

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
FB Liquidating Estate, <u>et al.</u> , ¹)	Case No. 09-11525 (MFW)
)	(Jointly Administered)
Debtors.)	
_____)	

**JOINT PLAN OF LIQUIDATION OF FB LIQUIDATING ESTATE,
ET AL., AND THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

Counsel for Debtors and Debtors in Possession:

PACHULSKI STANG ZIEHL & JONES LLP
Laura Davis Jones (Bar No. 2436)
Michael Seidl (Bar No. 3889)
Mark M. Billion (Bar No. 5263)
919 N. Market Street, 17th Floor
P.O. Box 8705
Wilmington, DE 19899-8705
Telephone: 302-652-4100
Facsimile: 302-652-4400

David Bertenthal
150 California Street
15th Floor
San Francisco, CA 94111-4500
Telephone: 415-263-7000
Facsimile: 415-263-7010

Counsel for Official Committee of Unsecured Creditors:

COOLEY GODWARD KRONISH LLP
Lawrence C. Gottlieb (LG 2565)
Cathy R. Hershcopf (CH 5875)
Jeffrey L. Cohen (JC 2556)
1114 Avenue of the Americas
New York, NY 10036
Telephone: 212-479-6000
Facsimile: 212- 479-6275

-and-

MORRIS NICHOLS ARSHT & TUNNEL LLP
Robert Dehney (Bar No. 3518)
Eric Schwartz (Bar No. 3134)
Matthew Harvey (Bar No. 5186)
1201 North Market Street, 18th Floor
P.O. Box 1347
Wilmington, DE 19899-1347
Telephone: 302-658-9200
Facsimile: 302-658-3989

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Filene's Basement, Inc. (now known as "FB Liquidating Estate") (8237), FB Services LLC (7224); and FB Leasing Services LLC (7226). The address for all Debtors is 25 Corporate Drive, Burlington, MA 01803.

TABLE OF CONTENTS

PRELIMINARY STATEMENT 1

I. DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME AND GOVERNING LAW 2

 A. Rules of Interpretation, Computation of Time and Governing Law 2

 B. Defined Terms 3

 1. “Administrative Claim” 4

 2. “Administrative Claims Bar Date” 4

 3. “Administrative Claims Bar Date Order” 4

 4. “Administrative Claim Objection Deadline” 5

 5. “Allowed” 5

 6. “Allowed Claim” 5

 7. “Assets” 5

 8. “Available Cash” 6

 9. “Avoidance Actions” 6

 10. “Ballots” 6

 11. “Bankruptcy Code” 6

 12. “Bankruptcy Court” 6

 13. “Bankruptcy Rules” 6

 14. “Business Day” 6

 15. “Buxbaum Releasees” 6

 16. “Cash” 7

 17. “Chapter 11 Cases” 7

 18. “Claim” 7

 19. “Claimant” 7

 20. “Claims Agent” 7

 21. “Claims Reserve Account” 7

 22. “Class” 8

 23. “Committee” 8

 24. “Confirmation” 8

 25. “Confirmation Date” 8

 26. “Confirmation Order” 8

 27. “Consummation” or “Consummate” 8

 28. “Contingent Claim” 9

 29. “Convenience Claim” 9

 30. “Corporate Representative” 9

 31. “Creditor” 9

 32. “Debt” 9

 33. “Debtors” 9

 34. “Debtors in Possession” 9

 35. “Disallowed Claim” 9

 36. “Disclosure Statement” 10

37.	“Disputed”	10
38.	“Disputed Claim”	10
39.	“Disputed Claims Amount”	11
40.	“Distribution Dates”	11
41.	“Distribution Record Date”	11
42.	“Effective Date”	11
43.	“Entity”	11
44.	“Equity Interest”	12
45.	“Estates”	12
46.	“Expenses”	12
47.	“File” or “Filed”	12
48.	“Final Decree”	12
49.	“Final Distribution Date”	13
50.	“Final Order”	13
51.	“Final Resolution Date”	13
52.	“General Bar Date”	13
53.	“General Unsecured Claims”	13
54.	“Governmental Unit”	13
55.	“Holder”	13
56.	“Impaired”	14
57.	“Initial Distribution Date”	14
58.	“Insider”	14
59.	“Intercompany Claim”	14
60.	“Interim Fee Order”	14
61.	“Lien”	14
62.	“Liquidation Proceeds”	14
63.	“Litigation”	14
64.	“Litigation Recovery”	15
65.	“Net Proceeds”	15
66.	“Objection Deadline”	15
67.	“Petition Date”	15
68.	“Plan”	15
69.	“Plan Interest Rate”	16
70.	“Plan Objection Deadline”	16
71.	“Plan Proponents”	16
72.	“Plan Supplement”	16
73.	“Post-Effective Committee”	16
74.	“Present Value”	16
75.	“Preserved Setoff Rights”	16
76.	“Priority Claim”	17
77.	“Priority Tax Claim”	17
78.	“Pro Rata”	17
79.	“Proceeds”	17
80.	“Professional”	17
81.	“Professional Fee Claim”	18
82.	“Proof of Claim”	18

83.	“RVI/DSW Releasees”	18
84.	“Schedules”	18
85.	“Secured Claim”	18
86.	“Subsequent Distribution Date”	19
87.	“Tax”	19
88.	“Tax Claim”	19
89.	“Unimpaired”	19
90.	“Unliquidated Claim”	19
91.	“Unsecured Claim”	19
92.	“U. S. Trustee”	19
93.	“Voting Instructions”	20
94.	“Voting Record Date”	20
95.	“WARN Act Claims”	20
96.	“WARN Act Claims Bar Date”	20
II. UNCLASSIFIED ADMINISTRATIVE CLAIMS, PROFESSIONAL FEES AND PRIORITY TAX CLAIMS		20
A. Introduction		20
B. Administrative Claims		20
C. Professional Fee Claims		22
D. Priority Tax Claims		24
III. CLASSIFICATION AND TREATMENT OF CLASSIFIED CLAIMS AND EQUITY INTERESTS		24
A. Summary		24
B. Classification and Treatment of Claims against the Debtors		25
1. Class 1 – Priority Claims		25
2. Class 2 – Secured Claims		26
3. Class 3 – General Unsecured Claims		27
4. Class 4 – Convenience Claims		28
5. Class 5 – Equity Interests		28
IV. ACCEPTANCE OR REJECTION OF THE PLAN		28
A. Voting Classes		28
B. Acceptance by Impaired Classes		29
C. Presumed Rejection of Plan		29
D. Nonconsensual Confirmation		29
E. How to Vote		30
V. MEANS FOR IMPLEMENTATION OF THE PLAN		31
A. Available Cash		31
B. Handling and Collection of Assets and Distribution of Net Proceeds.		31

C.	Litigation.	32
D.	Payment of Expenses.	33
E.	Distribution of Proceeds.	33
F.	Power and Authority of Corporate Representative.....	33
G.	The Committee and Post-Effective Committee.....	35
H.	Rights and Duties of the Post-Effective Committee.....	37
I.	Full and Final Satisfaction.	38
J.	Distribution Procedures.	38
K.	Resolution of Disputed Claims.....	39
L.	Claims Reserve Account.	40
M.	Reserve Provisions for Disputed Claims.....	41
N.	Allocation of Distributions.	43
O.	Rounding.	43
P.	No Interim Cash Payments of Less Than \$50 on Account of Allowed Claims.	43
Q.	Unclaimed Property.....	44
R.	Setoffs.....	44
S.	No Distributions on Late-Filed Claims.	44
T.	Withholding Taxes.	45
U.	De Minimis Distributions; Charitable Donation.	45
V.	United States Trustee Fees.	46
VI.	TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES.....	46
A.	Rejection of Executory Contracts and Unexpired Leases	46
B.	Claims Based on Rejection of Executory Contracts or Unexpired Leases.....	47
VII.	CONDITIONS PRECEDENT TO CONFIRMATION OF THE PLAN AND TO THE EFFECTIVE DATE	47
A.	Conditions to Confirmation of the Plan.....	47
B.	Effect of Failure of Conditions to Confirmation.	48
C.	Conditions to Effective Date.	48
D.	Substantive Consolidation of the Chapter 11 Cases.....	48
1.	Substantive Consolidation Order.....	48
2.	Effect/Extent of Substantive Consolidation.....	49
3.	Reservation of Rights.....	49
E.	Effective Date.	50

VIII. EFFECTS OF CONFIRMATION.....	50
A. Binding Effect of Plan.	50
B. Property Free and Clear.	50
C. Limitation of Liability.	51
D. Releases.	52
E. Injunction.	53
F. Post-Confirmation Liability of Corporate Representative, Debtors and Post-Effective Committee.	54
G. Insurance.....	55
IX. RETENTION OF JURISDICTION	56
X. MISCELLANEOUS	58
A. Revocation of Plan of Liquidation.....	58
B. Severability of Plan Provisions.....	58
C. Governing Law.	58
D. Exhibits.	59
E. Notices.	59
F. Reservation of Rights.	60
G. Computation of Time Periods.....	61
H. Defects, Omissions and Amendments.	61
I. Filing of Additional Documents.	62
J. Successors and Assigns.	62
K. Setoffs and Recoupments.	62
L. Tax Exemption.	62
M. Securities Exemption.	63
N. Plan Interest Rate.	63
O. Implementation.	63
P. Record Date.	64
Q. Certain Actions.	64
R. Waiver of Ten (10) Day Stay.	65
S. Substantial Consummation.	65

PRELIMINARY STATEMENT

Pursuant to Chapter 11, title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (the “Bankruptcy Code”), FB Liquidating Estate (formerly known as Filene’s Basement, Inc. (“Filene’s Basement”)), FB Services LLC (“FB Services”) and FB Leasing Services LLC (“FB Leasing”), the debtors and debtors-in-possession in the above-captioned Chapter 11 Cases (the “Debtors”) and the Official Committee of Unsecured Creditors hereby respectfully propose the following Joint Plan of Liquidation.² The Plan sets forth a proposal for the satisfaction of all Claims against the Debtors. Along with the Plan, Creditors entitled to vote will receive a Ballot for voting on the Plan and a Disclosure Statement that provides information concerning the Debtors and the Plan.

The Disclosure Statement accompanying the Plan, and the exhibits thereto, includes a discussion of the Debtors’ history, business, results of operations and properties, the post-petition liquidation of substantially all of the Debtors’ assets, a summary of the assets and liabilities of the Debtors, a summary of what Creditors and Equity Interest Holders can expect to receive under the Plan, a summary of the procedures and voting requirements necessary for confirmation of the Plan and a discussion of certain alternatives to the Plan in the event that the Plan is not confirmed. All Holders of Claims and Equity Interests should read the Disclosure Statement and the Plan carefully -- and consult with their counsel and other applicable professionals -- before voting to accept or reject the Plan.

