

THIS DISCLOSURE STATEMENT IS NOT AN OFFER OF SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF BANKRUPTCY CODE SECTION 1125. ACCEPTANCES OR REJECTIONS OF THE PLAN MAY NOT BE SOLICITED UNTIL THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT.

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In re:

Case No. 08-53104

GREEKTOWN HOLDINGS, L.L.C., et al.<sup>1</sup>

Chapter 11  
Jointly Administered  
Hon. Walter Shapero

Debtors.

**AMENDED DISCLOSURE STATEMENT FOR LUNA GREEKTOWN LLC AND  
PLAINFIELD ASSET MANAGEMENT LLC AND ITS AFFILIATES' JOINT  
PLANS OF REORGANIZATION FOR THE DEBTORS**

Record Date: [\_\_\_\_], 2009

Voting Deadline: ~~\_\_\_\_\_~~, Thursday, October 8, 2009 at ~~\_\_\_\_\_~~ 7:00 p.m., prevailing Eastern time

Objection Deadline: ~~\_\_\_\_\_~~, Tuesday, October 13, 2009 at ~~\_\_\_\_\_~~ 5:00 p.m., prevailing Eastern time

Confirmation Hearing: ~~\_\_\_\_\_~~, Tuesday, November 3, 2009 at ~~\_\_\_\_\_~~ 10:00 a.m., prevailing Eastern time

Dated: August ~~11~~, 28, 2009

THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS ~~\_\_\_\_\_~~ THURSDAY, OCTOBER 8, 2009 AT 7:00 P.M., PREVAILING EASTERN TIME, 2009 UNLESS EXTENDED. TO BE COUNTED, YOUR BALLOT MUST BE **ACTUALLY RECEIVED** BY THE DEBTORS' CLAIMS AGENT BEFORE THE VOTING DEADLINE.

<sup>1</sup> The Debtors in these jointly-administered cases include Greektown Holdings, L.L.C.; Greektown Casino, L.L.C.; Kewadin Greektown Casino, L.L.C.; Monroe Partners, L.L.C.; Greektown Holdings II, Inc.; Contract Builders Corporation; Realty Equity Company Inc.; and Trappers GC Partner, LLC.



**PLEASE READ THIS IMPORTANT INFORMATION**

THE BANKRUPTCY CODE REQUIRES THAT A PARTY PROPOSING A CHAPTER 11 PLAN OF REORGANIZATION PREPARE AND FILE A DOCUMENT WITH THE BANKRUPTCY COURT CALLED A "DISCLOSURE STATEMENT." THIS DOCUMENT IS THE DISCLOSURE STATEMENT FOR THE ALTERNATIVE PLAN OF REORGANIZATION (THE "ALTERNATIVE PLAN" OR THE "PLAN") OF LUNA GREEKTOWN LLC AND PLAINFIELD ASSET MANAGEMENT LLC AND ITS AFFILIATES (THE "ALTERNATIVE PLAN SPONSORS" OR "PLAN PROPONENTS"). THE INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT IS FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF THE ALTERNATIVE PLAN AND SHOULD NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER AND HOW TO VOTE ON THE ALTERNATIVE PLAN.

THIS DISCLOSURE STATEMENT INCLUDES CERTAIN EXHIBITS, EACH OF WHICH ARE INCORPORATED INTO THIS DISCLOSURE STATEMENT BY REFERENCE. ALL UNDEFINED CAPITALIZED TERMS IN THIS DISCLOSURE STATEMENT HAVE THE MEANINGS GIVEN TO THEM IN THE ALTERNATIVE PLAN.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED PURSUANT TO BANKRUPTCY CODE SECTION 1125 AND BANKRUPTCY RULE 3016(b) AND IS NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THIS DISCLOSURE STATEMENT SUMMARIZES CERTAIN PLAN PROVISIONS AND CERTAIN OTHER DOCUMENTS AND FINANCIAL INFORMATION. THE ALTERNATIVE PLAN SPONSORS BELIEVE THAT THE SUMMARIES ARE FAIR AND ACCURATE. THE SUMMARIES OF FINANCIAL INFORMATION AND THE DOCUMENTS ATTACHED TO, OR INCORPORATED BY REFERENCE INTO, THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH INFORMATION AND DOCUMENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE ALTERNATIVE PLAN, OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION INCORPORATED IN THIS DISCLOSURE STATEMENT BY REFERENCE, THE ALTERNATIVE PLAN OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION, AS THE CASE MAY BE, SHALL GOVERN FOR ALL PURPOSES.

THE STATEMENTS AND FINANCIAL INFORMATION IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE OF THIS DISCLOSURE STATEMENT UNLESS OTHERWISE SPECIFIED. CLAIM AND INTEREST HOLDERS REVIEWING THIS STATEMENT SHOULD NOT INFER AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS IN THIS DISCLOSURE STATEMENT. THE ALTERNATIVE PLAN SPONSORS ARE UNDER NO OBLIGATION, AND EXPRESSLY DISCLAIM ANY OBLIGATION, TO UPDATE THIS DISCLOSURE STATEMENT, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE. EACH CLAIM HOLDER ENTITLED TO VOTE ON THE ALTERNATIVE PLAN SHOULD CAREFULLY REVIEW THE ALTERNATIVE PLAN,

THIS DISCLOSURE STATEMENT, AND THE EXHIBITS TO EACH IN THEIR ENTIRETY BEFORE CASTING A BALLOT.

NO ONE IS AUTHORIZED TO GIVE ANY INFORMATION RESPECTING THE ALTERNATIVE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE ALTERNATIVE PLAN SPONSORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. HOLDERS OF CLAIMS SHOULD NOT RELY UPON ANY INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN ACCEPTANCE OF THE ALTERNATIVE PLAN THAT ARE OTHER THAN, OR INCONSISTENT WITH, THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AND IN THE ALTERNATIVE PLAN.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER, BUT RATHER IS A STATEMENT MADE IN THE CONTEXT OF SETTLEMENT NEGOTIATIONS UNDER FEDERAL RULE OF EVIDENCE 408.

THE ALTERNATIVE PLAN SPONSORS PREPARED THE FINANCIAL PROJECTIONS PROVIDED IN THIS DISCLOSURE STATEMENT BASED ON INFORMATION PROVIDED BY THE DEBTORS. THE PROJECTIONS ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS THAT, ALTHOUGH CONSIDERED REASONABLE BY THE ALTERNATIVE PLAN SPONSORS, MAY NOT BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET, AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH WILL BE BEYOND THE ALTERNATIVE PLAN SPONSORS' CONTROL. THE ALTERNATIVE PLAN SPONSORS CAUTION THAT THEY CAN NEITHER MAKE ANY REPRESENTATIONS AS TO THE FINANCIAL PROJECTIONS' ACCURACY NOR TO THE REORGANIZED DEBTORS' ABILITY TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS WILL INEVITABLY NOT MATERIALIZE. FURTHERMORE, EVENTS AND CIRCUMSTANCES OCCURRING AFTER THE DATE THESE FINANCIAL PROJECTIONS WERE PREPARED MAY DIFFER FROM ANY ASSUMED FACTS AND CIRCUMSTANCES. MOREOVER, UNANTICIPATED EVENTS AND CIRCUMSTANCES MAY COME TO PASS, AND MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THE PROJECTIONS, THEREFORE, MAY NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF ACTUAL RESULTS.

PLEASE REFER TO ARTICLE VI OF THIS DISCLOSURE STATEMENT, "CERTAIN FACTORS TO BE CONSIDERED BEFORE VOTING", FOR A DISCUSSION OF CERTAIN CONSIDERATIONS IN CONNECTION WITH A DECISION BY AN IMPAIRED CLAIM HOLDER ENTITLED TO VOTE ON THE PLAN TO ACCEPT THE ALTERNATIVE PLAN.

THE BANKRUPTCY COURT HAS SCHEDULED THE CONFIRMATION HEARING TO COMMENCE ON ~~11~~TUESDAY, NOVEMBER 3, AT ~~11~~10:00 A.M. PREVAILING EASTERN TIME BEFORE THE HONORABLE WALTER SHAPERO, UNITED STATES BANKRUPTCY JUDGE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION, LOCATED AT THE THEODORE LEVIN COURTHOUSE, 231 WEST LAFAYETTE BLVD., 10TH FLOOR, DETROIT, MICHIGAN 48226. THE CONFIRMATION HEARING MAY BE ADJOURNED FROM TIME TO TIME BY THE BANKRUPTCY COURT WITHOUT FURTHER NOTICE EXCEPT FOR AN ANNOUNCEMENT OF THE ADJOURNED DATE MADE AT THE CONFIRMATION HEARING OR ANY ADJOURNMENT OF THE CONFIRMATION HEARING.

TO BE COUNTED, IMPAIRED CLAIM HOLDERS ENTITLED TO VOTE ON THE PLAN MUST CAST THEIR BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE ALTERNATIVE PLAN IN ACCORDANCE WITH THE INSTRUCTIONS ON THE BALLOT AND IN ACCORDANCE WITH THE SOLICITATION PROCEDURES DESCRIBED IN FURTHER DETAIL IN THIS DISCLOSURE STATEMENT. ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE WILL BE COUNTED IN THE ALTERNATIVE PLAN SPONSORS' SOLE DISCRETION.

