions to estimate Claims, and motions to subordinate Claims or Shareholder Interests and shall allow and classify same. Any objections or motions may be settled pursuant to Bankruptcy Rule 9019 or, in the case of a settlement by the Plan Trustee, pursuant to the terms of Section 7.7 of this Plan.

(b) Prior to the initial Distribution to the Holders of Allowed Claims, the Debtor shall deposit in the Disputed Claims Reserve from any Distributions made in accordance with this Plan an amount equal to the Pro Rata Share that would have been distributed to the Holder of any Disputed Claim if such Disputed Claim had been an Allowed Claim on the date of such Distribution. The Debtor shall distribute to the Holder of any Disputed Claim that has been subsequently allowed by Final Order, but only to the extent of the allowed amount of such Claim, all Estate Property which such Holder would have been entitled to receive on account of such Holder's Claim if such Claim had been an Allowed Claim on the Effective Date. If any Disputed Claim is subsequently disallowed by Final Order, or is allowed in an amount less than the amount claimed by the Holder of such Disputed Claim, then any funds that have been deposited in the Disputed Claims Reserve based upon the disallowed portion of the amount

claimed by the Holder of the Disputed Claim shall be deposited into the Disbursement Account and redistributed to the Holders of Allowed Claims in accordance with Section 8.3 of this Plan. If a Claim is a Disputed Claim, in whole or in part, because the Debtor asserts a right of offset against such Disputed Claim or recoupment against the Holder of such Disputed Claim, then if and to the extent the Claim giving rise to such offset or recoupment is sustained by a Final Order, the Disputed Claim shall be reduced or eliminated and, to the extent such offset or recoupment exceeds in amount the Disputed Claim, the Holder of such Claim shall be required to pay to the Debtor the amount of such offset or recoupment less the amount in which such Disputed Claim would otherwise have been allowed absent such offset or recoupment.

#### **8.5      Method of Distributions.**

(a)      Subject to Bankruptcy Rule 9010, the initial Distribution under this Plan shall be made by the Debtor to the Holder as of the Confirmation Date of each Allowed Claim. Except as provided in Rule 3001(e) of the Bankruptcy Rules, the Debtor shall have no obligation to recognize any transfer of a Claim occurring before or after the Confirmation Date and shall be required instead to recognize and deal for all purposes herein with only those Holders listed on the Schedules or on the register of proofs of claim and of assignments of claim maintained by the Clerk of the Bankruptcy Court or the agent of the Clerk of the Bankruptcy Court appointed for such purpose in the Case as of the close of business on the Confirmation Date. No transfer of any Claim shall be recognized unless (a) not less than forty-five (45) days prior written notice has been provided to the Debtor and (b) such transfer fully complies with the provisions of Bankruptcy Rule 3001.

(b)      Any Distribution of Cash by the Debtor pursuant to this Plan shall be made at the option and in the sole discretion of the Plan Trustee by check drawn on, or wire transfer from, a domestic bank selected by the Plan Trustee.

#### **8.6      Unclaimed Property.**

(a)      Unclaimed Property shall be deposited in the Unpaid Claims Reserve to be held in escrow for the benefit of the Holders of Allowed Claims entitled thereto under the terms of this Plan. For a period of the later of one year following the Initial Distribution Date or one hundred twenty (120) days after a Distribution is made to a claimant on account of which Unclaimed Property first results (said period being hereinafter referred to as the "Claiming Period"), Unclaimed Property shall be held in the Unpaid Claims Reserve solely for the benefit of the Holders of Allowed Claims which have failed to claim the Unclaimed Property. During the Claiming Period, Unclaimed Property due the Holder of an Allowed Claim shall be released from the Unpaid Claims Reserve and delivered to such Holder upon presentation of proper proof by such Holder of its entitlement thereto. In the event that there is Unclaimed Property in the Unpaid Claims Reserve with regard to any Claim, the Debtor, until such Unclaimed Property is claimed or the Claiming Period with regard to the Holder of such Claim has expired, shall make all subsequent Distributions due with regard to such Claim to the Unpaid Claims Reserve. After the Claiming Period with regard to such Holder has expired, no subsequent Distributions shall be made on account of such Claim, and such Claim shall be treated as being disallowed, waived and satisfied.