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

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

The Plan proposes to substantively consolidate the Debtors' estates and to vest all of the assets of the consolidated Debtors into a single estate for distribution in accordance with the Plan.

I.

DEFINED TERMS, RULES OF INTERPRETATION,

COMPUTATION OF TIME AND GOVERNING LAW

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

1. For purposes of the Plan: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and each pronoun, whether stated in the masculine, feminine or neuter gender, shall include the masculine, feminine and the neuter gender; (b) any reference in the Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) any reference in the Plan to an existing document

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

or exhibit Filed, or to be Filed, shall mean such document or exhibit, as it may have been or may be amended, modified or supplemented; (d) unless otherwise specified, all references in the Plan to Sections, Articles and Exhibits are references to Sections, Articles and Exhibits of or to the Plan; (e) the words “herein,” “hereof,” “hereunder,” and “hereto” and similar terms refer to the Plan in its entirety rather than to a particular portion of the Plan; (f) references to part includes the whole, except where the context clearly requires otherwise; (g) “or” has the inclusive meaning represented by the phrase “and/or”; (h) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (i) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (j) any term used in capitalized form in the Plan that is not defined herein but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

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

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

B. Defined Terms

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

1. “Administrative Claim” means a Claim for costs and expenses of administration under section 503(b), 507(b), 503(b)(9) or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estates; (b) the value of any goods received by a Debtor within 20 days before the Petition Date to the extent that goods were sold to the Debtors in the ordinary course of the Debtors’ business; (c) compensation for legal, financial advisory, accounting and other services and reimbursement of expenses awarded or allowed under section 330(a) or 331 of the Bankruptcy Code; (d) all fees and charges assessed against the Estates under 28 U.S.C. §§ 1911-1930; (e) all obligations designated as Allowed Administrative Claims pursuant to an order of the Bankruptcy Court; and (f) any Allowed Tax Claims incurred by the Debtors after the Petition Date or relating to a tax year or period which occurs after the Petition Date.

2. “Administrative Claims Bar Date” means the applicable last date set by the Bankruptcy Court pursuant to an Administrative Claims Bar Date Order for a Claimant to file a request for payment of any Administrative Claim.

3. “Administrative Claims Bar Date Order” means the orders setting any Administrative Claims Bar Date, which order shall be: (a) the *Order (A) Fixing the Procedures and Deadlines To File Proofs of Claim, (B) Approving the Form and Manner of the Notice of Bar Dates, and (C) Granting Related Relief* [Docket No. 524], entered on July 21, 2009, with respect to Administrative Claims (other than claims for fees and expenses of professionals retained in these proceedings and members of the Committee) arising on or prior to July 31,

2009, or (b) the Confirmation Order with respect to Administrative Claims arising between August 1, 2009, and the Effective Date.

4. “Administrative Claim Objection Deadline” has the meaning ascribed in section II.B of the Plan. “Allowed” means, with respect to any Claim, except as otherwise provided herein: (a) a Claim that has been scheduled by the Debtors in their Schedules as other than disputed, contingent or unliquidated and as to which the Debtors or other party in interest have not Filed an objection on or before the 120th day after the Effective Date; (b) a Claim that is set forth in a timely Filed Proof of Claim as to which no objection has been Filed and which is not otherwise a Disputed Claim; (c) a Claim that has been allowed by a Final Order; (d) a Claim that is allowed: (i) in any stipulation in the amount and nature of Claim executed by the Debtors prior to the Effective Date and approved by the Bankruptcy Court, (ii) in any stipulation in the amount and nature of Claim executed by the Corporate Representative on or after the Effective Date, (iii) in any contract, instrument, indenture or other agreement entered into or assumed by Debtors in connection with and in accordance with the Plan, or (iv) any Claim agreed to by the Debtors in both priority and in amount; or (e) a Claim that is Allowed pursuant to the terms of this Plan.

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

7. “Assets” means any and all real property or personal property assets, rights or interests of Debtors, whether tangible or intangible, and any Liquidation Proceeds realized therefrom, including without limitation, all Cash of the Debtors, all Litigation, and any Litigation Recovery.

8. “Available Cash” means the aggregate amount of all Cash held by the Debtors on the Effective Date, including the Cash from any Litigation Recovery or any Liquidation Proceeds collected by the Debtors prior to the Effective Date.

9. “Avoidance Actions” mean all claims and causes of action that the Debtors have or had the power to assert pursuant to any or all of sections 510, 544, 545, 547, 548, 549, 550 and 551 of the Bankruptcy Code, under any similar or related law, or under fraudulent transfer or preference laws.

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

11. “Bankruptcy Code” means title I of the Bankruptcy Reform Act of 1978, as amended from time to time, as set forth in sections 101 *et seq.* of title 11 of the United States Code, and applicable portions of titles 18 and 28 of the United States Code.

12. “Bankruptcy Court” means the United States Bankruptcy Court for the District of Delaware having jurisdiction over these Chapter 11 Cases.

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

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

15. “Buxbaum Releasees” means FB II Acquisition Corp., its subsidiaries and other affiliates (excluding the Debtors and any of their subsidiaries) and their respective

stockholders, directors, managers, officers, employees, agents, attorneys and representatives (excluding such persons of the Debtors and any of their subsidiaries which may from time to time exist).

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

17. “Chapter 11 Cases” means the jointly administered cases commenced under Chapter 11 of the Bankruptcy Code by the Debtors on the Petition Date, styled *In re FB Liquidating Estate, et al.*, Case No. 09-11525 (MFW), currently pending before the Bankruptcy Court.

18. “Claim” means a claim (as defined in section 101(5) of the Bankruptcy Code) against Debtors, including, but not limited to: (a) any right to payment from Debtors whether or not such right is reduced to judgment, liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (b) any right to an equitable remedy for breach of performance if such performance gives rise to a right of payment from Debtors, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

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

20. “Claims Agent” means Epiq Bankruptcy Solutions, LLC, which was appointed as the Debtors’ claims, notice and balloting agent.

21. “Claims Reserve Account” means an interest bearing bank account or money market account to be established and held by the Debtors on or after the Effective Date

for the purpose of holding the Assets and Proceeds to be distributed under the Plan and any interest, dividends or other income earned upon the investment of such Claims Reserve Account. The Claims Reserve Account will be funded by the Debtors on or immediately after the Effective Date with the Available Cash and, following the Effective Date, from time to time, by the Debtors, with: (i) any Liquidation Proceeds realized after the Effective Date, plus (ii) any Litigation Recovery realized after the Effective Date, minus (iii) any amounts necessary to pay Expenses.

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

23. “Committee” means the Official Committee of Unsecured Creditors appointed by the U.S. Trustee in this Chapter 11 Case on May 12, 2009 (Docket No. 91).

24. “Confirmation” means the entry of the Confirmation Order, subject to all conditions specified in Article 7 of the Plan having been (a) satisfied or (b) waived pursuant to Article 7.

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

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

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

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

29. “Convenience Claim” means any individual Allowed Unsecured Claim in the amount of \$4,000 or less, or multiple Allowed Unsecured Claims of a single Holder that aggregate \$4,000 or less, classified in section III. B. 4. of the Plan.

30. “Corporate Representative” means Alan Cohen of Abacus Advisors or any successor thereto as may be designated pursuant to Section 5(F) hereof to serve as the sole representative, director, officer and responsible person of the Debtors after the Effective Date.

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

32. “Debt” means liability on a Claim.

33. “Debtors” means FB Liquidating Estate (formerly known as Filene’s Basement, Inc.), FB Services LLC and FB Leasing Services LLC.

34. “Debtors in Possession” means FB Liquidating Estate (formerly known as Filene’s Basement, Inc.), FB Services LLC and FB Leasing Services LLC as debtors in possession in these Chapter 11 Cases pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

35. “Disallowed Claim” means (i) a Claim, or any portion thereof, that has been disallowed by a Final Order or by other agreement of a Claimant; (ii) a Claim that has been

listed in the Schedules at zero or as contingent, disputed, or unliquidated and as to which no Proof of Claim has been timely Filed or deemed timely Filed with the Bankruptcy Court pursuant to the Bankruptcy Code, Final Order, or other applicable law; or (iii) a Claim that has not been listed in the Schedules and as to which no Proof of Claim has been timely Filed or deemed timely Filed with the Bankruptcy Court pursuant to the Bankruptcy Code, Final Order, or other applicable law.

36. “Disclosure Statement” means the *Disclosure Statement in Respect of Joint Plan of Liquidation of FB Liquidating Estate, et al., and the Official Committee of Unsecured Creditors Pursuant to Chapter 11 of the Bankruptcy Code* dated _____, 2009, as amended, supplemented, or modified from time to time, describing the Plan, that was prepared and distributed in accordance with the Bankruptcy Code and Bankruptcy Rules and other applicable law.

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

38. “Disputed Claim” means: (i) any Claim or portion of a Claim as to which an objection to the allowance thereof has been interposed as of the Effective Date or any later

deadline fixed under the Plan or by order of the Bankruptcy Court, which objection has not been withdrawn or determined by Final Order; (ii) any Claim scheduled by the Debtors in the Schedules as disputed, contingent or unliquidated; (iii) a Proof of Claim Filed in a greater amount, or of a different nature or priority, than the amount, nature, or priority listed for that Claim in the Schedules; or (iv) a Claim that is not listed in the Schedules.

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

40. “Distribution Dates” means collectively the Initial Distribution Date, any Subsequent Distribution(s) Date and the Final Distribution Date.

41. “Distribution Record Date” means the close of business on the Business Day immediately preceding the Effective Date.

42. “Effective Date” means the date selected by Debtors which is a Business Day after the Confirmation Date on which: (a) no stay of the Confirmation Order is in effect, and (b) all conditions specified in Article 7 of the Plan have been satisfied, unless waived by the Debtors.

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

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

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

46. “Expenses” means the expenses incurred by the Debtors and the Post-Effective Committee following the Effective Date (including the fees and costs of attorneys and other professionals) for the purpose of: (i) prosecuting or otherwise attempting to collect or realize upon the Litigation; (ii) selling or collecting upon any of the Assets or otherwise incurred following the Effective Date in connection with generating the Liquidation Proceeds; (iii) resolving Disputed Claims and effectuating distributions to Creditors under the Plan; or (iv) otherwise implementing the Plan and closing the Chapter 11 Cases, including, but not limited to post-Effective Date taxes, if any (such as for income, if any, in the Disputed Claims Reserve) and wind-down expenses (such as document storage and final tax returns) and the cost of any bond or insurance obtained for the protection of the Debtors or the Corporate Representative.

47. “File” or “Filed” means file or filed with the Bankruptcy Court or its authorized designee in these Chapter 11 Cases.