THE BANKRUPTCY COURT HAS DIRECTED THAT OBJECTIONS TO CONFIRMATION OF THE ALTERNATIVE PLAN, IF ANY, BE FILED WITH THE BANKRUPTCY COURT CLERK AND SERVED SO THAT THEY ARE ACTUALLY RECEIVED ON OR BEFORE ~~11~~TUESDAY, OCTOBER 13, 2009, AT ~~11~~AT 5:00 P.M. (PREVAILING EASTERN TIME) BY COUNSEL TO THE ALTERNATIVE PLAN SPONSORS, FOLEY & LARDNER LLP, 500 WOODWARD AVE., SUITE 2700, DETROIT, MI 48226, ATTN: SALVATORE A. BARBATANO, KATHERINE R. CATANESE, AND ADAM J. WIENNER; COUNSEL TO THE DEBTORS, SCHAFFER & WEINER PLLC, 40950 WOODWARD AVENUE, SUITE 100, BLOOMFIELD HILLS, MI 48034, ATTN: DANIEL J WEINER & MICHAEL E BAUM; COUNSEL FOR THE CREDITORS' COMMITTEE, CLARK HILL, PLC, 151 S. OLD WOODWARD, SUITE 200, BIRMINGHAM, MI 48009, ATTN: JOEL D. APPLEBAUM & ROBERT A. GORDON; COUNSEL FOR THE DIP AGENT AND PREPETITION AGENT, MAYER BROWN LLP, 1675 BROADWAY, NEW YORK, NEW YORK 10019, ATTN: J. ROBERT STOLL; AND THE UNITED STATES TRUSTEE, 211 WEST FORT, SUITE 700, DETROIT, MI 48226, ATTN: LESLIE BERG.

THE SECURITIES DESCRIBED IN THIS DISCLOSURE STATEMENT WILL BE ISSUED TO CREDITORS WITHOUT REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY SIMILAR FEDERAL, STATE, OR LOCAL LAW, AND WILL INSTEAD RELY UPON (A) THE EXEMPTIONS SET FORTH IN BANKRUPTCY CODE SECTION 1145 TO THE MAXIMUM EXTENT PERMITTED AND APPLICABLE AND (B) TO THE EXTENT SECTION 1145 IS EITHER NOT PERMITTED OR NOT APPLICABLE, THE EXEMPTION SET FORTH IN SECTION 4(2) OF THE SECURITIES ACT OR REGULATION D PROMULGATED THEREUNDER. THE ALTERNATIVE PLAN SPONSORS

RECOMMEND THAT POTENTIAL RECIPIENTS OF ANY SECURITIES UNDER THE ALTERNATIVE PLAN CONSULT THEIR OWN LEGAL COUNSEL CONCERNING THE SECURITIES LAWS GOVERNING THE TRANSFERABILITY OF ANY SUCH SECURITIES.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE AUTHORITY HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE ALTERNATIVE PLAN.

THIS DISCLOSURE STATEMENT MAY CONTAIN “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF SECTION 27A AND SECTION 21E OF THE SECURITIES ACT. SUCH STATEMENTS MAY CONTAIN WORDS SUCH AS “MAY”, “EXPECT”, “ANTICIPATE”, “ESTIMATE”, OR “CONTINUE” OR THE NEGATIVE THEREOF OR COMPARABLE TERMINOLOGY, AND MAY INCLUDE, WITHOUT LIMITATION, INFORMATION REGARDING THE DEBTORS’ AND ALTERNATIVE PLAN SPONSORS’ EXPECTATIONS REGARDING FUTURE EVENTS. FORWARD-LOOKING STATEMENTS ARE INHERENTLY UNCERTAIN, PARTICULARLY IN LIGHT OF THE CURRENT WORLDWIDE FINANCIAL AND CREDIT CRISIS, AND ACTUAL RESULTS MAY DIFFER FROM THOSE EXPRESSED OR IMPLIED IN THIS DISCLOSURE STATEMENT AND THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT. IN PREPARING THIS DISCLOSURE STATEMENT, THE ALTERNATIVE PLAN SPONSORS RELIED ON FINANCIAL DATA PROVIDED BY THE DEBTORS OR THAT WAS OTHERWISE MADE AVAILABLE TO THEM AT THE TIME OF SUCH PREPARATION AND ON VARIOUS ASSUMPTIONS REGARDING THE DEBTORS’ BUSINESSES AND THEIR EXPECTED FUTURE RESULTS AND OPERATIONS. WHILE THE ALTERNATIVE PLAN SPONSORS BELIEVE THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE DEBTORS AS OF THE DATE OF THIS DISCLOSURE STATEMENT, AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR THE ALTERNATIVE PLAN SPONSORS’ ASSUMPTIONS REGARDING THE DEBTORS’ BUSINESSES AND THEIR FUTURE RESULTS AND OPERATIONS. THE ALTERNATIVE PLAN SPONSORS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT.

AMONG OTHER FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM CURRENT ESTIMATES OF FUTURE PERFORMANCE ARE THE FOLLOWING: (1) THE ALTERNATIVE PLAN SPONSORS’ OR ANY OTHER PARTY’S ABILITY TO DEVELOP, PROSECUTE, CONFIRM, AND CONSUMMATE ONE OR MORE PLANS OF REORGANIZATION; (2) THE CHAPTER 11 CASES’ POTENTIAL ADVERSE IMPACT ON THE DEBTORS’ OPERATIONS, MANAGEMENT, AND EMPLOYEES; (3) THE OUTCOME AND TIMING OF THE DEBTORS’ EFFORTS TO RESTRUCTURE AND/OR SELL CERTAIN ASSETS; (4) THE EFFECT OF THE CURRENT RECESSION AND TURMOIL IN THE CREDIT AND FINANCIAL MARKETS; (5) THE EFFECTS OF INTENSE COMPETITION IN THE GAMING INDUSTRY; (6) THE RISK

THAT THE ALTERNATIVE PLAN SPONSORS MAY LOSE OR FAIL TO OBTAIN OR RENEW GAMING OR OTHER NECESSARY LICENSES REQUIRED FOR THEIR BUSINESSES' OPERATION; (7) THE EFFECTS OF EXTENSIVE GOVERNMENT GAMING REGULATION AND TAXATION POLICIES THAT THE DEBTORS ARE SUBJECT TO, AS WELL AS ANY CHANGES IN LAWS AND REGULATIONS THAT COULD HARM THE DEBTORS' BUSINESSES; (8) THE RISKS RELATING TO MECHANICAL FAILURES AT THE DEBTORS' LOCATION; (9) THE RISKS RELATING TO REGULATORY COMPLIANCE; (10) THE EFFECTS OF EVENTS ADVERSELY IMPACTING THE ECONOMY OR THE REGION WHERE THE DEBTORS DRAW A SIGNIFICANT PERCENTAGE OF THEIR CUSTOMERS, INCLUDING THE EFFECTS OF WAR, TERRORISM, OR SIMILAR ACTIVITY OR DISASTERS IN, AT, OR AROUND THE DEBTORS' LOCATION; (11) THE EFFECTS OF ENERGY PRICE INCREASES ON THE DEBTORS' COST OF OPERATIONS AND REVENUES; AND (12) FINANCIAL COMMUNITY AND RATING-AGENCY PERCEPTIONS OF THE DEBTORS' BUSINESS, AND THE EFFECT OF ECONOMIC, CREDIT, AND CAPITAL-MARKET CONDITIONS ON THE ECONOMY AND THE GAMING AND HOTEL INDUSTRY.

THE LIQUIDATION ANALYSIS, DISTRIBUTION PROJECTIONS, AND OTHER INFORMATION INCLUDED IN OR REFERENCED IN THIS DISCLOSURE STATEMENT ARE ESTIMATES ONLY, AND THE TIMING AND AMOUNT OF ACTUAL DISTRIBUTIONS TO ALLOWED CLAIM HOLDERS MAY BE AFFECTED BY MANY FACTORS THAT CANNOT BE PREDICTED. THEREFORE, ANY ANALYSES, ESTIMATES, OR RECOVERY PROJECTIONS MAY OR MAY NOT TURN OUT TO BE ACCURATE.

CLAIMS HOLDERS MAY NOT RELY ON THIS DISCLOSURE STATEMENT FOR, AND THIS DISCLOSURE STATEMENT DOES NOT PROVIDE, ANY LEGAL, FINANCIAL, REGULATORY, SECURITIES, TAX OR BUSINESS ADVICE. THE ALTERNATIVE PLAN SPONSORS URGE EACH CLAIM HOLDER TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY SUCH LEGAL, FINANCIAL, REGULATORY, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE ALTERNATIVE PLAN, AND EACH OF THE PROPOSED TRANSACTIONS. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF DISCLOSURE IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE ALTERNATIVE PLAN'S MERITS.



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## EXHIBITS

Exhibit A	--	Joint Plans of Reorganization
Exhibit B	--	Corporate Structure Chart as of the Petition Date
Exhibit C	--	<i>Pro Forma</i> Financial Projections
Exhibit D	--	Historical Financial Results
Exhibit E	--	Claims Summary
Exhibit F	--	Additional Historical Financial Information
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<a href="#"><u>Exhibit H</u></a>	<a href="#"><u>--</u></a>	<a href="#"><u>Innovation Valuation Letter</u></a>
<a href="#"><u>Exhibit I</u></a>	<a href="#"><u>--</u></a>	<a href="#"><u>List of Intercompany Claims</u></a>

## SUMMARY OF THE ALTERNATIVE PLAN

This summary is a general overview only and is intended only as a summary of the background of the Debtors' Chapter 11 Cases and the Alternative Plan's distribution provisions. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information contained in the Alternative Plan and elsewhere in this Disclosure Statement. For a complete understanding of the Alternative Plan, you should read this Disclosure Statement, the Alternative Plan, and the Exhibits to each. All undefined capitalized terms in this Disclosure Statement have the meanings set forth in the Alternative Plan. A copy of the Alternative Plan is attached as Exhibit A to this Disclosure Statement.

On May 29, 2008 (the "Petition Date"), Greektown Holdings, L.L.C. ("Holdings"), and its affiliates Greektown Casino, L.L.C. ("Casino"); Kewadin Greektown Casino, L.L.C. ("Kewadin"); Monroe Partners, L.L.C. ("Monroe"); Greektown Holdings II, Inc. ("Holdings II"); Contract Builders Corporation ("Builders"); Realty Equity Company Inc. ("Realty"); and Trappers GC Partner, LLC ("Trappers") (collectively, the "Debtors") each commenced a case in the United States Bankruptcy Court for the Eastern District of Michigan under Chapter 11 of the Bankruptcy Code. Under Bankruptcy Code sections 1107 and 1108, the Debtors are operating their businesses as debtors in possession. On June 13, 2008, the Bankruptcy Court entered an order under Bankruptcy Rule 1015(b) jointly administering the Chapter 11 Cases under the lead case, Greektown Holdings, L.L.C., Case No. 08-53104.