(b) At the end of the Claiming Period, the Holder of an Allowed Claim theretofore entitled to Unclaimed Property shall cease to be entitled thereto, and the Unclaimed Property shall then be disbursed to the Disbursement Account; provided, however, that if there is any Unclaimed Property in the Unpaid Claims Reserve as a result of the final distribution (as set forth in Section 8.3 of this Plan) and such Unclaimed Property remains in the Unpaid Claims Reserve after expiration of the Claiming Period, such Unclaimed Property shall be used first to satisfy any Post-Confirmation Administrative Expenses and then shall be transferred to the Disbursement Account. Upon the making of such payment, the Debtor shall file a written report with the Bankruptcy Court listing the Holders of Allowed Claims who would have been entitled to the Unclaimed Property, each such Holder's last known address (if any), and the principal amount of each such Holder's Claim as reflected in the records of Allowed Claims. Upon making such payment and filing such report, the Debtor and the Plan Trustee shall be discharged of any liability of any kind with respect to the Unclaimed Property, and the Holder of an unclaimed Allowed Claim shall receive no Distribution on account thereof.

(c) The Unpaid Claims Reserve may be maintained as an interest bearing account. All interest earned thereon shall be paid to the Disbursement Account, and no Holder entitled to funds from the Unpaid Claims Reserve shall be entitled to interest with regard to the amounts due to such claimant.

8.7 Supervision of Administration of Case and Distribution of Funds. Maintenance and distribution of Available Cash and administration by the Plan Trustee shall be subject to supervision of the Bankruptcy Court on application of any interested party. Notwithstanding anything herein to the contrary, disbursements from the Disbursement Account may be deferred or delayed for a reasonable time if such deferral is necessary to permit investments to reach maturity, if additional time is needed to make a proper distribution or if the receipt of additional funds is necessary to make meaningful payments.

8.8 Extinguishment of Shareholder Interests in Debtor. Upon the Effective Date, the Shareholder Interests in the Debtor will be extinguished and will no longer represent an ownership interest in the Debtor or an interest in the Debtor. Such extinguishment shall not affect the right of Holders of Shareholder Interests in the Debtor to receive Distributions on account thereof under the provisions of Section 5.3 of this Plan.

8.9 Cancellation of Certain Instruments and Agreements. Except as otherwise provided in this Plan with respect to certain Secured Claims, on the Effective Date and concurrently with the applicable Distributions made pursuant to this Plan, all Debt Instruments, share certificates (including treasury stock), other instruments evidencing any Claims or Shareholder Interests, and all options, warrants, calls, rights, puts, awards, commitments or any other agreements of any character to acquire such Shareholder Interest shall be deemed cancelled and of no further force or effect, without any further act or action under any applicable agreement, law, regulation, order or rule, and the obligations of the Debtor under any such Debt Instruments, share certificates, and other agreements and instruments governing such Claims or Shareholder Interests shall be discharged. The Holders of or parties to such cancelled Debt Instruments, share certificates and other agreements and instruments shall have no rights or

remedies arising from or relating thereto or the cancellation thereof, except the rights provided pursuant to this Plan.

8.10 Amendments of Claims. A Claim may be amended (a) at any time prior to the applicable Bar Date, only as agreed upon by the Debtor and the Holder of such Claim or as otherwise permitted by the Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules or applicable law; or (b) after such time, to decrease, but not increase, the face amount of such Claim. Any amendment to a Claim (other than amendments described in clause (b) of this Section 8.10 and amendments to Claims pursuant to Section 6.4 of this Plan based upon the rejection of an executory contract or unexpired lease) filed after the deadline described in paragraph (a) hereof shall be deemed disallowed and expunged without further action by the Debtor or the Bankruptcy Court unless the Holder of such Claim obtained prior Bankruptcy Court approval to file such amendment.

## ARTICLE 9

### **IMPLEMENTATION OF PLAN AND EFFECT OF CONFIRMATION**

9.1 Amended Certificate of Incorporation, By-Laws and Other Documents. On or before the Effective Date, the Debtor will execute an Amended Certification of Incorporation, Amended By-Laws and all other documents required or necessary to implement this Plan, without the requirement of any further corporate action.