48. “Final Decree” means the decree contemplated under Bankruptcy Rule 3022.

49. “Final Distribution Date” means the date of the last payment to Holders of Allowed Claims in accordance with the provisions of the Plan.

50. “Final Order” means an order or judgment of the Bankruptcy Court or other court of competent jurisdiction: (i) which has not been reversed, stayed, modified or amended; (ii) as to which the time to or the right to appeal or seek reconsideration, review, rehearing, or certiorari has expired or been waived (without regard to whether the time to seek relief from a judgment under Bankruptcy Rule 9024 has expired); and (iii) as to which no timely appeal or petition for reconsideration, review, rehearing, or certiorari is pending.

51. “Final Resolution Date” means the date on which all Disputed Claims in each and every Class shall have been resolved by Final Order or otherwise finally determined.

52. “General Bar Date” means 4:00 p.m. prevailing Eastern time on September 28, 2009, for non-Governmental Units and 4:00 p.m. prevailing Eastern time on November 2, 2009, for Governmental Units, other than with respect to those Claims that are expressly excluded from the General Bar Date pursuant to order of the Bankruptcy Court or that are otherwise governed by order of the Bankruptcy Court.

53. “General Unsecured Claims” means Unsecured Claims.

54. “Governmental Unit” means the United States and any state, commonwealth, district, territory, municipality, department, agency, or instrumentality of the United States (but not a United States trustee while serving as a trustee in a case under this title), or any foreign state.

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

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

57. “Initial Distribution Date” means the Effective Date, or as soon as practicable thereafter when the initial distribution shall be made to the Holders of Allowed Unsecured Claims, as determined by the Debtors in their reasonable discretion.

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

59. “Intercompany Claim” means a Claim held by a Debtor against another Debtor.

60. “Interim Fee Order” means that certain “Administrative Order Establishing Procedures for Interim Compensation Pursuant to Section 331 of the Bankruptcy Code” [Docket No. 188] entered by the Bankruptcy Court on May 26, 2009.

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

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

63. “Litigation” means the interest of the Estates or the Debtors, as applicable, in any and all claims, rights and causes of action which have been or may be commenced by the Debtors. Litigation includes, without limitation, any: (i) Avoidance Action; (ii) action for the turnover of property to the Debtors; (iii) action for the recovery of property or payment of money that belongs to or can be asserted by the Debtors; (iv) action for compensation for damages

incurred by the Debtors; (v) equitable subordination actions against Creditors; and (vi) any other claim or counterclaim by the Debtors against any Creditor.

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

65. “Net Proceeds” means all Proceeds after the deduction of amounts to be paid for, or deposited to or withheld in the Claims Reserve Account from any unencumbered Cash on account of, or in anticipation of, payment of Expenses and, as to each Holder of an Allowed Claim, other than Secured Claims, after deduction of amounts for payments made or to be made (or for deposits made or to be made into the Claims Reserve Account on account of Disputed Claims) with respect to Claims (including unclassified claims that are Administrative Claims and Priority Tax Claims) that are senior in priority to the Claims of such Class.

66. “Objection Deadline” has the meaning ascribed in section IV.K of the Plan.

67. “Petition Date” means May 4, 2009, the date on which each Debtor Filed a voluntary petition for relief commencing its Chapter 11 Case.

68. “Plan” means this Plan of Liquidation, either in its present form or as it may be altered, amended, modified or supplemented from time to time in accordance with the Plan, the Bankruptcy Code and the Bankruptcy Rules, including, without limitation, any exhibits

and schedules hereto, either in its present form or as the same may be amended, modified or supplemented from time to time in accordance with the terms and provisions hereof.

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

70. “Plan Objection Deadline” means the deadline established by the Bankruptcy Court for filing and serving objections to Confirmation of the Plan.

71. “Plan Proponents” means, collectively, the Debtors and the Committee.

72. “Plan Supplement” means the pleading or pleadings identified in the Plan or Disclosure Statement for filing with the Bankruptcy Court prior to the Confirmation Hearing, which shall include certain exhibits and schedules to this Plan, as well as documents, agreements, and instruments evidencing and effectuating the Plan.

73. “Post-Effective Committee” means the Committee as it shall be reconstituted and function after the Effective Date in accordance with this Plan.

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

75. “Preserved Setoff Rights” means, with respect to each Entity released in Section 8(E)(1) of this Plan where this term is used, an exclusion from such release that permits any claim, debt, or cause of action of the Debtors or the Estates against such Entity to be asserted defensively, as a setoff, counter-claim or cross-claim, in response to and in reduction of any

Claim asserted by such Entity against the Debtors or the Estate, notwithstanding the releases in Section 8(E)(1) hereof.

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

77. “Priority Tax Claim” means a Claim of a governmental unit of the kind specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

78. “Pro Rata” means proportionately so that, with respect to a Claim, the ratio of: (a) (i) the amount of property distributed on account of a particular Claim to (ii) the Allowed amount of the Claim, is the same as the ratio of (b) (i) the amount of property distributed on account of all Allowed Claims in the Class or Classes entitled to share in the applicable distribution to (ii) the amount of all Allowed Claims in such Class or Classes.

79. “Proceeds” means the aggregate amount of Cash or other funds of the Debtors available for payment of the Allowed Claims of Creditors of the Debtors, including, without limitation, available Cash of the Debtors and any proceeds of Assets.

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

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

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

83. “RVI/DSW Releasees” means Retail Ventures, Inc., DSW, Inc., and their respective officers, directors, subsidiaries, agents, attorneys, and employees, and the Buxbaum Releasees.

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

85. “Secured Claim” means any Claim that is secured in whole or part, as of the Petition Date, by a Lien that is valid, perfected and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law, or subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of such Lien or right of setoff as determined under sections 506(a) or 1129(b) of the Bankruptcy Code, as applicable.

86. “Subsequent Distribution Date” means any date after the Initial Distribution Date upon which the Debtors make a distribution to any Holders of Allowed Unsecured Claims.

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

88. “Tax Claim” means all or that portion of an Allowed Claim held by a Governmental Unit for a tax assessed or assessable against the Debtors, including income and employment taxes and any related penalties or interest.

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

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

91. “Unsecured Claim” means any Claim against any of the Debtors or their Estates that is not a Secured Claim, Administrative Claim, Priority Tax Claim or Priority Claim.

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

93. “Voting Instructions” means the instructions for voting on the Plan contained in Article 1 of the Disclosure Statement and in the Ballots.

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

95. “WARN Act Claims” means Claims arising under the WARN Act or any other similar state law worker notification statute.

96. “WARN Act Claims Bar Date” means, as to any WARN Act Claims arising as at any time on or prior to July 31, 2009, 4:00 p.m. prevailing Eastern time on September 28, 2009.

II.

UNCLASSIFIED ADMINISTRATIVE CLAIMS,

PROFESSIONAL FEES AND PRIORITY TAX CLAIMS

A. Introduction

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

B. Administrative Claims

Each Holder of an Allowed Administrative Claim shall receive, from Net Proceeds, without interest, Cash equal to the Allowed amount of such Claim, unless such Holder shall have agreed to different treatment of such Claim: (a) on or as soon as practicable after the later of (i) the Effective Date, or (ii) the date upon which the Bankruptcy Court enters a Final Order determining or approving such Claim; (b) in accordance with the terms and conditions of agreements between the Holders of such Claims and the Debtors; (c) with respect to any Administrative Claims representing obligations incurred in the ordinary course of the Debtors' business, upon such regular and customary payment or performance terms as may exist in the ordinary course of the Debtors' business or as otherwise provided in the Plan; or (d) with respect to statutory fees due pursuant to 28 U.S.C. § 1930(a)(6), until the entry of a final decree or an order converting or dismissing the case.

Holders of Administrative Claims (including, without limitation, Professionals) requesting compensation or reimbursement of such expenses pursuant to sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code that do not file such requests by the applicable deadline provided for herein shall be forever barred from asserting such claims against the Debtors, their Estate, the Corporate Representative, or their successors or assigns, or their property. Any objection to Professional Fee Claims shall be Filed on or before the objection deadline specified in the application for final compensation or order of the Bankruptcy Court.

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

discharged. As provided herein, the Claims Reserve Account will include funds sufficient to cover the aggregate asserted amount of all disputed Administrative Claims. Without limiting the foregoing, all fees payable under 28 U.S.C. § 1930 that have not been paid, shall be paid on or before the Effective Date.

All objections to allowance of Administrative Claims (excluding Professional Fee Claims) must be filed by any parties in interest no later than sixty (60) days after (i) the Administrative Claim Bar Date or (ii) the date on which a request for payment of an Administrative Claim is filed with the Bankruptcy Court (the "Administrative Claim Objection Deadline"). The Administrative Claim Objection Deadline may be extended for one thirty (30) day period by the Debtors, in consultation with the Post-Effective Committee, by filing a notice of the extended Administrative Claim Objection Deadline with the Bankruptcy Court. Thereafter, the Administrative Claim Objection Deadline may be further extended only by an order of the Bankruptcy Court. If no objection to the applicable Administrative Claim is filed on or before the Administrative Claim Objection Deadline (as extended), such Administrative Claim shall be deemed Allowed as of that date.

C. Professional Fee Claims

The Debtors shall pay Professionals all of their respective accrued and Allowed fees and reimbursement of expenses arising prior to the Effective Date, plus reasonable fees for services rendered, and actual and necessary costs incurred, in connection with the filing, service and prosecution of any applications for allowance of Professional Fees pending on the Effective Date or Filed and/or served after the Effective Date, plus post-Effective Date fees approved by the Debtors.

The Bankruptcy Court must rule on and allow all Pre-Effective Date Professional Fee Claims before the fees will be owed and paid. Unless otherwise ordered by the Bankruptcy Court, for all Pre-Effective Date Professional Fee Claims, except Bankruptcy Clerk's Office fees, the fees and expenses of the Claims Agent, and U.S. Trustee's fees, the Professional in question must file and serve a properly noticed final fee application and the Bankruptcy Court must rule on the application. Only the amount of fees and expenses Allowed by the Bankruptcy Court will be owed and required to be paid under the Plan.

The Debtors and Post-Effective Committee may retain and compensate professionals for services rendered following the Effective Date without order of the Bankruptcy Court. From and after the Effective Date, the Corporate Representative shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses of Professionals, as well as Epiq Bankruptcy Solutions, LLC, thereafter incurred on behalf of the Debtors, the Corporate Representative and the Post-Effective Committee, including, without limitation, those fees and expenses incurred in connection with the implementation and consummation of this Plan. The fees and expenses of such Professionals, as well as Epiq Bankruptcy Solutions, LLC, shall be paid within fifteen (15) business days after submission of a detailed invoice thereof to (i) the Corporate Representative; (ii) counsel for the Post-Effective Committee; and (iii) the Debtors. If any of the parties listed in (i) – (iii) in the previous sentence dispute the reasonableness of any such invoice, the Debtors, the Corporate Representative, the Post-Effective Committee or the affected Professional may submit such dispute to the Bankruptcy Court for determination of reasonableness of such invoice, and the Disputed portion of such invoice shall not be paid until the dispute is resolved.