The Alternative Plan Sponsors submit this Disclosure Statement to Claim and Interest Holders in connection with the solicitation of votes to accept or reject the Alternative Plan and the Confirmation Hearing, which is scheduled for at Tuesday, November 3, 2009 at 10:00 a.m., prevailing Eastern time.

### General Plan Structure

Luna Greektown LLC and Plainfield Asset Management LLC and its affiliates are each proponents of the Alternative Plan within the meaning of Bankruptcy Code section 1129 (the "Alternative Plan Sponsors"). The Alternative Plan contains separate Classes and proposes recoveries for Claim and Interest Holders. After careful review of the Debtors' current business operations, estimated recoveries in a liquidation scenario, and the prospects of an ongoing business, the Alternative Plan Sponsors have concluded that the Holders' recovery will be maximized by the reorganization contemplated by the Alternative Plan. Specifically, the Alternative Plan Sponsors believe that the Debtors' businesses and assets have significant value that would not be realized in a liquidation, either in whole or in substantial part.

The Alternative Plan contemplates execution of the following transactions, which are described in more detail in Article IV of this Disclosure Statement and in Article IV of the Alternative Plan:

- Holdings, Casino, Builders, and Realty will continue to exist as Reorganized Holdings, Reorganized Casino, Reorganized Builders, and Reorganized Realty, respectively. Each entity will retain all of the assets held by the predecessor entity as of the date of Confirmation.

- With the exception of Causes of Action, all assets of each of the Non-reorganizing Debtors (Holdings II, Trappers, Monroe, and Kewadin) shall be transferred to Reorganized Casino free and clear of all claims and encumbrances, and as soon thereafter as practicable, each of the Non-reorganizing Debtors shall be dissolved. The Non-reorganizing Debtors' Causes of Action shall be transferred to and vest in Reorganized Holdings.
- Except as otherwise provided in the Alternative Plan, all agreements, Instruments, and other documents evidencing any equity Interest in Holdings, or in any of the Non-reorganizing Debtors, and any right of any Holder in respect thereof including any Claim related thereto, shall be deemed cancelled, discharged, and of no force or effect.
- All Intercompany Executory Contracts shall be rejected; all Intercompany Claims shall be eliminated; and all Intercompany Interests in Holdings and each of the Non-reorganizing Debtors shall be cancelled, but all other Intercompany Interests shall be retained. [See Exhibit I to this Disclosure Statement for a detailed description of all Intercompany Claims.](#)
- Reorganized Holdings will issue New Common Units on the Effective Date. On account of their \$16.45 million Cash Contribution and the Plan Proponents Claim, the Plan Proponents shall receive the Plan Proponents New Common Units, which equals 29.41% of the New Common Units.
- Pursuant to the Pre-petition Lender Election and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, each Pre-petition Lender shall receive, at its option, a Pro Rata share of (a) 70.59% of the New Common Units; [or](#) (b) the New ~~Subordinated~~Unsecured Debt and the Cash Distribution.
- ~~The~~[As set forth more fully in Exhibit G, the](#) Alternative Plan Sponsors intend to obtain \$275 million in Exit Financing in order to (a) fund distributions under the Alternative Plan, including paying DIP Facility Claims in full on the Effective Date, and (b) fund the Reorganized Debtors' operations after the Effective Date. Any additional financing is subject to approval by the Michigan Gaming Control Board ("MGCB").

### **Summary of Treatment of Claims and Interests Under the Alternative Plan**

The Alternative Plan divides all Claims and Interests, except Administrative Claims, Priority Tax Claims, and other Priority Claims, into various Classes. The classification and treatment for each Class is described in more detail in Article IV of this Disclosure Statement and Article III of the Alternative Plan. The below-listed recovery ranges are based on various assumptions, including assumptions about the total amount of Allowed General Unsecured Claims and assumptions concerning the Reorganized Debtors' value.

## 1. Unclassified Claims

<b>Claim/Interest</b>	<b>Alternative Plan Treatment</b>	<b>Projected Recovery Under the Plan</b>
Administrative Claims	Cash payment equal to the unpaid Allowed portion, paid on the first Periodic Distribution Date following the later of the date the claim becomes (i) Allowed or (ii) payable under an agreement with the Reorganized Debtors	100%
Priority Tax Claims	Equal cash payments equal to the unpaid Allowed portion, plus simple interest at the rate required by law or set by the Bankruptcy Court, paid over a period not to exceed five years from the Petition Date, in equal installments on each Periodic Distribution Date following the later of the date the claim becomes (i) Allowed or (ii) payable under an agreement with the Reorganized Debtors	100%
Other Priority Claims	Cash payment equal to the unpaid Allowed portion, paid on the Alternative Plan's Effective Date	100%

## 2. Classified Claims

The classification, treatment, and the projected recoveries for Holders of Claims and Interests under the Alternative Plan are summarized below for illustrative purposes only and are subject to the more detailed and complete descriptions contained in Article IV of this Disclosure Statement and Article III of the Alternative Plan.

<b>Claim/Interest</b>	<b>Plan Treatment</b>	<b>Projected Recovery Under the Plan</b>
Class 1: DIP Lenders' Claims Against Holdings	Payment in full through Pro Rata share of Cash from the Exit Financing on the Effective Date.	100%
Class 2: Pre-petition Lenders' Claims Against Holdings	Each Holder, pursuant to the Pre-petition Lender Election, and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, shall receive, at its option, a Pro Rata share of (a) the Pre-petition Lenders New Common Units; <b>or</b> (b) the New <del>Subordinated</del> <u>Unsecured</u> Debt and the Cash Distribution.	77%
Class 3: Plan Proponents' Claims Against Holdings	Each Holder shall receive a Pro Rata share of (a) 34.20% of the Plan Proponents New Common Units, and (b) the Plan Proponents Warrants.	77%

Class 4: Other Allowed Secured Claims Against Holdings	In the Reorganized Debtors' election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.	100%
Class 5: Bond Claims Against Holdings	Each Holder shall receive a Pro Rata share of the <del>Unsecured Distribution Warrants</del> <u>proceeds of the Litigation Trust Actions</u> .	An estimate of recoveries to holders of Class 5 Claims is uncertain due to, among other things, the fact that the <del>strike price for the Unsecured Distribution Warrants is above the Alternative Plan Sponsors' valuation of the Debtors' assets</del> <u>value of the Litigation Trust Actions is uncertain</u> .
Class 6: General Unsecured Claims Against Holdings	Each Holder shall receive a Pro Rata share of the <del>Unsecured Distribution Warrants</del> <u>proceeds of the Litigation Trust Actions</u> .	An estimate of recoveries to holders of Class 6 Claims is uncertain due to, among other things, the fact that the <del>strike price for the Unsecured Distribution Warrants is above the Alternative Plan Sponsors' valuation of the Debtors' assets</del> <u>value of the Litigation Trust Actions is uncertain</u> .
Class 7: Interests in Holdings	No distribution.	0%
Class 8: DIP Lenders' Claims Against Casino	Payment in full through Pro Rata share of Cash from the Exit Financing on the Effective Date.	100%
Class 9: Pre-petition Lenders' Claims Against Casino	Each Holder, pursuant to the Pre-petition Lender Election, and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, shall receive, at its option, a Pro Rata share of (a) the Pre-petition Lenders New Common Units; <del>or</del> (b) the New <del>Subordinated Unsecured</del> Debt and the Cash Distribution.	77%
Class 10: Plan Proponents' Claims Against Casino	Each Holder shall receive a Pro Rata share of (a) 34.20% of the Plan Proponents New Common Units, and (b) the Plan Proponents Warrants.	77%
Class 11: Other Allowed Secured Claims Against Casino	In the Reorganized Debtors' election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.	100%

<u>Class 12: General Unsecured Claims Against Casino</u>	<u>Each Holder shall receive a Pro Rata share of (a) the Unsecured Distribution Fund, and (b) the Unsecured Distribution Warrants.</u>	<u>An estimate of recoveries to holders of Class 12 Claims is uncertain due to, among other things, the fact that the strike price for the Unsecured Distribution Warrants is above the Alternative Plan Sponsors' valuation of the Debtors' assets.</u>
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Class 13: Trade Claims Against Casino	<del>A</del> <u>Each Holder shall receive a</u> Pro Rata share of the Trade Distribution Fund, <u>but only up the amount of such Holder's Allowed Claim</u> . The Trade Distribution Fund shall be paid in two (2) installments, the first of which shall be paid on the date that is six (6) months following the Effective Date, and the second on the date that is one (1) year following the Effective Date. As an additional distribution, each Holder of an Allowed Claim in Class 13 shall receive a release from Avoidance Claims and shall be a Released Party, subject to section 7.3.	44.31%
<del>Class 12: General Unsecured Claims Against Casino</del>	<del>Each Holder shall receive a Pro Rata share of (a) the Unsecured Distribution Fund, and (b) the Unsecured Distribution Warrants. The Unsecured Distribution Fund shall be paid in two (2) installments, the first of which shall be paid on the date that is six (6) months following the Effective Date, and the second on the date that is one (1) year following the Effective Date.</del>	<del>An estimate of recoveries to holders of Class 12 Claims is uncertain due to, among other things, the fact that the strike price for the Unsecured Distribution Warrants is above the Alternative Plan Sponsors' valuation of the Debtors' assets.</del>
Class 14: DIP Lenders' Claims Against Holdings II	Payment in full through Pro Rata share of Cash from the Exit Financing on the Effective Date.	100%
Class 15: Pre-petition Lenders' Claims Against Holdings II	Each Holder, pursuant to the Pre-petition Lender Election, and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, shall receive, at its option, a Pro Rata share of (a) the Pre-petition Lenders New Common Units; <u>or</u> (b) the New <del>Subordinated</del> <u>Unsecured</u> Debt and the Cash Distribution.	77%
Class 16: Plan Proponents' Claims Against Holdings II	Each Holder shall receive a Pro Rata share of (a) 34.20% of the Plan Proponents New Common Units, and (b) the Plan Proponents Warrants.	77%
Class 17: Other Allowed Secured Claims Against Holdings II	In the Reorganized Debtors' election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.	100%
Class 18: General Unsecured Claims Against Builders	Each Holder shall receive a Pro Rata share of the <del>Unsecured Distribution Warrants</del> <u>proceeds of the Litigation Trust Actions</u> .	An estimate of recoveries to holders of Class 18 Claims is uncertain due to, among other things, the fact that the <del>strike price for the Unsecured Distribution Warrants is above</del>