9.2 Vesting of Assets. All Estate Property (including all Estate Causes of Action, other than Designated Causes of Action) shall remain vested in the Estate on and following the Effective Date and shall continue to be subject to the jurisdiction of the Bankruptcy Court following confirmation of this Plan until distributed to Holders of Allowed Claims in accordance with the provisions of this Plan and the Confirmation Order. From and after the Effective Date, all such Estate Property shall be distributed in accordance with the provisions of this Plan and the Confirmation Order.

9.3 Discharge of Claims. Pursuant to Section 1141(d)(3) of the Bankruptcy Code, confirmation of this Plan will not discharge any Claims against the Debtor, including any obligation of the Debtor to indemnify any present or former officer or director of the Debtor, but no Holder of a Claim against the Debtor may, on account of such Claim, seek or receive any payment or other distribution from, or seek recourse against, the Debtor or any Estate Property. Notwithstanding the foregoing, nothing contained herein shall preclude (i) any such Holder from exercising rights pursuant to and consistent with the terms of this Plan, including the filing of Proof of Claim or Shareholder Interests, (ii) any present or former officer or director of the Debtor, to the extent not otherwise prohibited from doing so by order of the Bankruptcy Court, from seeking reimbursement for legal fees and expenses under and to the extent authorized by the D&O Policy, or (iii) any Governmental Unit from enforcing its police or regulatory authority against the Debtor (but not against Estate Property) to the extent excepted from the automatic stay provisions of Section 362 of the Bankruptcy Code.

9.4 Exculpation. The Debtor, and its respective present and former members, officers, directors, representatives, shareholders, employees, advisors, attorneys and agents

acting in such capacity shall have no liability to any Holder of any Claim or Shareholder Interest or any other Person for any act taken or omission during the period commencing on the Petition Date and ending on the Effective Date in connection with, or arising out of, the Case, this Plan, the Disclosure Statement, the solicitation of votes for confirmation of this Plan, the administration of this Plan or the Estate Property distributed under this Plan, or any transaction contemplated by this Plan or the Disclosure Statement in furtherance thereof, except for willful misconduct or gross negligence as determined by a Final Order. Nothing in this Section 9.4 or elsewhere in this Plan shall release, discharge or exculpate any non-Debtor party from any Claim owed to the United States Government or its agencies, including any liability arising under the Internal Revenue Code or criminal laws of the United States.

**9.5 Injunction.** Except as otherwise provided in this Plan, the Confirmation Order shall provide, among other things, that from and after the Confirmation Date, all Persons who have held, hold or may hold Claims against or Shareholder Interests in the Debtor are permanently enjoined from taking any of the following actions against the Debtor or any Estate Property on account of such Claims or Shareholder Interests:

(a) Commencing or continuing, in any manner or in any place, any action or other proceeding (other than actions or proceedings commenced by a Governmental Unit to enforce its police or regulatory authority over the Debtor to the extent excepted from the automatic stay provisions of Section 362 of the Bankruptcy Code, but not against Estate Property);

(b) Enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order;

(c) Creating, perfecting or enforcing any Lien;

(d) Asserting any setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due the Debtor; or

(e) Commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of this Plan; provided, however, that nothing contained herein shall preclude such Persons from exercising their rights pursuant to and consistent with the terms of this Plan. The foregoing injunction shall extend to successors of the Debtor and all Estate Property. By accepting Distributions pursuant to this Plan, each Holder of a Claim receiving a Distribution shall be deemed to have specifically consented to the foregoing injunctions.

**9.6 Term of Bankruptcy Stays.** All stays provided for in the Case under Section 105 or Section 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date shall remain in full force and effect and shall apply to the Debtor and all Estate Property until all Estate Property has been distributed and the Debtor has been dissolved, except as otherwise provided herein.

**9.7 Preservation/Waiver of Causes of Action.** Except as otherwise expressly provided in Section 9.3 of this Plan, the Debtor shall retain all rights, all Causes of Action

accruing to it and its Estate (including all the Estate Causes of Action), all rights of setoff, and all other legal and equitable claims and defenses; nothing in this Plan shall be deemed to be a waiver, release, or relinquishment of any such rights, Causes of Action, or other legal or equitable claims or defenses; the Debtor shall have, retain, reserve and be entitled to assert all such Causes of Action, rights of setoff and other legal or equitable claims or defenses which the Debtor had immediately prior to the Petition Date as fully as if the Case had not been commenced; and all of the Debtor's legal and equitable rights respecting any such rights, Causes of Action or legal or equitable claims or defenses which are not specifically waived or relinquished by this Plan may be asserted after the Effective Date to the same extent as if the Case had not been commenced.