Professionals requesting compensation or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code or required to file fee applications by order of the Bankruptcy Court for services rendered prior to the Effective Date must File and serve pursuant to the notice provisions of the Interim Fee Order, an application for final allowance of compensation and reimbursement of expenses no later than sixty (60) days after the Effective Date. All such applications for final allowance of compensation and reimbursement of expenses will be subject to the authorization and approval of the Bankruptcy Court.

D. Priority Tax Claims

On the later to occur of (i) the Effective Date or (ii) the date on which such Claim shall become an Allowed Claim, the Debtors shall pay to each Holder of an Allowed Priority Tax Claim from the Net Proceeds the Allowed amount of such Allowed Priority Tax Claim without interest from the Petition Date.

III.

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

A. Summary

The categories of Claims and Equity Interests listed below classify Claims and Equity Interests for all purposes, including voting, Confirmation and distribution pursuant to the Plan and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or Equity Interest shall be deemed classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and shall be deemed classified in a

different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that such Claim or Equity Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date. As the Plan provides for substantive consolidation of the Debtors' estates, there is only a single Class for each category of Claims or Equity Interests into which all such Claims or Equity Interests against any one or more of the Debtors are classified.

B. Classification and Treatment of Claims against the Debtors

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

Class	Status	Voting Rights
Class 1 – Priority Claims	Unimpaired	Not Entitled to Vote
Class 2 – Secured Claims (if any) ⁴	Unimpaired	Not Entitled to Vote
Class 3 – General Unsecured Claims	Impaired	Entitled to Vote
Class 4 – Convenience Claims	Unimpaired	Not Entitled to Vote
Class 5 – Equity Interests	Impaired	Not Entitled to Vote

1. Class 1 – Priority Claims

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

b. Treatment: The Debtors shall pay from the Net Proceeds the Allowed amount of each Class 1 Priority Claim to each Entity holding a Class 1 Priority Claim as soon as practicable following the later of: (a) the Effective Date and (b) the date such Class 1 Priority Claim becomes an Allowed Claim (or as otherwise permitted by law). The Debtors shall

⁴ Each Holder of a Class 2 Claim constitutes a separate subclass under the Plan.

pay each Entity holding a Class 1 Priority Claim in Cash in full in respect of such Allowed Claim without interest from the Petition Date; *provided, however*, that such Entity may be treated on such less favorable terms as may be agreed to in writing by such Entity.

c. Voting: Class 1 is an Unimpaired Class and Holders of Class 1 Claims are not entitled to vote on the Plan.

2. Class 2 – Secured Claims

a. Classification: Class 2 consists of any Secured Claims. Each Holder of a Class 2 Claim, if any, constitutes a separate subclass under the Plan.⁵

b. Treatment: To the extent any Secured Claims exist, at the option of the Debtors, one of the following treatments shall be provided: (i) the Holder of such Claim shall retain its Lien on its collateral until such collateral is sold, and the proceeds of such sale, less costs and expenses of disposing of such collateral, shall be paid to such Holder in full satisfaction, release, and discharge of such Allowed Secured Claim; (ii) on or as soon as practicable after the later of (a) the Effective Date, or (b) the date upon which the Bankruptcy Court enters a Final Order determining or allowing such Claim, or as otherwise agreed between

⁵ The Debtors' primary secured lender, National City Business Credit, Inc. ("National City"), was owed approximately \$15,239,140.00 at the inception of these chapter 11 cases. The secured debt owing to National City was paid down pursuant to the Order (1) Authorizing Use of Cash Collateral, (2) Granting Adequate Protection, (3) Modifying the Automatic Stay and (4) Scheduling a Final Hearing entered on May 5, 2009 (Docket No. 45), the Order (Second Interim) (1) Authorizing Use of Cash Collateral, (2) Granting Adequate Protection, (3) Modifying the Automatic Stay and (4) Scheduling a Final Hearing entered on June 4, 2009 (Docket No. No. 260), the Order (Third Interim) (1) Authorizing Use of Cash Collateral, (2) Granting Adequate Protection, (3) Modifying the Automatic Stay and (4) Scheduling a Final Hearing entered on June 10, 2009 (Docket No. 299), and Order (Forth Interim) (1) Authorizing Use of Cash Collateral, (2) Granting Adequate Protection, (3) Modifying the Automatic Stay and (4) Scheduling a Final Hearing entered on June 18, 2009 (Docket No. 354). In addition, the Debtors consummated a sale of substantially all of their assets to SYL LLC on or about June 18, 2009 which was approved by the Bankruptcy Court pursuant to the Order (I) Approving Asset Purchase Agreement and Authorizing The Sale of Certain of the Debtors' Assets Outside The Ordinary Course of Business to SYL LLC, a Wholly-Owned Subsidiary of SYMS Corp, (II) Authorizing The Sale of Assets Free and Clear of All Liens, Encumbrances and Interests, (III) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (IV) Granting Related Relief (the "Sale Order") entered on June 17, 2009 (Docket No. 349). At closing, National City was paid the remaining balance on its secured debt of \$4,794,154.62.

the holder of such Claim and the Debtors, the Holder of such Secured Claim will receive a Cash payment equal to the amount of its Allowed Secured Claim in full satisfaction, release, and discharge of such Secured Claim; or (iii) the collateral securing the Creditor's Secured Claim shall be abandoned to such Creditor, in full satisfaction, release, and discharge of such Secured Claim.

- c. Voting: Class 2 is an Unimpaired Class and Holders of Class 2

Claims are not entitled to vote on the Plan.

3. Class 3 – General Unsecured Claims

- a. Classification: Class 3 consists of the Claims of Holders of General Unsecured Claims.⁶

- b. Treatment: Each Holder of an Allowed General Unsecured Claim shall receive a Pro Rata share of the Net Proceeds. Class 3 General Unsecured Claims are subject to all statutory, equitable and contractual subordination claims, rights and grounds available to the Debtors, the Estates and pursuant to this Plan, the Corporate Representative, which subordination claims, rights and grounds are fully enforceable prior to, on and after the Effective Date.

- c. Voting: Class 3 is an Impaired Class and Holders of Class 3

Claims are entitled to vote to accept or reject the Plan.

⁶ To the best of the Debtors' knowledge there are no intercompany claims between the Debtors. In addition, because these cases are being substantively consolidated, all intercompany obligations, if any, would be extinguished under the Plan. There are some claims against the Debtors by a former Filene's Basement shareholder, Retail Ventures, Inc. ("RVI") and one of its affiliates DSW, Inc. ("DSW"). Those claims have been settled pursuant to that certain *Extension and Modification Agreement* dated as of July 21, 2009 between DSW and FB Liquidating Estate, Inc. (the "DSW Settlement Agreement") and that certain *Stipulation and Agreement* dated September 25, 2009 between DSW, RVI, FB Services LLC, FB Leasing Services LLC, Filene's Basement, Inc. and the Committee (the "RVI Settlement Agreement"), both of which were approved by the Bankruptcy Court by orders entered on November 3, 2009.

4. Class 4 – Convenience Claims

- a. Classification: Class 4 consists of all Claims of Holders of Convenience Claims.
- b. Treatment: On or as soon as practicable after the Effective Date, each Holder of an Allowed Convenience Claim shall receive, in full and final satisfaction of its Claim, Cash equal to 100% of the Allowed amount of such Claim, as calculated without interest from the Petition Date, and no such Holder will be entitled to any future distribution.
- c. Voting: Class 4 is an Unimpaired Class and Holders of Class 4 Claims are not entitled to vote to accept or reject the Plan.

5. Class 5 – Equity Interests

- a. Classification: Class 5 consists of all Equity Interests in the Debtors.
- b. Treatment: There shall be no distribution on account of Class 5 Equity Interests. Upon the Effective Date, the Equity Interests will be deemed cancelled and will cease to exist.
- c. Voting: Holders of Class 5 Equity Interests will receive no distribution under the Plan and therefore are deemed to have rejected the Plan. Accordingly, Class 5 Equity Interests are not entitled to vote.

IV.

ACCEPTANCE OR REJECTION OF THE PLAN

A. **Voting Classes**

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

B. Acceptance by Impaired Classes

An Impaired Class of Claims shall have accepted the Plan if: (a) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan, and (b) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan. Classes 1, 2 and 4 are each deemed to have accepted the Plan and are not entitled to vote thereon.

C. Presumed Rejection of Plan

The Holders of Class 5 Equity Interests shall not receive any distributions under the Plan and are therefore deemed to reject the Plan and are not entitled to vote.

D. Nonconsensual Confirmation

Because Class 5 is deemed to reject the Plan by operation of law, the Debtors will request the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code. Without limiting the foregoing, in the event that any Class of Claims entitled to vote on the Plan fails to accept the Plan as required by section 1129(a) of the Bankruptcy Code, the Plan may be amended and, in any event, the Debtors reserve the right to seek confirmation of the Plan over such rejection pursuant to section 1129(b) of the Bankruptcy Code.

E. How to Vote

A form of Ballot is being provided to Creditors in Class 3 by which Creditors in such Class may vote their acceptance or rejection of the Plan. The Ballot for voting on the Plan gives you one important choice to make with respect to the Plan – you can vote for or against this Plan. To vote on the Plan, please complete the Ballot, as indicated thereon by, (1) indicating on the enclosed Ballot that (a) you accept the Plan or (b) reject the Plan and (2) signing your name and mailing the Ballot in the envelope provided for this purpose. The Claims Agent will count the Ballots.

IN ORDER TO BE COUNTED, BALLOTS MUST BE COMPLETED, SIGNED AND RECEIVED NO LATER THAN 4:00 P.M. PREVAILING EASTERN TIME ON _____, 2010 AT THE FOLLOWING ADDRESS:

If by first class mail:

FB Liquidating Estate (f/k/a/ Filene's Basement, Inc.) Ballot Processing Center
c/o Epiq Bankruptcy Solutions, LLC
P.O. Box 5014
New York, NY 10150-5014

If by overnight mail or hand delivery:

FB Liquidating Estate (f/k/a/ Filene's Basement, Inc.) Ballot Processing Center
c/o Epiq Bankruptcy Solutions, LLC
757 Third Avenue
3rd Floor
New York, NY 10017

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

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

V.