<del>the Alternative Plan Sponsors' valuation of the Debtors' assets</del> <u>value of the Litigation Trust Actions is uncertain.</u>		
<u>Class 19: DIP Lenders' Claims Against Builders</u>	<u>Payment in full through Pro Rata share of Cash from the Exit Financing on the Effective Date.</u>	<u>100%</u>
<u>Class 20: Pre-petition Lenders' Claims Against Builders</u>	<u>Each Holder, pursuant to the Pre-petition Lender Election, and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, shall receive, at its option, a Pro Rata share of (a) the Pre-petition Lenders New Common Units; or (b) the New Unsecured Debt and the Cash Distribution.</u>	<u>77%</u>

Class 21: Plan Proponents' Claims Against Builders	Each Holder shall receive a Pro Rata share of (a) 34.20% of the Plan Proponents New Common Units, and (b) the Plan Proponents Warrants.	77%
<del>Class 19: DIP Lenders' Claims Against Builders</del>	<del>Payment in full through Pro Rata share of Cash from the Exit Financing on the Effective Date.</del>	<del>100%</del>
<del>Class 20: Pre-petition Lenders' Claims Against Builders</del>	<del>Each Holder, pursuant to the Pre-petition Lender Election, and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, shall receive, at its option, a Pro Rata share of (a) the Pre-petition Lenders New Common Units; <u>or</u> (b) the New Subordinated Debt and the Cash Distribution.</del>	<del>77%</del>
Class 22: Other Allowed Secured Claims Against Builders or the Builders Property	In the Reorganized Debtors' election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.	100%
Class 23: General Unsecured Claims Against Builders	Each Holder shall receive a Pro Rata share of the <del>Unsecured Distribution Warrants</del> <u>proceeds of the Litigation Trust Actions.</u>	An estimate of recoveries to holders of Class 23 Claims is uncertain due to, among other things, the fact that the <del>strike price for the Unsecured Distribution Warrants is above the Alternative Plan Sponsors' valuation of the Debtors' assets</del> <u>value of the Litigation Trust Actions is uncertain.</u>
Class 24: DIP Lenders' Claims Against Realty	Payment in full through Pro Rata share of Cash from the Exit Financing on the Effective Date.	100%
Class 25: Pre-petition Lenders' Claims Against Realty	Each Holder, pursuant to the Pre-petition Lender Election, and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, shall receive, at its option, a Pro Rata share of (a) the Pre-petition Lenders New Common Units; <u>or</u> (b) the New <del>Subordinated</del> <u>Unsecured</u> Debt and the Cash Distribution.	77%
Class 26: Plan Proponents' Claims Against Realty	Each Holder shall receive a Pro Rata share of (a) 34.20% of the Plan Proponents New Common Units, and (b) the Plan Proponents Warrants.	77%
Class 27: Other Allowed Secured Claims Against Realty or the Realty Property	In the Reorganized Debtors' election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V	100%

	of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.	
<u>Class 28: General Unsecured Claims Against Realty</u>	<u>Each Holder shall receive a Pro Rata share of the proceeds of the Litigation Trust Actions.</u>	<u>An estimate of recoveries to holders of Class 28 Claims is uncertain due to, among other things, the fact that the value of the Litigation Trust Actions is uncertain.</u>
<u>Class 29: DIP Lenders' Claims Against Trappers</u>	<u>Payment in full through Pro Rata share of Cash from the Exit Financing on the Effective Date.</u>	<u>100%</u>

<del>Class 28: General Unsecured Claims Against Realty</del>	<del>Each Holder shall receive a Pro Rata share of the Unsecured Distribution Warrants.</del>	<del>100%</del>
Class 30: Pre-petition Lenders' Claims Against Trappers	Each Holder, pursuant to the Pre-petition Lender Election, and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, shall receive, at its option, a Pro Rata share of (a) the Pre-petition Lenders New Common Units; <u>or</u> (b) the New <del>Subordinated</del> <u>Unsecured</u> Debt and the Cash Distribution.	77%
<del>Class 29: DIP Lenders' Claims Against Trappers</del>	<del>Payment in full through Pro Rata share of Cash from the Exit Financing on the Effective Date.</del>	<del>100%</del>
Class 31: Plan Proponents' Claims Against Trappers	Each Holder shall receive a Pro Rata share of (a) 34.20% of the Plan Proponents New Common Units, and (b) the Plan Proponents Warrants.	77%
Class 32: Other Allowed Secured Claims Against Trappers or the Trappers Property	In the Reorganized Debtors' election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.	100%
Class 33: General Unsecured Claims Against Trappers	Each Holder shall receive a Pro Rata share of the <del>Unsecured Distribution Warrants</del> <u>proceeds of the Litigation Trust Actions.</u>	An estimate of recoveries to holders of Class 33 Claims is uncertain due to, among other things, the fact that the <del>strike price for the Unsecured Distribution Warrants is above the Alternative Plan Sponsors' valuation of the Debtors' assets</del> <u>value of the Litigation Trust Actions is uncertain.</u>
Class 34: Allowed Secured Claims Against Monroe	In the Reorganized Debtor's Election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.	100%
Class 35: Unsecured Claims Against Monroe	Each Holder shall receive a Pro Rata share of the Unsecured Distribution Warrants.	An estimate of recoveries to holders of Class 35 Claims is uncertain due to, among other things, the fact that the strike price for the Unsecured Distribution Warrants is above the Alternative Plan Sponsors' valuation of the Debtors' assets.
Class 36: Interests in	No distribution	0%

Monroe		
<u>Class 37: Allowed Secured Claims Against Kewadin</u>	<u>In the Reorganized Debtors' election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.</u>	<u>100%</u>



Class 38: Unsecured Claims Against Kewadin	Each Holder shall receive a Pro Rata share of the <del>Unsecured Distribution Warrants</del> <u>proceeds of the Litigation Trust Actions.</u>	An estimate of recoveries to holders of Class 38 Claims is uncertain due to, among other things, the fact that the <del>strike price for the Unsecured Distribution Warrants is above the Alternative Plan Sponsors' valuation of the Debtors' assets</del> <u>value of the Litigation Trust Actions is uncertain.</u>
<del>Class 37: Allowed Secured Claims Against Kewadin</del>	<del>In the Reorganized Debtors' election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.</del>	<del>100%</del>
Class 39: Interests in Kewadin	No distribution	0%
<u>Class 40: Deficiency Claims</u>	<u>Each Holder shall receive a Pro Rata share of the proceeds of the Litigation Trust Actions.</u>	<u>An estimate of recoveries to holders of Class 40 Claims is uncertain due to, among other things, the fact that the value of the Litigation Trust Actions is uncertain.</u>

The Alternative Plan Sponsors believe that the estimated percentage recoveries are reasonable and within the range of assumed recovery, but there is no assurance that the actual amounts of Allowed Claims in each Class will not materially differ from the estimated aggregate amounts, resulting in reduced percentage recoveries. The Holders' actual recoveries will depend on a variety of factors including, without limitation, whether, and in what amount and with what priority, contingent claims against the Debtors become non-contingent and fixed; and whether, and to what extent, Disputed Claims are resolved in favor of the Debtors' estates. Accordingly, the Alternative Plan Sponsors cannot and do not make any representations as to whether each estimated percentage recovery shown in the table above will be realized by an Allowed Claim or Interest Holder in any particular Class.

### Consummation

Following Confirmation, the Alternative Plan will be consummated on the Effective Date, which is the date after the Confirmation Date on which no Confirmation Order stay is in effect, and all conditions to Consummation set forth in Article VI of the Alternative Plan have been satisfied or waived. Unless otherwise provided in the Alternative Plan (including with respect to Classes 12 and 13, for which distributions shall be made in equal installments 6 and 12 months after the Distribution Date), distributions to Allowed Claim or Interest Holders will be made on the Distribution Date or as soon as practical thereafter. All other Alternative Plan distributions will be made under the Alternative Plan's distribution provisions.

## Liquidation and Valuation Analyses

The Alternative Plan Sponsors believe that the Alternative Plan will produce a greater recovery for Allowed Claim and Interest Holders than would be achieved in a liquidation under chapter 7 of the Bankruptcy Code because of, among other things, (1) the additional Administrative Claims generated by conversion to chapter 7 cases; (2) the administrative costs of liquidation and associated delays in connection with chapter 7 liquidations; (3) the negative impact on the market for the Debtors' assets resulting from attempts to sell the assets in a short time frame; and (4) regulatory concerns and impairment of value in connection with chapter 7 liquidations, each of which likely would diminish the overall value of the Debtors' assets available for distributions.

The Debtors have prepared (1) a Hypothetical Liquidation Analysis (the "Liquidation Analysis"), set forth in Exhibit B to the First Amended Disclosure Statement filed by the Debtors, distributed concurrently herewith (the "Debtors' Disclosure Statement") and (2) a Valuation Analysis set forth in Exhibit E to the Debtors' Disclosure Statement (the "Valuation Analysis"). The Liquidation Analysis and the Valuation Analysis compare the proceeds to be realized if the Debtors were to be liquidated in hypothetical cases under chapter 7 of the Bankruptcy Code with distributions to Allowed Claim and Interest Holders under the Plan. The Alternative Plan Sponsors adopt the Liquidation Analysis for purposes of this Disclosure Statement. The analyses are based on the value of the Debtors' assets and liabilities as of a certain date and incorporate various estimates and assumptions, including a hypothetical conversion to chapter 7 liquidations as of a certain date. Further, each analysis is subject to the possibility of material change, including changes in economic and business conditions and legal rulings. The Debtors' actual liquidation value could, therefore, differ materially from the Liquidation Analysis estimates, and the Reorganized Debtors' actual reorganization equity value could vary materially from the Valuation Analysis estimates.