**9.8 Preservation of Insurance.** Neither this Plan nor the Debtor's release from Claims as provided herein shall diminish or impair the enforceability of any Insurance Policy that may cover Claims against the Debtor (including the Debtor's past or present officers or directors) or any other Person.

**9.9 Release of Liens.** Except as otherwise expressly provided in this Plan with respect to certain Secured Claims, the Confirmation Order or any document, instrument or other agreement created in connection with this Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to this Plan, all mortgages, deeds of trust, Liens or other security interests against the Estate Property shall be fully released and discharged and all of the right, title and interest of any Holder of any such mortgages, deeds of trust, Liens or other security interests shall revert to the Debtor and its successors and assigns.

**9.10 Abandonment of Estate Property.**

(a) The Debtor, acting by and through the Plan Trustee, may abandon, destroy or contribute to a charitable organization any item of tangible Estate Property (and, for the avoidance of doubt, Estate Causes of Action shall not be deemed to be tangible Estate Property) which he determines to be of inconsequential value and which had an original cost value equal to or less than \$10,000, without notice to any Person.

(b) The Debtor may abandon or destroy any books or records in the possession, custody or control of the Debtor after providing at least twenty (20) days written notice (an "Abandonment Notice") to (i) counsel for each Receiver to the extent that the books or records to be abandoned or destroyed contain information related to the business of an Insurance Company for which such Receiver is authorized to act, and (ii) the Designated Parties or their counsel (collectively, the "Abandonment Notice Parties"). The Abandonment Notice must contain a reasonable description of the books and records at issue, whether any of such books and records relate to the business of an Insurance Company (and if so, which Insurance Company), the location of the books and records, and the proposed disposition of the books and records. Through and including the twentieth (20th) day after the date of the Abandonment Notice, any party in interest may during normal business hours and by prior arrangement with the Plan Trustee, inspect the books and records proposed to be abandoned or destroyed, subject to such reasonable terms and conditions as the Plan Trustee may impose in order to protect confidential or privileged information. If no written objection to an Abandonment Notice is received by the Plan Trustee within twenty (20) days after the Plan Trustee sends an

Abandonment Notice to the Abandonment Notice Parties, then the Plan Trustee shall be authorized immediately to abandon or otherwise dispose of the books or records described in the Abandonment Notice. If any objection to an Abandonment Notice is timely received by the Plan Trustee and is not subsequently withdrawn by the objecting party or resolved by mutual consent of such party and the Plan Trustee, then the Plan Trustee may either (a) seek approval of the Bankruptcy Court to abandon, destroy or otherwise dispose of the books or records in question or (b) allow the objecting party to take possession of all of the books and records identified in the Abandonment Notice and remove such books and records from the Debtor's premises, at the expense of the objecting party, within ten (10) days after the Plan Trustee's surrender of the books and records, failing which the Plan Trustee shall be authorized to abandon or otherwise dispose of such books and records notwithstanding the objection. Notwithstanding anything to the contrary in this Section 9.10(b), in no event shall the Plan Trustee be authorized to destroy any books and records without prior approval of the Bankruptcy Court. The rights and authority provided to the Debtor and the Plan Trustee in this Section 9.10 are in addition to, and shall not be construed to limit, any rights or authority provided elsewhere in this Plan. Nothing in this Section shall be construed to limit or restrict the rights that any Receiver may have to inspect, copy and, upon reasonable notice to the Debtor, remove originals or copies of books and records which are in the custody of the Debtor, relate to the business of an Insurance Company for which such Receiver is authorized to act, and constitute the property of such Insurance Company.