MEANS FOR IMPLEMENTATION OF THE PLAN

A. Available Cash.

On or as soon as practical following the Effective Date, the Claims Reserve Account shall be opened by the Debtors and funded with the Available Cash to the extent of any unencumbered Cash, which funds shall constitute Assets. Thereafter, from time to time, upon receipt of any Liquidation Proceeds or any Litigation Recovery, the Debtors shall deposit such funds into the Claims Reserve Account and shall become part of the Assets.

B. Handling and Collection of Assets and Distribution of Net Proceeds.

From and after the Effective Date, the Debtors shall continue in existence for the purpose of (i) winding up their affairs as expeditiously as reasonably possible, (ii) liquidating, by conversion to Available Cash or other methods, any remaining assets of the Debtors, as expeditiously as reasonably possible, (iii) enforcing and prosecuting claims, interests, rights and privileges of the Debtors, including, without limitation, the prosecution of the Litigation, (iv) having Disputed Claims resolved, (v) administering this Plan, and (vi) filing appropriate tax returns. The Assets shall be held by the Debtors and the Corporate Representative for Creditors and shall be distributed only in accordance with this Plan. From and after the Effective Date, the

Debtors and the Corporate Representative (in consultation with the Post-Effective Committee) shall retain and pursue the Litigation on such terms and conditions as are consistent with the interests of primary beneficiaries of the Debtors' estates and the reasonable business judgment of the Debtors, sell or liquidate Assets, and collect the accounts receivable, if any, of the Debtors. In addition, from and after the Effective Date, except as otherwise provided in this Plan or in the Confirmation Order, the Debtors and the Corporate Representative shall be free to operate without any limitation or restriction by, and without any requirement to comply with, the Bankruptcy Code, Bankruptcy Rules, or Guidelines of the United States Trustee; notwithstanding the foregoing, the Debtors and the Corporate Representative shall comply with the obligation to pay statutory fees under 28 U.S.C. § 1930(a)(6), and the Debtors shall file all post-Confirmation reports required by the Bankruptcy Rules, the Bankruptcy Court, the Local Bankruptcy Rules, or any applicable Guidelines of the United States Trustee. All Cash, all Liquidation Proceeds, and all Litigation Recoveries realized or obtained by the Debtors shall be deposited into the Claims Reserve Account and such funds shall be held as Assets. All Net Proceeds shall be held by the Debtors and shall be distributed to Creditors in accordance with this Plan and section 1123 of the Bankruptcy Code.

C. Litigation.

Except as otherwise provided in this Plan, all Litigation is retained, vested in the Debtors and preserved pursuant to section 1123(b) of the Bankruptcy Code, including without limitation all Litigation set forth in the applicable schedule to the Plan Supplement, including all Avoidance Actions; *provided, however*, that an Avoidance Action will only be commenced upon mutual agreement by the Debtors and the Post-Effective Committee. From and after the

Effective Date, all Litigation will be prosecuted or settled by the Debtors or the Post-Effective Committee, on the Debtors' behalf. To the extent any Litigation is already pending on the Effective Date, the Debtors or the Committee (in any derivative capacity or as an intervening party), will continue the prosecution of such Litigation. Any Litigation Recovery from the Litigation will be deposited in the Claims Reserve Account as Assets.

D. Payment of Expenses.

All Expenses may be paid by the Debtors from the Claims Reserve Account without further notice to Creditors or approval of the Bankruptcy Court. Any disputes concerning the payment of Expenses shall be submitted to the Bankruptcy Court for resolution.

E. Distribution of Proceeds.

The Assets shall be used to satisfy the payments required under the Plan, provided that the Debtors shall only distribute Net Proceeds to the Holders of Allowed Claims and partially Allowed Claims in such amounts and at such times as are set forth in this Plan. No payments or distributions shall be made by the Debtors on account of Disputed Claims unless and to the extent such Claims become Allowed Claims, in whole or in part. The Net Proceeds allocated to Disputed Claims will not be distributed but will be reserved in the Claims Reserve Account by the Debtors in accordance with this Plan pending resolution of such Disputed Claims. Nothing contained herein, however, shall be construed to prohibit payment or distribution on account of any undisputed portion of a Claim.

F. Power and Authority of Corporate Representative.

As of the Effective Date, the Debtors will be managed and governed by the Corporate Representative or its successor. The Corporate Representative will be the sole director, officer

and responsible person of the Debtors, and all bylaws, articles or certificates of incorporation, and related corporate documents are deemed amended by this Plan to permit and authorize such sole appointment. The Corporate Representative will serve in such capacity through the earlier of the date the Debtors are dissolved in accordance with this Section and the date the Corporate Representative resigns, is terminated by order of the Bankruptcy Court, or is otherwise unable to serve; *provided, however*, that, in the event that the Corporate Representative resigns, is terminated by Bankruptcy Court order or by the Post-Effective Committee, or is unable to serve in such capacity prior to the dissolution of the Debtors, then the Post-Effective Committee shall appoint a successor. Wherever reference is made in this Plan to the Corporate Representative, the same shall be deemed to refer to the successor Corporate Representative acting hereunder.

Confirmation of the Plan shall constitute the appointment of the Corporate Representative by the Bankruptcy Court as the representative of the Debtors to: (a) serve as the sole officer and director of the Debtors; (b) exercise the rights, power and authority of the Corporate Representative and the Debtors under applicable provisions of the Plan and bankruptcy and non-bankruptcy law; (c) retain professionals to represent the Debtors in performing and implementing the Plan; (d) marshal and liquidate the Assets and to collect the Assets for the benefit of Creditors; (e) prosecute the Litigation, and otherwise attempt to collect or realize upon the Assets; (f) resolve Disputed Claims and effectuate distributions to Creditors under the Plan; and (g) otherwise implement the Plan, wind up the affairs of the Debtors and close the Chapter 11 Cases, as provided in this Plan.

A summary of the Corporate Representative's compensation arrangements shall be Filed with the Plan Supplement prior to the Confirmation Hearing. On the Effective Date, the

Corporate Representative will be deemed to have retained the Debtors' and the Committee's Professionals under the arrangements existing on the Effective Date, without any need for further orders of the Bankruptcy Court. The Confirmation Order shall provide that the Corporate Representative shall have no obligation to dissolve the Debtors but is authorized in its sole discretion to execute a certificate of dissolution for each of the Debtors pursuant to applicable non-bankruptcy law, in the discretion of the Corporate Representative, which such certificate(s) of dissolution shall be effective without any further shareholder, board or other corporate action by or on behalf of the Debtors. The Corporate Representative shall serve until the Assets have been fully distributed and a final decree is entered closing the Chapter 11 Cases. If the then current Corporate Representative is unable, unavailable or unwilling to serve, or has been earlier removed by the Bankruptcy Court for cause shown, the Post-Effective Committee will appoint a replacement. The Corporate Representative shall be responsible for ensuring that the Debtors comply with their obligation to pay statutory fees under 28 U.S.C. § 1930(a)(6), and the Corporate Representative shall file all post-Confirmation reports required by the Bankruptcy Rules, the Bankruptcy Court, the Local Bankruptcy Rules, or any applicable Guidelines of the United States Trustee.

G. The Committee and Post-Effective Committee.

Until the Effective Date, the Committee shall continue in existence; *provided, however,* that as of the Effective Date, the Committee shall be reconstituted as the Post-Effective Committee and shall be comprised of one or more members of the Committee which members shall be designated by the Committee at least three (3) days prior to the commencement of the Confirmation Hearing. The Committee members who are not members of the Post-Effective

Committee shall be released and discharged of and from all further authority, duties, responsibilities and obligations related to and arising from their service as Committee members. In the event of death or resignation of any member of the Post-Effective Committee, the remaining members of the Post-Effective Committee shall have the right to designate a successor from among the holders of Allowed Class 3 Claims. If a Post-Effective Committee member assigns its Claim in full or releases the Debtors from payment of the balance of its Claim, such act shall constitute a resignation from the Post-Effective Committee. Until a vacancy on the Post-Effective Committee is filled, the Post-Effective Committee shall function in its reduced number. Following all payments being made to the holders of Allowed Unsecured Claims under the Plan, the Post-Effective Committee shall be dissolved and the members thereof shall be released and discharged of and from all further authority, duties, responsibilities and obligations related to and arising from their service as Post-Effective Committee members, and the retention or employment of the Committee's attorneys and professionals shall terminate.

The members of the Post-Effective Committee shall undertake their duties as specified in the Plan. In serving as a member of the Post-Effective Committee, such members shall not assume or be deemed to have assumed any liability to Creditors, the Debtors, or any other parties in interest in the Cases and shall not be liable for any acts or omissions while acting in that capacity, except for bad faith and acts or omissions constituting malfeasance or gross negligence. The Post-Effective Committee shall have the right to retain counsel or other professionals, which shall be paid reasonable fees and expenses by the Debtor. The Bankruptcy Court shall retain jurisdiction to hear any disputes relating to the fees and expenses of the Post-Effective

Committee's professionals, which disputes, if any, shall be resolved by the Bankruptcy Court after notice and hearing.

H. Rights and Duties of the Post-Effective Committee.

As of the Effective Date, the Post-Effective Committee shall:

- a. have the right to make and file objections to Claims and to withdraw such objections, as set forth in Section 10.2 hereof.
- b. have the right to review and object to settlements and proposed releases or abandonment of Causes of Action by the Debtors where the amount in controversy exceeds \$25,000. The Corporate Representative shall provide counsel for the Post-Effective Committee with ten (10) days' written notice of any proposed settlement, release or abandonment of Litigation or Claims in excess of \$25,000. If no objection is served on the Corporate Representative within ten (10) days of the date of such notice, the Post-Effective Committee shall be deemed to have consented to such settlement, release or abandonment. If the Post-Effective Committee objects to any settlement, the parties shall bring the matter before the Bankruptcy Court for final resolution after hearing and notice.
- c. be vested with authority to remove the Corporate Representative, or any successor Corporate Representative, appointed pursuant to this Plan and, upon removal, appoint the successor Corporate Representative.

- d. review and have the opportunity to object to all fees and expenses of the Corporate Representative, the Debtors and their respective professionals in accordance with Section 8.10 hereof.
- e. perform such additional functions as may be agreed to by the Corporate Representative, are provided for in the Confirmation Order, or provided for by further Order of the Court entered after the Effective Date.
- f. Upon agreement with the Corporate Representative, take any and all actions necessary to effectuate the terms of this Plan.