The Valuation Analysis is based on data and information as of June 30, 2009 and contains a range of potential values for the Debtors' assets. The Alternative Plan Sponsors believe that the actual value of the Debtors' assets equals \$485 million, the bottom of the range of values set forth in the Valuation Analysis. The Debtors revised the financial projections after June 30, 2009. The revised financial projections are not, however, materially different from the financial projections used in the Valuation Analysis and would not materially change the estimated reorganization value.

## Voting and Confirmation

Claim and Interest Holders in Classes 7, 36, and 39 are wholly impaired and are deemed to reject the Alternative Plan. Claim Holders in Classes 1, 8, 14, 19, 24 and 29 are Unimpaired and are deemed to accept the Alternative Plan. Accordingly, Claim and Interest Holders in Classes 7, 36, and 39 are not entitled to vote on the Plan, and their votes will not be solicited. Only Claim Holders in Classes 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 15, 16, 17, 18, 20, 21, 22, 23, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 37, 38, and 3840 may vote to accept or reject the Plan.

Under Bankruptcy Code sections 1126(c) and (d) and except as otherwise provided in Bankruptcy Code section 1126(e): (1) an Impaired Class of Claims accepts the Alternative Plan

if at least two-thirds in dollar amount and one-half in number of the actually voting Allowed Claim Holders in the Class vote to accept the Alternative Plan; and (2) an Impaired Class of Interests accepts the Plan if at least two-thirds in amount of the actually voting Allowed Interest Holders in the Class vote to accept the Plan. The Debtors will tabulate all Alternative Plan votes to determine whether the Alternative Plan satisfies Bankruptcy Code sections 1129(a)(8) and 1129(a)(10).

Assuming the Alternative Plan is accepted, the Alternative Plan Sponsors intend to seek Confirmation at the Confirmation Hearing scheduled for ~~\_\_\_\_\_~~ November 3, 2009 at ~~\_\_\_\_\_~~ 10:00 a.m. prevailing Eastern time, before the Bankruptcy Court. Bankruptcy Code section 1129(a)(10) will be satisfied for purposes of Alternative Plan Confirmation under Bankruptcy Code section 1129(b) for any rejecting Class. The Alternative Plan Sponsors also reserve the right to modify the Plan and seek Confirmation consistent with the Bankruptcy Code.

The Bankruptcy Court has established \_\_\_\_\_, 2009 as the Voting Record Date for determining which Holders may vote on the Alternative Plan. Ballots, along with this Disclosure Statement, the Alternative Plan, and the Solicitation Procedures Order, will be mailed to all registered Claim Holders that may vote on the Alternative Plan as of the Voting Record Date. An appropriate return envelope, postage prepaid, will be included with each Ballot, if appropriate.

The Debtors have engaged the Claims Agent to assist in the voting process, including with respect to the Alternative Plan. The Claims Agent will answer questions about the procedures and requirements for voting on the Alternative Plan and for objecting to the Alternative Plan, provide additional copies of all materials, and oversee the voting tabulation.

**Ballots must be received by the Claims Agent by the Voting Deadline at the address listed below, whether by first-class mail, overnight courier, or personal delivery. The Ballots and the accompanying pre-addressed postage-paid envelopes will clearly indicate the appropriate return address. Completed Ballots must be returned to: Luna Greektown LLC and Plainfield Asset Management LLC, C/O Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245, Attn: Ballot Processing Department.**

**For answers to any questions regarding solicitation procedures, parties may call the Claims Agent toll free at 888-733-1425.**

**To be counted, Ballots indicating acceptance or rejection of the Plan must be received by the Claims Agent no later than the Voting Deadline. Such Ballots should be cast in accordance with the solicitation procedures described in further detail in Article VIII of this Disclosure Statement. Any Ballot received after the Voting Deadline will be counted in the sole discretion of the Alternative Plan Sponsors.**

To obtain an additional copy of the Alternative Plan, this Disclosure Statement, or other Solicitation Package (as defined below) materials (including Ballots), please refer to the Claims Agent's website at <http://www.kccllc.net/greektowncasino> or request a copy from the Claims Agent by mail at 2335 Alaska Avenue, El Segundo, California 90245, Attn: Greektown Balloting; by telephone toll free at 888-733-1425; or by e-mail at [greektowninfor@kccllc.com](mailto:greektowninfor@kccllc.com).

In the view of the Alternative Plan Sponsors, the Alternative Plan provides the Claim and Interest Holders with the best recovery possible. Accordingly, the Alternative Plan Sponsors believe that the Alternative Plan is in the best interests of the Holders and strongly recommend that all Holders entitled to vote, vote to accept the Alternative Plan.

## I. INTRODUCTION

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code.<sup>2</sup> In addition to allowing a debtor to rehabilitate, chapter 11 promotes equal treatment for similarly situated creditors and equity interest holders, subject to certain distribution priorities. Commencement of a chapter 11 case creates an estate of all the debtor's legal and equitable interests as of the filing date. The Bankruptcy Code allows the debtor to continue operating its business and possess its property as a "debtor-in-possession."

Consummating a reorganization plan is the principal objective of a chapter 11 case. Confirmation of a plan by the bankruptcy court binds the debtor, any securities issuer under the plan, any person acquiring property under the plan, any creditor or equity interest holder of the debtor, and any other party in interest under the applicable Bankruptcy Code provisions. Subject to certain limited exceptions, the Bankruptcy Court's confirmation order discharges the debtor from any pre-confirmation debt and provides for treatment of the debt under the plan terms.

Before soliciting acceptance of a plan, Bankruptcy Code section 1125 requires a plan proponent to prepare a disclosure statement containing information of a kind, and in sufficient detail, to allow a hypothetical reasonable investor to make an informed judgment regarding acceptance of the plan. This Disclosure Statement is being submitted in accordance with these requirements for the purpose of soliciting votes on the Alternative Plan, a copy of which is attached as Exhibit A.

This Disclosure Statement sets forth certain information about the Debtors' history before the Petition Date, significant events that have occurred during the Chapter 11 Cases, the Debtors' anticipated reorganization, and the Reorganized Debtors' anticipated post-reorganization operation and financing. This Disclosure Statement also describes the Alternative Plan's terms and provisions, including certain alternatives to the Alternative Plan, certain effects of Confirmation, certain risk factors associated with the Alternative Plan, certain securities to be issued under the Alternative Plan, and the manner in which Alternative Plan distributions will be made. In addition, this Disclosure Statement discusses the Confirmation process and the solicitation procedures that Claim Holders must follow for their votes to be counted.

For a description of the Alternative Plan and various risks and other factors pertaining to the Alternative Plan as it relates to Claims against and Interests in the Debtors, please see Article IV and Article VI of this Disclosure Statement. For further information and instruction on voting to accept or reject the Plan, see Article VIII of this Disclosure Statement.

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<sup>2</sup> Unless otherwise specifically stated, undefined capitalized terms in this Disclosure Statement have the meanings set forth in the Alternative Plan.

THE ALTERNATIVE PLAN SPONSORS BELIEVE THAT THE ALTERNATIVE PLAN WILL ENABLE THE ACCOMPLISHMENT OF THE OBJECTIVES OF CHAPTER 11 AND THAT ACCEPTANCE OF THE ALTERNATIVE PLAN IS IN THE BEST INTERESTS OF THE DEBTORS' ESTATES AND CLAIM HOLDERS. ACCORDINGLY, THE ALTERNATIVE PLAN SPONSORS URGE CLAIM HOLDERS TO VOTE TO ACCEPT THE ALTERNATIVE PLAN.

**A. Rules of Interpretation, Computation of Time, and Reference to Monetary Figures**

**1. Rules of Interpretation**

For purposes of this Disclosure Statement: (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; (b) each pronoun stated in the masculine, feminine, or neuter includes the masculine, feminine, and neuter; (c) any reference in this Disclosure Statement to an existing document or schedule Filed or to be Filed means such document or schedule, as it may have been or may be amended, modified, or supplemented; (d) any reference to a Person as a Holder of a Claim or Interest includes that Person's successors and assigns; (e) all references in this Disclosure Statement to Sections, Articles, and Exhibits are references to Sections, Articles, and Exhibits of or to this Disclosure Statement; (f) the words "herein," "hereunder," and "hereto" refer to this Disclosure Statement in its entirety rather than to a particular portion of this Disclosure Statement; (g) 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 this Disclosure Statement; (h) subject to the provisions of any contract, certificates of incorporation or organization, by-laws or operating agreement, instrument, release, or other agreement or document entered into in connection with the Alternative Plan, the rights and obligations arising under the Alternative Plan shall be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and Bankruptcy Rules; (i) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply unless otherwise set forth in this Disclosure Statement; (j) any term used in capitalized form in this Disclosure Statement that is not otherwise defined in the Alternative Plan or this Disclosure Statement but that is used in the Bankruptcy Code or Bankruptcy Rules shall have the meaning given the term in the Bankruptcy Code or Bankruptcy Rules, as applicable; (k) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; and (l) all references to statutes, regulations, orders, rules of courts, and the like, unless otherwise stated, mean as amended from time to time, as applicable to the Chapter 11 Cases, unless otherwise stated.

**2. Computation of Time**

In computing any time period prescribed or allowed, the provisions of the Bankruptcy Rule 9006(a) shall apply. If the date on which a transaction may occur under this Disclosure Statement shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

**3. References to Monetary Figures**

All references in this Disclosure Statement to monetary figures refer to currency of the United States of America, unless otherwise expressly provided.