## ARTICLE 10

### NOTICE OF EFFECTIVE DATE

10.1 Notice of Effective Date. Within fifteen (15) days after the Effective Date, the Plan Trustee shall mail or cause to be mailed to all Holders of Claims and Shareholder Interests and other parties who have requested notice in the Case and those non-Debtor parties whose executory contracts and unexpired leases are deemed rejected pursuant to this Plan a Notice that informs such Holders and other parties of (a) entry of the Confirmation Order; (b) the occurrence of the Effective Date; (c) the rejection of executory contracts and unexpired leases of the Debtor pursuant to this Plan, and the deadline for the filing of Claims arising from such rejection; (d) the Administrative Claims Bar Date; (e) the procedures for requesting notice of matters referenced in this Plan, as well as any other matters occurring subsequent to the Effective Date; (f) the procedures for changing an address of record pursuant to Section 8.3(d) of this Plan; and (g) such other matters as the Plan Trustee deems to be appropriate.

## ARTICLE 11

### RETENTION OF JURISDICTION

11.1 Jurisdiction of Bankruptcy Court. After the Effective Date, the Plan Trustee and the Debtor shall be free to perform all functions assigned to them under this Plan without approval of the Bankruptcy Court, except as specifically provided herein; provided, however, that the Bankruptcy Court will retain jurisdiction over this Case with respect to the following matters and for the following purposes (which jurisdiction shall be non-exclusive when so designated below):

- (a) To resolve and enforce any and all Estate Causes of Action that may exist on behalf of the Debtor (non-exclusive);
- (b) To resolve all of the Disputed Claims, including all objections to the allowance of Claims, and the compromise and settlement of any objection to any Claims;
- (c) To adjudicate all applications, adversary proceedings, and contested matters that may be pending on or after the Confirmation Date (non-exclusive);
- (d) To adjudicate controversies, suits and disputes arising under or in connection with this Plan and to issue orders in aid of execution of this Plan;
- (e) To adjudicate adversary proceedings pending on the Confirmation Date or thereafter brought to recover Estate Property, to recover or avoid preferences, fraudulent conveyances and other Avoidance Claims, and to enforce Estate Causes of Action (non-exclusive);
- (f) To determine any applications or motions for the rejection, assumption or assignment of executory contracts or unexpired leases;
- (g) To determine any motion to modify this Plan in accordance with Section 1127 of the Bankruptcy Code;
- (h) To determine the classification of the Claim of any creditor;
- (i) To determine all questions and disputes regarding title to, security interests in, and liens against the assets of the Debtor or the Estate or regarding the Bankruptcy Court's orders, if any, affecting Cash collateral or providing adequate protection to Holders of Secured Claims;
- (j) To correct any defect, to cure any omission, or to reconcile any inconsistency of this Plan, the Disclosure Statement or the Confirmation Order as may be necessary or desirable to carry out the purposes and intent of this Plan;
- (k) To interpret and construe the terms and conditions of this Plan and to determine all questions arising in connection with implementation of this Plan;
- (l) To enter any order, including injunctions, necessary to enforce the title, rights, powers, and duties of the Debtor and to impose such limitations, restrictions, terms, and conditions on such title, rights, powers, and duties as the Bankruptcy Court may deem necessary (non-exclusive);
- (m) To resolve any objection that may be filed regarding any action taken or proposed to be taken by the Plan Trustee under this Plan (provided that the Plan Trustee shall not be obligated to obtain Bankruptcy Court approval for any action proposed to be taken or to provide notice to interested parties of any proposed action to be taken except as otherwise expressly provided in this Plan);

- (n) To enter any order concluding and closing the Case; and
- (o) To determine such other matters or proceedings as may be provided for under Title 28, the Bankruptcy Code, the Bankruptcy Rules, this Plan, or the Confirmation Order.

11.2 Closing of Case. Provided that all Disputed Claims have been finally resolved, the Bankruptcy Court, upon application of the Debtor, and after notice and hearing, may determine that this Plan has been substantially consummated, and enter a Final Decree, pursuant to Section 350 of the Bankruptcy Code, notwithstanding the fact that additional funds or property may eventually be distributed to parties in interest. In such event, the Bankruptcy Court may enter an order closing the Confirmed Case pursuant to Section 350 of the Bankruptcy Code, provided, however, that (a) the Debtor shall continue to have the rights, powers, and duties set forth in this Plan and (b) the Bankruptcy Court from time to time may reopen the Confirmed Case if appropriate for the purpose of administering assets, enforcing provisions of this Plan or supervising its implementation, or for other cause.