I. Full and Final Satisfaction.

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

J. Distribution Procedures.

Except as otherwise agreed by the Holder of a particular Claim, or as provided in this Plan, all amounts to be paid by the Debtors under the Plan shall be distributed in such amounts and at such times as is reasonably prudent. On the Effective Date, or as soon as practicable

thereafter, subject to this Plan, the Debtors shall: (i) marshal all then available Assets; (ii) to the extent of unencumbered Cash or Cash distributable to the Holders of Allowed Claims, establish and fund the Claims Reserve Account pursuant to Section 5(L) of the Plan; (iii) promptly pay the Holders of (a) Allowed Administrative Claims, (b) Allowed Professional Fee Claims, (c) Allowed Priority Tax Claims and (d) the Holders of Allowed Claims in Class 1 and Class 2 as provided for under the Plan; (iv) with respect to Class 2 Claimants who did not receive proceeds from the sale of their collateral, arrange for the Debtors to sell such collateral and/or to abandon to such Creditors the collateral securing their respective Claims; and (v) make interim and final distributions of Assets to the Holders of Allowed Class 3 and Class 4 Claims from the Claims Reserve Account in the amounts and according to the priorities set forth in this Plan.

Notwithstanding any provision to the contrary in this Plan, distributions may be made in full or on a Pro Rata basis depending on: (x) the amount of the Allowed Claim, (y) the then available Assets in the Claims Reserve Account, and (z) the then anticipated Assets. The Debtors shall make the Cash payments to the Holders of Allowed Claims: (aa) in U.S. dollars by check, draft or warrant, drawn on a domestic bank selected by the Debtors in their sole discretion, or by wire transfer from a domestic bank, at the Debtors' option, and (bb) by first-class mail (or by other equivalent or superior means as determined by the Debtors).

K. Resolution of Disputed Claims.

After the Effective Date, the Debtors and the Post-Effective Committee, as the case may be, on behalf of the Debtors and Debtors' Estates, shall have the right to make and file objections to Claims and to withdraw such objections. Subject to the preceding sentence, all objections shall be litigated to Final Order; *provided, however*, that the Debtors (in consultation with the

Post-Effective Committee) and the Post-Effective Committee (in consultation with the Debtors) shall have the authority to compromise, settle or otherwise resolve all objections, for any Claim without approval of the Bankruptcy Court; *provided, however*, that the Debtors and the Post-Effective Committee reserve the right to seek relief before the Bankruptcy Court with respect to any Disputed Claim and under no circumstances will any distributions be made on account of Disallowed Claims or the Disputed portion of any Claim.

The Debtors and/or the Post-Effective Committee shall file and serve all objections to Claims upon the holder of the Claim as to which the objection is made no later than ninety (90) days after the later of the Effective Date or the date on which a proof of claim or request for payment is filed with the Bankruptcy Court (the "Objection Deadline"). The Objection Deadline may be extended for one sixty (60) day period by the Debtors (in consultation with the Post-Effective Committee) or the Post-Effective Committee (in consultation with the Debtors) by filing a notice of the extended Objection Deadline with the Bankruptcy Court. Thereafter, the Objection Deadline may be further extended only by an order of the Bankruptcy Court, upon notice and hearing, at the request of the Debtors or Post-Effective Committee.

L. Claims Reserve Account.

On or as soon as practicable after the Effective Date, the Debtors shall: (a) to the extent of any Cash or, where applicable, unencumbered Cash, create and fund the Claims Reserve Account; and (b) periodically deposit the Cash from Assets into the Claims Reserve Account to satisfy the obligations created under the Plan. The Claims Reserve Account shall contain the following five sub-accounts: (i) Secured; (ii) Administrative; (iii) Priority Claims; (iv) Expenses; and (v) General Unsecured Claims. The sub-accounts within the Claims Reserve

Account shall contain an amount of Cash deemed sufficient by the Debtors for the payment of Allowed Claims in accordance with the priorities and amounts set forth in Article 3, all anticipated Expenses, and a reserve for Disputed Claims. The Debtors are authorized to transfer funds among sub-accounts as necessary to replenish any sub-accounts as and when distributions are made to. All Expenses may be deducted and paid from sub-account (iv) without further order of the Bankruptcy Court. Subject to the priorities established under the Bankruptcy Code, the Debtors may periodically transfer all earnings and interest income on the Claims Reserve Account for deposit to and distribution from sub-account (v). Unless otherwise provided in the Confirmation Order, the Claims Reserve Account shall be invested by the Debtors in a manner consistent with the objectives of section 345(a) of the Bankruptcy Code and in its reasonable and prudent exercise of discretion. Neither the Debtors nor the Corporate Representative shall have any obligation or liability to beneficiaries in connection with such investments in the event of any unforeseeable insolvency of any financial institution where such funds are held.

M. Reserve Provisions for Disputed Claims.

The Debtors shall implement the following procedures with respect to the allocation and distribution of Cash in the Claims Reserve Account and each sub-account and reserve therein, after payment of all senior Claims, to the Holders of Disputed Claims that become Allowed Claims:

- (i) Cash respecting Disputed Claims shall not be distributed, but, if necessary, shall be withheld by the Debtors in the relevant sub-account as a reserve in an amount equal to the amount of the distributions that would otherwise be made to the Holders of such Claims if such Claims had been Allowed Claims, based on the Disputed Claims Amount.

- (ii) No distributions may be made to the Holders of Allowed Unsecured Claims unless adequate reserves are established for the payment of Disputed Claims, and sufficient funds are also reserved for payment of expected Expenses. Upon the Final Resolution Date, after payment of all senior Claims, all amounts (if any) remaining in sub-accounts (i-v) of the Claims Reserve Account, after reservation of an appropriate amount for anticipated Expenses in sub-account (iv), shall be transferred to sub-account (v) for final distribution to the Holders of Allowed Class 3 Claims in accordance with the priorities established by the Plan.
- (iii) Where only a portion of a Claim is Disputed, interim or partial distributions may be made with respect to the portion of such Claim that is not Disputed, in the discretion of the Corporate Representative and Debtors, in consultation with the Post-Effective Committee.
- (iv) For the purposes of effectuating the provisions of this Section 5(M), the Bankruptcy Court may estimate the amount of any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code, in which event the amounts so fixed or liquidated shall be deemed to be Allowed Claims pursuant to section 502(c) of the Bankruptcy Code for purposes of distribution under this Plan. In lieu of estimating the amount of any Disputed Claim, the Bankruptcy Court or the Debtors may determine the Disputed Claims Amount to be reserved for such Disputed Claim in the appropriate sub-account of the Claims Reserve Account, or such amount may be fixed by agreement in writing by and between the Debtors and the Holder thereof.
- (v) When a Disputed Claim becomes an Allowed Claim, there shall be distributed to the Holder of such Allowed Claim, in accordance with the provisions of this Plan, Cash equal to a Pro Rata Share of the Cash set aside for Disputed Claims within the applicable sub-account of the Claims Reserve Account, but in no event shall such Holder be paid more than the amount that would otherwise have been paid to such Holder if the Claim (or the Allowed portion of the Claim) had not been a Disputed Claim.
- (vi) Interim distributions may be made from time to time to the Holders of Allowed Claims prior to the resolution by Final Order or otherwise of all Disputed Claims, provided that the aggregate amount of Cash to be distributed at such time from the Claims Reserve Account is practicable in comparison to the anticipated costs of such interim distributions. Notwithstanding the foregoing, subject to Section 5(P) below, no interim distribution shall be made to any Creditor whose distribution would be less than \$50.
- (vii) No Holder of a Disputed Claim shall have any Claim against the Cash reserved with respect to such Claim until such Disputed Claim shall become an Allowed Claim. In no event shall any Holder of any Disputed

Claim be entitled to receive (under the Plan or otherwise) from the Debtors or the Claims Reserve Account any payment (x) which is greater than the amount reserved for such Claim by the Bankruptcy Court pursuant to this Section 5(M), (y) or except as otherwise permitted under this Plan, of interest or other compensation for delays in distribution. In no event shall the Debtors or the Corporate Representative have any responsibility or liability for any loss to or of any amount reserved under the Plan.

- (viii) To the extent a Disputed Claim ultimately becomes an Allowed Claim in an amount less than the Disputed Claim Amount reserved for such Disputed Claim, then the resulting surplus of Cash shall be retained in the Claims Reserve Account and shall be distributed among the Holders of Allowed Claims until such time as each Holder of an Allowed Claim has been paid the Allowed amount of its Claim.

N. Allocation of Distributions.

Distributions to any Holder of an Allowed Claim shall be allocated first to the principal amount of any such Allowed Claim, as determined for federal income tax purposes, and then, to the extent the consideration exceeds such amount, to the remainder of such Claim comprising interest, if any (but solely to the extent that interest is an allowable portion of such Allowed Claim).

O. Rounding.

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

P. No Interim Cash Payments of Less Than \$50 on Account of Allowed Claims.

If an interim distribution to be received by the Holder of an Allowed Claim (other than the Holder of an Allowed Convenience Class Claim) would be less than \$50, notwithstanding any contrary provision in the Plan, at the discretion of the Debtors, no such interim payment will be made to such Holder, and such Cash shall be held for such Holder until the earlier of (i) the

next time an interim distribution is made to the Holders of Allowed Claims (unless the distribution would still be less than \$50 in which case this Section 5(P) shall again apply), or (ii) subject to Section 5(S) below, the date on which final distributions are made to the Holders of Allowed Claims.

Q. Unclaimed Property.

Any entity which fails to claim any Cash within 90 days from the date upon which a distribution is first made to such entity shall forfeit all rights to any distribution under the Plan. Upon forfeiture, such Cash (including any interest thereon) shall be deposited into the Claims Reserve Account to be distributed to the Holders of Allowed Claims in the manner described in Section 5(M)(viii) for distribution of excess amounts; provided that such Cash arising in connection with the Claims of Class 3 Claims shall accrue for the benefit of Class 3 only. Entities which fail to claim Cash shall forfeit their rights thereto and shall have no claim whatsoever against the Debtors or the Corporate Representative or any Holder of an Allowed Claim to whom distributions are made by the Debtors. Within 45 days of each distribution to Allowed Claims, the Debtors shall file with the Court a notice identifying each entity that, as of the date of filing of such notice, has failed to claim Cash subject to such distribution.

R. Setoffs.

Nothing contained in this Plan shall constitute a waiver or release by the Debtors of any right of setoff or recoupment the Debtors may have against any Creditor.

S. No Distributions on Late-Filed Claims.

Except as otherwise provided in a Final Order of the Bankruptcy Court or by agreement between the Debtors, Post-Effective Committee and the affected Holder of such Claim, any

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

T. Withholding Taxes.

Pursuant to section 346(f) of the Bankruptcy Code, the Debtors shall be entitled to deduct any federal, state or local withholding taxes from any Cash payments made with respect to Allowed Claims, as appropriate. From and as of the Effective Date, the Debtors shall comply with all reporting obligations imposed on it by any Governmental Unit in accordance with applicable law with respect to such Withholding Taxes. As a condition to making any distribution under this Plan, the Debtors may require that the Holder of an Allowed Claim provide such Holder's taxpayer identification number and such other information and certification as may be deemed necessary for the Debtors to comply with applicable tax reporting and withholding laws. Any Holder of an Allowed Claim who fails to timely respond to such a request shall forfeit all rights to any distribution under the Plan. Upon forfeiture, such Cash (including any interest thereon) shall be deposited into the Claims Reserve Account to be distributed to Holders of Allowed Claims in the manner described in Section V (K)(viii) for distribution of excess amounts; provided that such Cash arising in connection with Claims of Class 3 Claims shall accrue for the benefit of Class 3 only.