#### 4. Exhibits

All Exhibits are incorporated into and are a part of this Disclosure Statement as if set forth in full in this Disclosure Statement and, to the extent not attached to this Disclosure Statement, such Exhibits shall be Filed with the Bankruptcy Court on or before the Exhibit Filing Date. After each Exhibit is Filed, it may be inspected in the office of the Bankruptcy Court clerk (or its designee) during normal business hours or at the Bankruptcy Court's website, for a fee, at [www.mieb.uscourts.gov](http://www.mieb.uscourts.gov). Exhibits may also be reviewed for free at the following website, which is maintained by the Debtors' Claims Agent: [www.kccllc.net/greektowncasino](http://www.kccllc.net/greektowncasino). The Exhibits are an integral part of the Alternative Plan, and entry of the Confirmation Order by the Bankruptcy Court shall constitute an approval of the Exhibits. To the extent any Exhibit is inconsistent with the terms of the Alternative Plan and unless otherwise provided for in the Confirmation Order, the terms of the Exhibit shall control as to the transactions contemplated by the Exhibit.

#### B. Source of Information

The Alternative Plan Sponsors have provided this Disclosure Statement to certain Claim and Interest Holders to solicit votes on the Alternative Plan and to others for informational purposes. This Disclosure Statement's purpose is to provide adequate information to enable each Claim Holder entitled to vote on the Alternative Plan to make a reasonably informed decision in deciding whether to accept or reject the Alternative Plan.

By order entered on [\_\_\_\_], 2009, the Bankruptcy Court approved this Disclosure Statement as containing information of a kind and in sufficient and adequate detail to enable Claim Holders entitled to vote on the Alternative Plan to make an informed judgment with respect to acceptance or rejection of the Alternative Plan. **The Bankruptcy Court's approval of this Disclosure Statement is neither a guaranty of its accuracy or completeness nor an endorsement of the Alternative Plan.**

**Claim Holders entitled to vote on the Alternative Plan should read the Plan and this Disclosure Statement and their attachments carefully and in their entirety before voting to accept or reject the Alternative Plan.** This Disclosure Statement contains important information about the Alternative Plan, considerations pertinent to acceptance or rejection of the Alternative Plan, and developments concerning the Chapter 11 Cases.

**This Disclosure Statement and the other materials in the Solicitation Package (defined below) are the only documents authorized by the Court to be used in connection with the solicitation of votes on the Alternative Plan.** Distribution of this Disclosure Statement is a prerequisite to solicitation of votes, and no person has been authorized to distribute any other information concerning the Debtors or the Alternative Plan.

#### C. Solicitation Package

Accompanying this Disclosure Statement are, among other things, copies of (1) the Alternative Plan (Exhibit A); (2) the Alternative Disclosure Statement Order; (3) the Solicitation Procedures Order (without exhibits, except the Solicitation Procedures); (4) the Confirmation Hearing Notice; (5) if you are entitled to vote, one or more Ballots, as applicable (and pre-

addressed, postage-paid return envelopes); (6) the solicitation cover letter; and (7) such other materials as the Bankruptcy Court may direct (collectively, the “Solicitation Package”).

#### **D. General Voting Procedures and Deadline**

After carefully reviewing the Alternative Plan, this Disclosure Statement, and (if you are entitled to vote) the detailed instructions accompanying your Ballot, please accept or reject the Alternative Plan by checking the appropriate box on your Ballot. Please complete and sign your original Ballot (copies will not be accepted) and return it in the envelope provided. Failure to provide all of the information requested on the Ballot may disqualify your vote. Each Ballot has been coded to reflect the Class of Claims it represents. Accordingly, in voting to accept or reject the Alternative Plan, you must use only the coded Ballot sent to you with this Disclosure Statement.

The Alternative Plan Sponsors will designate the Trade Creditors and send Ballots to Trade Creditors with instructions explaining the Trade Claim Election and how to make the election. Trade Creditors that make the Trade Claim Election will have their Claims treated under Class 13 as Trade Claims, and will be bound to the terms of the Trade Claim Election. Trade Creditors that do not make the Trade Claim Election will be treated under Class 12 as General Unsecured Claims against Casino. If the Trade Claim Election is made and the Trade Creditor subsequently does not comply with the terms of the Trade Claim Election, the Debtors or Reorganized Debtors may seek to reclassify the Claim as a Claim under Class 12.

The Alternative Plan provides that a Pre-petition Lender may elect to receive its Pro Rata share of (a) the Cash Distribution and New ~~Subordinated~~Unsecured Debt, or (b) Pre-petition Lenders New Common Units on its Ballot accepting or rejecting the Alternative Plan. Any Pre-petition Lender who fails to elect either of these options shall receive a Pro Rata share of both (a) and (b), subject to the Pro Rata Reallocation. The Ballot distributed to each of the Pre-petition Lenders for each of classes 2, 9, 15, 20, 25 and 30 (the “Pre-petition Lender Classes”) will reflect this provision of the Alternative Plan. The Alternative Plan Sponsors will distribute a single Ballot to each of the Pre-petition Lender Classes requiring each Pre-petition Lender to submit one vote accepting or rejecting the Plan for all Pre-petition Lender Classes.

FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED AND IN ACCORDANCE WITH THE VOTING INSTRUCTIONS ON THE BALLOT AND RECEIVED NO LATER THAN ~~FRIDAY, OCTOBER 9~~THURSDAY, OCTOBER 8, 2009 AT 7:00 P.M. (PREVAILING EASTERN TIME) (THE “VOTING DEADLINE”) BY THE DEBTORS’ CLAIMS AGENT, AT THE FOLLOWING ADDRESS: LUNA GREEKTOWN LLC AND PLAINFIELD ASSET MANAGEMENT LLC C/O KURTZMAN CARSON CONSULTANTS, LLC, 2335 ALASKA AVENUE, EL SEGUNDO, CA 90245, ATTN: BALLOT PROCESSING DEPARTMENT. BALLOTS RECEIVED AFTER SUCH TIME WILL BE COUNTED IN THE SOLE DISCRETION OF THE ALTERNATIVE PLAN SPONSORS. BALLOTS SHOULD NOT BE DELIVERED TO ANY OTHER PARTY OR ADDRESS.

## **E. Questions About Voting Procedures**

If (1) you have questions about (a) the procedure for voting your Claim, (b) the packet of materials that you have received, or (c) the amount of your Claim or Interest; or (2) you wish to obtain, at your own expense (unless otherwise specifically required by Bankruptcy Rule 3017(d)) an additional copy of the Alternative Plan, this Disclosure Statement, or any appendices or Exhibits to those documents, please refer to the Claims Agent's website at <http://www.kccllc.net/greektowncasino> or request a copy from the Claims Agent by mail at 2335 Alaska Avenue, El Segundo, California 90245, Attn: Greektown Balloting; by telephone toll free at 866-381-9100; or by e-mail at [greektowninfo@kccllc.com](mailto:greektowninfo@kccllc.com).

For further information and instructions on voting on the Alternative Plan, see Article VIII of this Disclosure Statement.

## **F. Confirmation Hearing and Deadline for Objections to Confirmation**

Under Bankruptcy Code section 1128 and Bankruptcy Rule 3017(c), the Bankruptcy Court has scheduled the Confirmation Hearing for ~~\_\_\_\_\_~~, Tuesday, November 3, 2009, at ~~\_\_\_\_\_~~ 10:00 a.m. (prevailing Eastern time) before the Honorable Walter Shapero, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Eastern District of Michigan, Southern Division, located at ~~The~~ Theodore Levin United States Courthouse, 211 West Lafayette Blvd., 10th Floor, Detroit, Michigan 48226. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except by announcement of the adjournment date at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

The Bankruptcy Court has directed that objections, if any, to confirmation of the Alternative Plan be filed with the clerk of the Bankruptcy Court and served so that they are **RECEIVED** on or before ~~\_\_\_\_\_~~, Tuesday, October 13, 2009, at ~~4~~5:00 P.M. (prevailing Eastern time) by counsel to the Alternative Plan Sponsors, Foley & Lardner LLP, 500 Woodward Avenue, Suite 2700, Detroit, MI 48226, Attn: Salvatore A. Barbatano, Katherine R. Catanese, and Adam J. Wiener; counsel to the Debtors, Schafer & Weiner PLLC, 40950 Woodward Avenue, Suite 100, Bloomfield Hills, MI 48034, Attn: Daniel J. Weiner & Michael E. Baum; counsel for the Creditors' Committee, Clark Hill, PLC, 151 S. Old Woodward, Suite 200, Birmingham, MI 48009, Attn: Joel D. Applebaum & Robert A. Gordon; counsel for the DIP Agent and Pre-petition Agent, Mayer Brown LLP, 1675 Broadway, New York, New York 10019, Attn: J. Robert Stoll; and the United States Trustee, 211 West Fort, Suite 700, Detroit, MI 48226, Attn: Leslie Berg.

## **II. BACKGROUND INFORMATION**

### **A. The Debtors**

Information on (i) the Debtors' businesses, (ii) the Debtors' directors, managers and officers, (iii) the Debtors' industry, (iv) regulation under the Michigan Gaming Control and Revenue Act, (v) the Debtors' construction project, (vi) the Debtors' Pre-petition capital structure, and (vii) events leading to the Debtors' Chapter 11 Cases is set forth on pages 5-~~18~~30 of the Debtors' Disclosure Statement.

## **B. The Alternative Plan Sponsors**

The Alternative Plan Sponsors, in addition to injecting in excess of \$16 million of new capital in the Reorganized Debtors and converting their secured debt to equity as part of their Alternative Plan, will be actively engaged in the management and operation of the Reorganized Debtors. In that regard, the senior management of the Alternative Plan Sponsors working on this matter will include highly experienced and talented individuals who have received gaming license qualifications in a number of jurisdictions, including Michigan, Colorado, California, and Nevada. A summary of the business activities and qualifications of each of the Alternative Plan Sponsors and their respective senior managers is set forth below. Each of the senior managers who will be involved in the management and operation of the casino post-confirmation will submit to the licensing procedures of and will offer their complete cooperation to the MGCB. The Alternative Plan Sponsors have had initial discussion with the MGCB concerning the licensing process. However, the MGCB is an independent agency of the government of the State of Michigan and it has neither considered nor approved licensing of the Alternative Plan Sponsors, or their agents, as owners of Greektown Holdings.