## ARTICLE 12

### **MISCELLANEOUS**

12.1 Withholding and Reporting Requirements. In connection with this Plan and all instruments issued in connection therewith and all Distributions thereon, the Debtor shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority and all Distributions shall be subject to any such withholding and reporting requirements.

12.2 Amendments to this Plan. The Debtor reserves its right in accordance with the Bankruptcy Code to amend or modify this Plan prior to the entry of the Confirmation Order, and further reserves its right, in accordance with the Bankruptcy Code, to amend or to modify this Plan prior to entry of the Confirmation Order to remedy any provision of this Plan which is found to violate Section 1129(b) of the Bankruptcy Code. After entry of the Confirmation Order, the Debtor may amend or modify this Plan or remedy any defect or omission or reconcile any inconsistency in this Plan in such a manner as may be necessary to carry out the purpose and intent of this Plan.

12.3 Necessary Acts. Upon application of the Debtor, the Bankruptcy Court may issue an order directing any necessary party to execute, to deliver, or to join in the execution or delivery of any instrument or documents and to perform any other action necessary for the consummation of this Plan.

12.4 Waiver of Federal Rule of Civil Procedure 62(a). The Debtor may request that the Confirmation Order include a finding that Rule 62(a) of the Federal Rules of Civil Procedure shall not apply to the Confirmation Order and authorization for the Debtor to consummate this Plan immediately after entry of the Confirmation Order.

12.5 Time. Bankruptcy Rule 9006 shall be used to compute any period of time prescribed or allowed by this Plan.

12.6 Cramdown. The Debtor reserves the right to seek confirmation of this Plan under Section 1129(b) of the Bankruptcy Code, notwithstanding the failure of any impaired class to accept this Plan.

12.7 No Admissions; Objections to Claims. Nothing in this Plan shall be deemed to constitute an admission that any Person referred to herein as being the Holder of a Claim is the Holder of an Allowed Claim, except as otherwise expressly provided in this Plan. The failure of the Debtor to object to or examine any Claim for purposes of voting shall not be deemed a waiver of the Debtor's right to object to or reexamine such Claim, in whole or in part.

12.8 No Bar to Suits. Neither this Plan nor its confirmation in the Case shall operate to bar or estop the Debtor or the Plan Trustee from commencing any action, suit or proceeding against any Holder of a Claim or any other Person on any Cause of Action (except as herein released), whether such Cause of Action arose prior to or after the Confirmation Date and whether or not the existence of such Cause of Action was disclosed in the Disclosure Statement.

12.9 Section 1146 Exemption. Pursuant to Section 1146(c) of the Bankruptcy Code, the issuance, transfer or exchange of any security under this Plan or the making or delivery of any instrument or transfer pursuant to, in implementation of or as contemplated by this Plan or the transfer of any property pursuant to this Plan shall not be taxed under any state or local law imposing a stamp tax, transfer tax or similar tax or fee.

12.10 Successors and Assigns. The rights and obligations of any Person named or referred to in this Plan shall be binding upon and inure to the benefit of the successors and assigns of such Person.

12.11 Conflict. The terms of this Plan shall govern in the event of any inconsistency with the summaries of this Plan set forth in the Disclosure Statement.

12.12 Delayed Effective Date. If the Effective Date does not occur on or before thirty (30) days after the Confirmation Date, upon notification submitted by the Debtor to the Bankruptcy Court: (i) the Confirmation Order shall be vacated, (ii) no Distributions under this Plan shall be made, (iii) the Debtor and all Holders of Claims and Shareholder Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred, and (iv) the Debtor's obligations with respect to the Claims and Shareholder Interests shall remain unchanged and nothing in this Plan shall constitute or be deemed a waiver or release of any Claims or Shareholder Interests by or against the Debtor or any other Person or prejudice in any manner the rights of the Debtor or any Person in any further proceedings involving the Debtor.

Dated:                   Birmingham, Alabama  
                          December 19, 2007

**FLORIDA SELECT INSURANCE AGENCY, INC.**  
**Debtor and Debtor-in-Possession**

By: /s/ Ralph Brotherton

Name: Ralph Brotherton

Title: President