U. De Minimis Distributions; Charitable Donation.

Notwithstanding anything to the contrary therein, the Debtors shall not be required to make a distribution to any Creditor if the dollar amount of the distribution is so small that the cost of making that distribution exceeds the dollar amount of such distribution. At the Final Distribution Date, the Debtors (upon agreement with the Post-Effective Committee) may make a charitable donation with undistributed funds if, in the reasonable judgment the Corporate Representative, the cost of calculating and making the final distribution of the remaining funds is excessive in relation to the benefits to the Creditors who would otherwise be entitled to such distributions.

V. United States Trustee Fees.

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

VI.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Rejection of Executory Contracts and Unexpired Leases

Except with respect to executory contracts or unexpired leases that: (i) were previously assumed or rejected by order of the Bankruptcy Court, or (ii) are the subject of a pending motion to assume or reject, pursuant to section 365 of the Bankruptcy Code, on the Effective Date, each executory contract and unexpired lease entered into by Debtors prior to the Petition Date that has not previously expired or terminated pursuant to its own terms shall be deemed rejected pursuant to section 365 of the Bankruptcy Code; *provided, however*, that nothing in this Section A shall

cause the rejection, breach or termination of any contract of insurance benefiting the Debtors and their Estates. Nothing in this Article 6 shall be construed as an acknowledgement that a particular contract or agreement is executory or is properly characterized as a lease. The Confirmation Order shall constitute an order of the Bankruptcy Court approving such rejections pursuant to section 365 of the Bankruptcy Code, as of the Effective Date. The non-Debtor parties to any rejected personal property leases shall be responsible for taking all steps necessary to retrieve the personal property that is the subject of such executory contracts and leases and the Debtors shall bear no liability for costs associated with such matters.

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

All proofs of claim with respect to Claims arising from the rejection of executory contracts or unexpired leases pursuant to Confirmation of the Plan, if any, must be Filed with the Claims Agent within thirty (30) days after the earlier of the Effective Date or an order of the Bankruptcy Court approving such rejection. Any Claims arising from the rejection of an executory contract or unexpired lease pursuant to Confirmation of the Plan that is not Filed within such times will be forever barred from assertion against the Debtors and their property. All such Claims for which Proofs of Claim are timely and properly Filed and ultimately Allowed will be treated as Unsecured Claims subject to the provisions of Article 3 hereof.

VII.

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

A. Conditions to Confirmation of the Plan.

Confirmation of this Plan is conditioned upon the satisfaction of each of the following conditions precedent, any one or more of which may be waived by the Debtors: (i) the Bankruptcy Court shall have approved a disclosure statement to this Plan in form and substance acceptable to the Debtors; (ii) the Bankruptcy Court shall have signed the Confirmation Order and entered it on the docket of the Chapter 11 Cases, which Confirmation Order shall be in form and substance acceptable to the Debtors and the Committee; and (iii) all actions, documents and agreements necessary to implement the Plan shall have been effected or executed.

B. Effect of Failure of Conditions to Confirmation.

If any one or more of the conditions in Section 7(A) is not met, the Debtors may withdraw this Plan and, if withdrawn, this Plan shall be of no further force or effect.

C. Conditions to Effective Date.

The occurrence of the Effective Date is conditioned upon the satisfaction of each of the following conditions precedent, any one or more may be waived by the Debtors: (i) the Confirmation Order shall have become a Final Order which is not subject to any stay of effectiveness; (ii) the Confirmation Date shall have occurred; and (iii) the appointment of the Corporate Representative shall have been confirmed by order of the Bankruptcy Court, which may be the Confirmation Order.

D. Substantive Consolidation of the Chapter 11 Cases.

1. Substantive Consolidation Order.

The Plan shall serve as a motion seeking entry of an order substantively consolidating these Chapter 11 Cases for distribution and voting purposes. Unless an objection to substantive consolidation is made in writing by any Creditor affected by the Plan as herein provided on or

before the Plan Objection Deadline, an order substantively consolidating these Chapter 11 Cases for distribution and voting purposes may be entered by the Bankruptcy Court, which order may be the Confirmation Order. In the event any such objections are timely Filed, a hearing with respect thereto shall be scheduled by the Bankruptcy Court, which hearing may, but need not, coincide with the Confirmation Hearing.

2. Effect/Extent of Substantive Consolidation.

In effectuation of such substantive consolidation, on the Effective Date: (a) no Distributions will be made under the Plan on account of the Intercompany Claims; (b) the guarantees of the Debtors will be deemed eliminated so that any Claim against the Debtors and any guarantee thereof executed by any Debtor and any joint and several liability of the Debtors with one another will be deemed to be one obligation of these Debtors; and (c) each and every Claim against the Debtors will be deemed asserted as a single Claim against the Debtors as a whole, and will be treated in the same Class regardless of the Debtor. Additionally, notwithstanding the substantive consolidation herein, substantive consolidation shall not affect the obligation of each and every one of the Debtors under 28 U.S.C. § 1930(a)(6) until a particular case is closed, converted or dismissed.

3. Reservation of Rights.

The Debtors reserve the right at any time up to the conclusion of the Confirmation Hearing to withdraw their request for substantive consolidation of these Chapter 11 Cases, to seek Confirmation of the Plan as if there were no substantive consolidation, and to seek Confirmation of the Plan with respect to one Debtor even if Confirmation with respect to the other Debtors is denied.

E. Effective Date.

Provided the above-referenced conditions to the occurrence of the Effective Date are satisfied, this Plan shall become effective on the Effective Date.

VIII.

EFFECTS OF CONFIRMATION

A. Binding Effect of Plan.

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

B. Property Free and Clear.

Except as otherwise provided in this Plan or the Confirmation Order, from and after the Effective Date, all the Debtors' property shall be free and clear of all Claims, Equity Interests, Liens, interests, charges or other encumbrances of Creditors or Equity Interest Holders, other than as set forth herein and in relevant documents, agreements and instruments contained in the Plan Supplement, which Plan Supplement documents, agreements and instruments shall be in

form and substance acceptable to the Debtors. Following the Effective Date, the Debtors may transfer and dispose of any such property free of any restrictions imposed by the Bankruptcy Code or the Bankruptcy Rules and without further approval of the Bankruptcy Court or notice to Creditors, except as may otherwise be required under the Plan or the Confirmation Order.

C. Limitation of Liability.

The Debtors, the Committee and their respective officers, directors, shareholders, members, managers, employees, agents, advisors, accountants, attorneys and representatives and the RVI/DSW Releasees (collectively, the “Exculpated Parties”), will neither have nor incur any liability to any entity for any action in good faith taken or omitted to be taken after the Petition Date in connection with or related to the Chapter 11 Cases or the formulation, preparation, dissemination, implementation, Confirmation or consummation of the Plan, the Disclosure Statement, or any agreement created or entered into in connection with the Plan; *provided, however,* that this limitation will not affect or modify the obligations created under this Plan, or the rights of any Holder of an Allowed Claim to enforce its rights under the Plan and shall not release any action (or inaction) constituting willful misconduct, fraud or gross negligence (in each case subject to determination of such by final order of a court of competent jurisdiction); provided that any Exculpated Party shall be entitled to reasonably rely upon the advice of counsel with respect to its duties and responsibilities (if any) under this Plan and such reasonable reliance shall form an absolute defense to any such claim, cause of action, or liability. Without limiting the generality of the foregoing, each Exculpated Party shall be entitled to and granted the protections of section 1125(e) of the Bankruptcy Code. Except as specifically set forth in Section 8(E) below, no provision of this Plan or the Disclosure Statement shall be deemed to act

to or release any claims, Litigation claims or rights, or liabilities that the Debtors or the Estates may have against any Entity or person for any act, omission, or failure to act that occurred prior to the Petition Date, nor shall any provision of this Plan be deemed to act to release any Litigation or Litigation claims.

D. Releases.

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

1. Debtors' Release.

On the Effective Date, subject to the Preserved Setoff Rights, each of the Debtors shall release and be permanently enjoined from any prosecution or attempted prosecution of any and all Litigation or potential Litigation which it has or may have against any of their officers or directors holding such a position as of the Confirmation Date, financial advisors, attorneys, partners, representatives and their respective property; *provided, however,* that the foregoing shall not operate as a waiver of or release from any Litigation or potential Litigation arising out of (i) any express contractual obligation owing by any such directors, officers, agents, financial advisors, attorneys, employees, partners, affiliates or representatives, or (ii) the willful misconduct or gross negligence of such directors, officers, agents, financial advisors, attorneys, employees, partners, affiliates, or representatives in connection with, related to, or arising out of the Chapter 11 Cases, the pursuit of Confirmation of the Plan, the Consummation of the Plan, the administration of the Plan, or the property to be distributed under the Plan.

2. Third Party Releases.

Each person who votes to accept the Plan, for itself and its respective successors, assigns, transferees, current and former officers, directors, agents, financial advisors, attorneys, employees, partners, affiliates, representatives, in each case in their capacity as such, shall, by virtue of sections 1126(c) and 1141(a) of the Bankruptcy Code, be deemed to have released any and all Claims and causes of action against (A) the Debtors and their respective officers, directors, shareholders, members, managers, employees, agents, advisors, accountants, attorneys and representatives and their respective property; (B) the RVI/DSW Releasees related to the prepetition and postpetition conduct of the Debtors' business and the Debtors' chapter 11 cases; and (C) the members of the Committee in their capacity as such, and their respective officers, directors, managers, employees, agents, advisors, accountants, attorneys and representatives and their respective property, arising prior to the Effective Date.