### **1. The Alternative Plan Sponsors' Businesses**

#### **a. Luna Greektown LLC**

Luna Greektown LLC, a Michigan Limited Liability Company, is part of a group of companies that includes the Luna Gaming and Luna Enterprises business categories. The companies in the Luna Gaming business category have previously been and are currently engaged in financing, developing, and managing a number of Native American gaming ventures, including the Rolling Hills Casino in Corning, California; the Little River Casino Resort in Manistee, Michigan; a casino to be owned by the Habematolel Pomo Tribe of Upper Lake in Upper Lake, California; the Kiowa Casino in Randlett, Oklahoma. The companies in the Luna Gaming business category also were significantly involved in a state-wide referendum to legalize commercial gaming in Michigan and became a co-owner of Motor City Casino with Mandalay Resort Group and other minority owners until a buy-out occurred in connection with the MGM/Mandalay merger. In addition, the Luna Gaming business category includes the Red Dolly Casino in Black Hawk, Colorado. The officers of the companies in the Luna Gaming business category are currently licensed to conduct gaming operations in Nevada and Colorado and by the Kiowa Gaming Commission and Habemetol Pomo of Upper Lake Gaming Commission and have been investigated by the California Gambling Control Division as well as the National Indian Gaming Commission.

The Luna Enterprises business category includes companies that manage various real estate and retail operations throughout the country. The real estate properties include projects in Arizona and Michigan. The retail businesses include Motor City Harley-Davidson located in Farmington Hills, Michigan, Motor City Powersports, located in Bloomfield Hills, Michigan and Celani Family Vineyards located in Napa, ~~California~~[California](#).

## **b. Plainfield Asset Management LLC**

Plainfield Asset Management LLC, a Delaware limited liability company (“Plainfield”) is an investment management firm formed on February 14, 2005, and is based in Greenwich, Connecticut. Plainfield is registered with the U.S. Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940 and serves as the investment manager to pooled investment vehicles inside and outside of the United States. Plainfield manages in excess of \$3.5 billion of investment capital for institutions and high net worth individuals based in the United States and abroad. Max Holmes, whose biography is included below, is the sole managing member of Plainfield.

Plainfield holds equity, directly or indirectly through one or more affiliates or wholly-owned subsidiaries, in several enterprises in the casino and gaming industry. Plainfield’s affiliates and subsidiaries currently hold gaming licenses in Nevada, New York, and Canada, and are pursuing a gaming license in Colorado.

## **2. Directors, Managers, and Officers**

The following persons are directors, managers, and officers of the Alternative Plan Sponsors. A brief biography is included for each person:

- Thomas Celani. Thomas Celani became President of Action Distributing Company, Inc. at the age of 26. He proceeded to grow Action into one of the largest Miller distributorships in the country with an annual growth rate of more than seven percent. Mr. Celani sold Action in 1999 in connection with his Michigan Gaming Control Board licensing for his ownership of Motor City Casino, as state law prohibits an individual from holding a beer distribution license and a retail liquor license concurrently.

Mr. Celani’s entry into the gaming industry came in 1988 when he co-founded Sodak Gaming, Inc along with two other individuals. Mr. Celani grew Sodak from a small company distributing gaming devices to Indian tribes in South Dakota to a public company with over \$150 million in annual revenues. Mr. Celani served as a member of the Sodak Board of Directors through the summer of 1998, when IGT purchased all outstanding shares of Sodak.

In 1995 Mr. Celani commenced the development of the Little River Casino Resort for the Little River Band of Ottawa Indians. Mr. Celani assisted the Little River Band in the entire development and financing process and managed the facility through September, 2004. Today, Little River Casino consists of a 300,000 square foot facility with over 1,300 slot machines, 35 table games, 300 hotel rooms and three dining experiences and generates over \$130 million in revenue.

Mr. Celani participated significantly in the 1996 Michigan state-wide voter referendum which led to casino gaming in Detroit. Mr. Celani’s group was selected as one of the three companies to receive a casino license and Motor City Casino opened to the public in December of 1999. From 1999 to 2005, Mr. Celani was approved by the MGCB as an owner of Motor City Casino which generated over \$400 million in revenue annually and employed more than 2,400 people, 50% of which were Detroit residents. Mr. Celani sold

his interest in Motor City in April of 2005 in connection with the MGM ~~–~~ Mandalay Bay merger.

In April, 2001 Mr. Celani commenced development of the Rolling Hills Casino for the Paskenta Band of Nomlaki Indians in Corning, California. Once construction began, over the next 12 months Mr. Celani assisted the Paskenta Band of Nomlaki Indians in the development and financing of their \$40 million casino project. In July of 2002, Rolling Hills Casino opened to the public with a 60,000 square foot facility, 650 slot machines, 12 table games, a steakhouse, and a 300-person buffet. Since that time, the Tribe has expanded the casino and added two hotels and a hunting lodge.

In December of 2005, Mr. Celani acquired, through his company, Luna Gaming – Red Dolly, 100% of the shares of Red Dolly, Inc. which operates the Red Dolly Casino in Black Hawk, Colorado. Mr. Celani is licensed in Colorado by the Colorado Division of Gaming. Red Dolly is the oldest operating casino in Colorado and has many of the newest slot machines as well as the best family style food in Black Hawk. In addition to Colorado, Mr. Celani is also licensed by the Nevada Gaming Control Board as an owner of the Cal-Neva Casino.

~~Mr. Celani holds a 99% membership interest in Luna Gaming Tahoe LLC. Luna Gaming Tahoe LLC and Thomas Celani have been licensed by the Nevada Gaming Control Board for the purpose of operating the Cal-Neva Casino at the Cal-Neva Hotel and Resort.~~

~~LGT Management Company holds a 1% interest in Luna Gaming Tahoe LLC. Mr. Celani is the President and 100% owner of LGT Management Company. LGT Management Company was formed for the purpose of acting as the manager of Luna Gaming Tahoe LLC.~~

Working with the Kiowa Tribe, Mr. Celani recently opened the \$70 million dollar Kiowa Casino just north of the Texas/Oklahoma border. Kiowa Casino is a state of the art casino which operates over 1000 ticket-in and ticket-out slot machines and over 20 table games. Kiowa Casino is also equipped with high-end exclusive steak house, a cutting edge sports bar, and a top notch buffet. Kiowa Casino is approximately 20 miles from Wichita Falls, Texas.

Mr. Celani also has numerous non-gaming businesses in Michigan. Mr. Celani owns and operates the Luna Building, an 80,000 square foot retail development in the Main Street District of Novi, Michigan. ~~The Luna Building houses Luna Entertainment's corporate offices. Other tenants include The Post Bar and Gus O'Connor's, an authentic Irish pub, opened in the fall of 2003. The building also houses The Better Health Store, a premier health food store chain and Lifestyles, a high end hot tub and patio furniture store.~~ Mr. Celani also operates two retail motorcycle dealerships. The first is Motor City Harley-Davidson, the number one Harley dealership in Michigan ~~and a multiple winner of Harley's prestige BAR and SHEILD award.~~ Motor City Harley is one of Harley's most exciting facilities with over 65,000 square feet located in Farmington Hills, ~~Michigan. The Motor City Harley Davidson HOG Chapter has over 1,200 members and is one of the largest Chapters in Michigan. The second dealership is Motor City Power Sports. In~~



~~2006 Mr. Celani acquired Anderson Sales and Service which was at that time one of the largest power sports dealerships in Michigan, and one of the top branded dealerships in the United States. Mr. Celani renamed the dealership Motor City Power Sports and has improved upon the long history of success the dealership enjoyed. Michigan.~~

The second dealership is Motor City Power Sports, located in Bloomfield Hills, Michigan. Motor City Power Sports sells motorcycles, jet skis, dirt bikes and snowmobiles from seven top manufacturers, including Honda, Yamaha, Kawasaki and Bombardier.

In addition, ~~inspired by the traditions of his Italian family and a passion for winemaking, since 2005,~~ Mr. Celani has, ~~since 2005,~~ owned and operated the Celani Family Vineyards in the Napa Valley of California. In the short space of four years, the Vineyards have won accolades and industry ~~recognition~~recognition for their cabernet (rated at 92 points), chardonnay, and Napa Red (rated at 93 points). ~~The dedication and commitment which produced such rapid success in winemaking will be reflected in Mr. Celani's management of the Reorganized Debtors.~~

- Max Holmes. Max Holmes is the founder and the Chief Investment Officer of Plainfield.

Prior to founding Plainfield in February 2005, Mr. Holmes was the Head of the Distressed Securities Group and a Managing Director of D.E. Shaw & Co., L.P. As Head of the Distressed Securities Group, Mr. Holmes was a Co-Portfolio Manager for D.E. Shaw Laminar Portfolios, LLC from 2002 through 2004.

Mr. Holmes was also formerly a member of the Board of Directors of FAO Schwarz Inc., eToys Direct, Inc., and Sure Fit, Inc. From 1999 through 2002, Mr. Holmes was the founder and Co-Head of the High Yield Group at RBC Capital Markets, a subsidiary of The Royal Bank of Canada, where he was head of High Yield Origination and Capital Markets.

From 1996 to 1999, Mr. Holmes was Head of High Yield Capital Markets and Head of High Yield Research at Gleacher NatWest Inc., a subsidiary of National Westminster Bank Plc. From 1991 to 1996, Mr. Holmes worked at Salomon Brothers Inc, where at various times he was Head of Bankruptcy Research, acted as Salomon's High Yield Strategist, served as its lead representative on various creditors committees, and managed a proprietary distressed bond portfolio. From 1986 to 1989, Mr. Holmes worked at Drexel Burnham Lambert in Beverly Hills, California, first in the Corporate Finance Department and then in the High Yield and Convertible Securities Department. Mr. Holmes became one of the youngest Senior Vice Presidents in Drexel's history.

From 1984 to 1986, Mr. Holmes was a practicing attorney at Vinson & Elkins in Houston, Texas, where he represented commercial banks in a variety of bankruptcies, restructurings, high yield bond and M&A transactions. Mr. Holmes remains a member of the bar in New York and Texas.