E. Injunction.

In implementation of the Plan, except as otherwise expressly provided in the Confirmation Order or the Plan, and except in connection with the enforcement of the terms of the Plan or any documents provided for or contemplated in the Plan, all entities who have held, hold or may hold Claims against or Equity Interests in the Debtors or the Estates that arose prior to the Effective Date are permanently enjoined from:

(a) commencing or continuing in any manner, directly or indirectly, any action or other proceeding of any kind against the Debtors, the Estates, or any property of the Debtors or the Estates with respect to any such Claim or Equity Interest; (b) the enforcement, attachment, collection or recovery by any manner or means, directly or indirectly, of any

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

F. Post-Confirmation Liability of Corporate Representative, Debtors and Post-Effective Committee.

The Corporate Representative, the Debtors and the Post-Effective Committee, together with their consultants, agents, advisors, attorneys, accountants, financial advisors, other representatives and the professionals engaged by the foregoing (collectively, the “Indemnified Parties”) shall not be liable for any and all liabilities, losses, damages, claims, causes of action, costs and expenses, including but not limited to attorneys’ fees arising out of or due to their actions or omissions, or consequences of such actions or omissions, to the

Holders of Claims or Equity Interests for any action or inaction taken in good faith in connection with the performance or discharge of their duties under this Plan, except the Indemnified Parties will be liable for actions or inactions that are grossly negligent, fraudulent, or which constitute willful misconduct (in each case, liability shall be subject to determination by final order of a court of competent jurisdiction). However, any act or omission taken with the approval of the Bankruptcy Court, and not inconsistent therewith, will be conclusively deemed not to constitute gross negligence, fraud or willful misconduct. In addition, the Debtors and the Estates shall, to the fullest extent permitted by the laws of the State of Delaware, indemnify and hold harmless the Indemnified Parties from and against and with respect to any and all liabilities, losses, damages, claims, costs and expenses, including but not limited to attorneys' fees arising out of or due to their actions or omissions, or consequences of such actions or omissions, with respect to the Debtors and the Estates or the implementation or administration of the Plan if the Indemnified Party acted in good faith and in a manner reasonably believed to be in or not opposed to the best interest of the Debtors and the Estates. To the extent the Debtors indemnify and holds harmless the Indemnified Parties as provided above, the legal fees and related costs incurred by counsel to the Debtors in monitoring and participating in the defense of such claims giving rise to the right of indemnification shall be paid as Expenses. All rights of the persons exculpated and indemnified pursuant hereto shall survive confirmation of the Plan.

G. Insurance.

On or as soon as practicable after the Effective Date, the Debtors and the Corporate Representative shall obtain a fidelity bond or similar insurance in the estimated amount of the Assets on the Effective Date. In addition, the Corporate Representative may obtain (if available) directors' and officers' liability insurance or errors and omission insurance (or equivalent insurance), provided that such insurance is available at a reasonable price. The cost of any fidelity bond or insurance obtained under this Section 8(G) shall be an Expense.

IX.

RETENTION OF JURISDICTION

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

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

2. To administer the Plan, the Assets, and the Proceeds;

3. To liquidate any Disputed Claims;

4. To hear and determine any and all adversary proceedings, contested matters or applications pending on the Effective Date or otherwise relating to, arising from, or in connection with the Litigation;

5. To hear and determine any and all motions and/or objections to fix and allow any Claims arising therefrom;

6. To hear and determine any and all applications by Professionals for an

award of Professional Fees;

7. To enable the Debtors, Corporate Representative or Post-Effective Committee to commence and prosecute any Litigation which may be brought after the Effective Date;

8. To interpret and/or enforce the provisions of the Plan and the injunction provided for in the Plan and to determine any and all disputes arising under or regarding interpretation of the Plan or any agreement, document or instrument contemplated by the Plan, including without limitation the Settlement Agreement;

9. To enter and implement such orders as may be appropriate in the event Confirmation is for any reason stayed, reversed, revoked, modified or vacated;

10. To modify any provision of the Plan to the extent permitted by the Bankruptcy Code and to correct any defect, cure any omission, or reconcile any inconsistency in the Plan or in the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan;

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

12. To close the Chapter 11 Cases when administration of the case has been completed.

X.

MISCELLANEOUS

A. Revocation of Plan of Liquidation.

The Debtors reserve the right to revoke and withdraw the Plan at any time on or before the Confirmation Date. If the Debtors revoke or withdraw the Plan pursuant to this Section, or if Confirmation or the Effective Date does not occur, then the Plan shall be deemed null and void and, in such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors or any other entity or to prejudice in any manner the rights of the Debtors or any entity in any further proceedings involving the Debtors.

B. Severability of Plan Provisions.

In the event that, prior to the Confirmation Date, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court shall, with the consent of the Debtors, have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision hereof, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

C. Governing Law.

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

D. Exhibits.

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

E. Notices.

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

If to the Debtors
(By Mail or Facsimile)

Pachulski Stang Ziehl & Jones LLP
919 North Market Street, 17th Floor
Wilmington, DE 19899-8705 (Courier 19801)
Tel. 302-652-4100, Fax 302-652-4400
Attn: Laura Davis Jones, Esquire
David M. Bertenthal, Esquire
Joshua M. Fried, Esquire

If to the Corporate Representative

(By Mail)

Alan Cohen, Corporate Representative, FB Liquidating Estate
c/o Abacus Advisors
10 Reuten Drive
Closter, NJ 07624
Telephone: 201-784-4480
Facsimile: 201-784-4490

If to the Committee and/or Post-Effective Committee:

Cooley Godward Kronish LLP
Lawrence C. Gottlieb, Esquire
Cathy R. Hershcopf, Esquire
Jeffrey L. Cohen, Esquire
1114 Avenue of the Americas
New York, NY 10036
Telephone: 212-479-6000
Facsimile: 212- 479-6275

-and-

Morris Nichols Arsht & Tunnel LLP
Robert Dehney, Esquire
Eric Schwartz, Esquire
1201 North Market Street, 18th Floor
P.O. Box 1347
Wilmington, DE 19899-1347 (Deliveries 19801)
Telephone: 302-658-9200
Facsimile: 302-658-3989

F. Reservation of Rights.

Neither the filing of the Plan nor any statement or provision contained in the Plan or in the Disclosure Statement, nor the taking by any party in interest of any action with respect to the Plan, shall: (a) be or be deemed to be an admission against interest, and (b) until the Effective Date, be or be deemed to be a waiver of any rights any party in interest may have (i) against any other party in interest, or (ii) in any of the assets of any other party in interest, and, until the Effective Date, all such rights are specifically reserved. In the event that the Plan is not confirmed or fails to become effective, neither the Plan nor the Disclosure Statement nor any

statement contained in the Plan or in the Disclosure Statement may be used or relied upon in any manner in any suit, action, proceeding or controversy within or without these Chapter 11 Cases involving the Debtors, except with respect to Confirmation of the Plan.

G. Computation of Time Periods.

In computing any period of time prescribed or allowed by the Plan, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, a Sunday, or a legal holiday, or, when the act to be done is the filing of a paper in the Bankruptcy Court, a day on which weather or other conditions have made the clerk's office inaccessible, in which event the period runs until the end of the next day which is not one of the aforementioned days.

H. Defects, Omissions and Amendments.

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

as modified, complies with Bankruptcy Code sections 1122 and 1123, the Debtors have complied with Bankruptcy Code section 1125 and, after notice and a hearing, the Bankruptcy Court confirms such Plan, as modified, under Bankruptcy Code section 1129.

I. Filing of Additional Documents.

The Debtors shall file with the Bankruptcy Court such agreements, instruments, pleadings, orders, papers or other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

J. Successors and Assigns.

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

K. Setoffs and Recoupments.

The Debtors may, but shall not be required to, set off against or recoup from the payments to be made pursuant to this Plan in respect of a Claim, any claim of any nature whatsoever that the Debtors or the Estates, as applicable, may have against the Holder of such Claim, but neither the failure to do so or the allowance of any Claim hereunder shall constitute a waiver or release of any such claim by the Debtors or the Estates, against such Holder.

L. Tax Exemption.

Pursuant to section 1146 of the Bankruptcy Code, the issuance, transfer or exchange of any security under this Plan, or the execution, delivery or recording of an instrument of transfer pursuant to, in implementation of or as contemplated by this Plan, including, without limitation, any transfers to or by the Debtors of the Debtors' property in implementation of or as

contemplated by this Plan (including, without limitation, any subsequent transfer of property by the Debtors) shall not be taxed under any state or local law imposing a stamp tax, transfer tax or similar tax or fee. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or governmental unit in which any instrument hereunder is to be recorded shall, pursuant to the Confirmation Order, be ordered and directed to accept such instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp tax, transfer tax, intangible tax or similar tax.

M. Securities Exemption.

Any rights issued under, pursuant to or in effecting this Plan, and the offering and issuance thereof by any party, including without limitation, the Debtors or the Corporate Representative, shall be exempt from section 5 of the Securities Act of 1933, if applicable, and from any state or federal securities laws requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security, and shall otherwise enjoy all exemptions available for distributions of securities under a plan of reorganization in accordance with all applicable law, including without limitation, section 1145 of the Bankruptcy Code.

N. Plan Interest Rate.

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

O. Implementation.

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

P. Record Date.

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

Q. Certain Actions.

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

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

3. On or as soon as practicable following the Effective Date, the Debtors shall be

authorized to cancel, annul and extinguish all Equity Interests.

R. Waiver of Ten (10) Day Stay.

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

S. Substantial Consummation.

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

Dated: November 18, 2009

Respectfully submitted,

FB Liquidating Estate

By: /s/ Alan Cohen
Its: President

FB Services LLC


By: /s/ Alan Cohen
Its: President

FB Leasing Services LLC.

By: /s/ Alan Cohen
Its: President



TERESA PEREZ
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES 10-02-2012

By: 
Its: Chairman Unsecured Creditors
Kenneth I. Cruz

Submitted by:

Counsel for Debtors and Debtors in Possession:



PACHULSKI STANG ZIEHL & JONES LLP

Laura Davis Jones (Bar No. 2436)
Michael Seidl (Bar No. 3889)
Mark M. Billion (Bar No. 5263)
919 N. Market Street, 17th Floor
P.O. Box 8705
Wilmington, DE 19899-8705
Telephone: 302-652-4100
Facsimile: 302-652-4400

David Bertenthal
150 California Street
15th Floor
San Francisco, CA 94111-4500
Telephone: 415-263-7000
Facsimile: 415-263-7010

Counsel for Official Committee of Unsecured Creditors:

/s/ Lawrence C. Gottlieb

COOLEY GODWARD KRONISH LLP
Lawrence C. Gottlieb (Bar No. LG 2565)
Cathy R. Hershcopf (Bar No. CH 5875)
Jeffrey L. Cohen (Bar No. JC 2556)
1114 Avenue of the Americas
New York, NY 10036
Telephone: 212-479-6000
Facsimile: 212- 479-6275

-and-

MORRIS NICHOLS ARSHT & TUNNEL LLP
Robert Dehney (Bar No. 3578)
Eric Schwartz (Bar No. 3134)
Matthew Harvey (Bar No. 5186)
1201 North Market Street, 18th Floor
P.O. Box 1347
Wilmington, DE 19899-1347
Telephone: 302-658-9200
Facsimile: 302-658-3989