Mr. Holmes received a J.D. from Columbia Law School in 1984, an M.B.A. from Columbia Business School in 1984, and a B.A. from Harvard College in Philosophy in

1981. Since 1993, Mr. Holmes has taught “Bankruptcy and Reorganization” at New York University Stern Graduate School of Business, where he remains an Adjunct Professor of Finance.

- Marc Sole. Marc Sole joined Plainfield in February 2008 as a Managing Director and Assistant Portfolio Manager.

Prior to joining Plainfield, Mr. Sole worked at D.E. Shaw, which he joined in 2001 as an analyst in its Special Situations / Risk Arbitrage Group. In early 2002, Mr. Sole became the third employee in the D. E. Shaw Distressed Securities Group. Mr. Sole subsequently was promoted to be Co-Head of Research and Co-Portfolio Manager of D. E. Shaw’s U.S. Credit Opportunities Strategy.

Prior to joining D.E. Shaw, Mr. Sole was an associate in the corporate group at Cravath, Swaine & Moore LLP in New York. Mr. Sole has served on the Board of Directors of Owens Corning, Schuff International, Inc. and several private specialty finance companies.

Mr. Sole graduated from Princeton University in 1993 with an A.B. from the Woodrow Wilson School of Public and International Affairs, and he received a J.D. in 1996 from the Columbia University School of Law, where he was a Harlan Fiske Stone Scholar.

### **III. SIGNIFICANT EVENTS DURING THE CHAPTER 11 CASES**

Information on significant events during the Debtors’ Chapter 11 Cases is set forth on pages ~~1830-2841~~ of the Debtors’ Disclosure Statement.

### **IV. SUMMARY OF THE ALTERNATIVE PLAN**

The following sections summarize certain key information in the Alternative Plan. This summary refers to, and is qualified in its entirety by, reference to the Alternative Plan. The Alternative Plan’s terms will govern any inconsistencies between this summary and the Alternative Plan.

#### **A. Purpose and Effect of the Alternative Plan**

The Alternative Plan Sponsors believe that the Debtors’ businesses and assets have significant value that would not be realized in a liquidation, either in whole or in substantial part. Consistent with the Liquidation Analysis described in this Disclosure Statement and other analyses prepared by the Alternative Plan Sponsors based on information provided by the Debtors and their professionals, the value of the Debtors’ Estates would be considerably greater if the Debtors continue to operate as a going concern instead of liquidating.

#### **B. Classification and Treatment of Claims and Interests**

The Alternative Plan divides all Claims and Interests, except Administrative Claims, Priority Tax Claims, and other Priority Claims, into various Classes. The projected recoveries are based upon certain assumptions contained in the Valuation Analysis. The assumed

reorganization value of Reorganized Holdings' New Common Units was derived from commonly accepted valuation techniques and is not an estimate of trading value for such securities. The range of recoveries listed above and the claims estimates listed in the attached Exhibit E are based on various assumptions, including assumptions regarding the total amount of Allowed General Unsecured Claims and assumptions concerning the value of the Reorganized Debtors. Notwithstanding Exhibit E, the Alternative Plan Sponsors reserve the right to challenge the amount of any Claim including, without limitation, interest and adequate protection calculations on Secured Claims.

The Classes of Claims and Interests listed below classify Claims and Interests for all purposes, including voting, confirmation, and distribution pursuant to this Disclosure Statement and to Bankruptcy Code sections 1122 and 1123(a)(1). The Alternative Plan deems a Claim or Interest to be classified in a particular Class only to the extent that the Claim or 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 Interest qualifies within the description of such different Class. A Claim or Interest is in a particular class only to the extent that any such Claim or Interest is Allowed in that Class and has not been paid or otherwise settled before the Effective Date.

The following table summarizes the classes of Claims and Interests that have been identified:

<b>Class</b>	<b>Claim</b>	<b>Status</b>	<b>Voting Rights</b>
1.	DIP Lenders' Claims Against Holdings	Unimpaired	Deemed to Accept
2.	Pre-petition Lenders' Claims Against Holdings	Impaired	Entitled to Vote
3.	Plan Proponents' Claims Against Holdings	Impaired	Entitled to Vote
4.	Other Allowed Secured Claims Against Holdings	Impaired	Entitled to Vote
5.	Bond Claims Against Holdings	Impaired	Entitled to Vote
6.	General Unsecured Claims Against Holdings	Impaired	Entitled to Vote
7.	Interests in Holdings	Impaired	Deemed to Reject
8.	DIP Lenders' Claims Against Casino	Unimpaired	Deemed to Accept
9.	Pre-petition Lenders' Claims Against Casino	Impaired	Entitled to Vote
10.	Plan Proponents' Claims Against Casino	Impaired	Entitled to Vote
11.	Other Allowed Secured Claims Against Casino	Impaired	Entitled to Vote

12.	General Unsecured Claims Against Casino	Impaired	Entitled to Vote
13.	Trade Claims Against Casino	Impaired	Entitled to Vote
14.	DIP Lenders' Claims Against Holdings II	Unimpaired	Deemed to Accept
15.	Pre-petition Lenders' Claims Against Holdings II	Impaired	Entitled to Vote
16.	Plan Proponents' Claims Against Holdings II	Impaired	Entitled to Vote
17.	Other Allowed Secured Claims Against Holdings II	Impaired	Entitled to Vote
18.	General Unsecured Claims Against Holdings II	Impaired	Entitled to Vote
19.	DIP Lenders' Claims Against Builders	Unimpaired	Deemed to Accept
20.	Pre-petition Lenders' Claims Against Builders	Impaired	Entitled to Vote
21.	Plan Proponents' Claims Against Builders	Impaired	Entitled to Vote
22.	Other Allowed Secured Claims Against Builders or the Builders Property	Impaired	Entitled to Vote
23.	General Unsecured Claims Against Builders	Impaired	Entitled to Vote
24.	DIP Lenders' Claims Against Realty	Unimpaired	Deemed to Accept
25.	Pre-petition Lenders' Claims Against Realty	Impaired	Entitled to Vote
26.	Plan Proponents' Claims Against Realty	Impaired	Entitled to Vote
27.	Other Allowed Secured Claims Against Realty or the Realty Property	Impaired	Entitled to Vote
28.	General Unsecured Claims Against Realty	Impaired	Entitled to Vote
29.	DIP Lenders' Claims Against Trappers	Unimpaired	Deemed to Accept
30.	Pre-petition Lenders' Claims Against Trappers	Impaired	Entitled to Vote

31.	Plan Proponents' Claims Against Trappers	Impaired	Entitled to Vote
32.	Other Allowed Secured Claims Against Trappers or the Trappers Property	Impaired	Entitled to Vote
33.	General Unsecured Claims Against Trappers	Impaired	Entitled to Vote
34.	Allowed Secured Claims Against Monroe	Impaired	Entitled to Vote
35.	Unsecured Claims Against Monroe	Impaired	Entitled to Vote
36.	Interests in Monroe	Impaired	Deemed to Reject
37.	Allowed Secured Claims Against Kewadin	Impaired	Entitled to Vote
38.	Unsecured Claims Against Kewadin	Impaired	Entitled to Vote
39.	Interests in Kewadin	Impaired	Deemed to Reject
<u>40.</u>	<u>Deficiency Claims</u>	<u>Impaired</u>	<u>Entitled to Vote</u>

## 1. Unclassified Claims

Under section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Priority Tax Claims, and other Priority Claims have not been classified and are therefore excluded from the Classes of Claims and Interests set forth in Article III of the Alternative Plan.

### a. Administrative Claims

Administrative Claims cover the costs and expenses of administering the Chapter 11 Cases, which are allowed under Bankruptcy Code sections 503(b), 507(b) or 1114(e)(2), and include: (a) the actual and necessary costs and expenses of preserving the Estates and operating the Debtors' businesses (e.g., wages, salaries, commissions for services and payments for inventories, leased equipment, and premises); (b) compensation for legal, financial advisory, accounting and other services rendered after the Petition Date, and reimbursement of expenses incurred in connection with such services, awarded or allowed under Bankruptcy Code sections 330(a) or 331; (c) all fees and charges assessed against the Estates under 28 U.S.C. §§ 1911-30; and (d) the Restructuring Transaction closing costs.

Subject to Article VIII of the Alternative Plan, on the first Periodic Distribution Date occurring after the later of the date when an Administrative Claim becomes Allowed or the date when an Administrative Claim becomes payable pursuant to any agreement between a Debtor (or a Reorganized Debtor) and the Holder of such Administrative Claim, a Holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Administrative Claim, Cash equal to the unpaid portion of such Allowed Administrative Claim or such other less favorable treatment that the Alternative Plan

Sponsors or the Reorganized Debtors and the Holder of such Allowed Administrative Claim shall have agreed upon in writing (with the Consent of the Lenders); provided, however, that Administrative Claims incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or arising under contracts assumed during the Chapter 11 Cases before, on, or as of the Effective Date shall be deemed Allowed Administrative Claims and paid by the Debtors or the Reorganized Debtors in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto; and provided, further, that any Cure payments associated with the Assumed Contracts shall be paid in accordance with Article XIII of the Alternative Plan.

**b. Priority Tax Claims**

Commencing on the first Periodic Distribution Date occurring after the later of (a) the date a Priority Tax Claim becomes an Allowed Priority Tax Claim or (b) the date an Allowed Priority Tax Claim first becomes payable pursuant to any agreement between a Debtor (or a Reorganized Debtor) and the Holder of such Allowed Priority Tax Claim, such Holder of an Allowed Priority Tax Claim shall be entitled to receive, on account of such Allowed Priority Tax Claim, in full satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Priority Tax Claim: (i) equal Cash payments on each Periodic Distribution Date during a period not to exceed five years after the Petition Date, totaling the aggregate amount of such Claim plus simple interest at the rate required by applicable law on any outstanding balance from the Petition Date, or such lesser rate as is set by the Bankruptcy Court or agreed to by the Holder of an Allowed Priority Tax Claim, or (ii) such other treatment as is agreed to by the Holder of an Allowed Priority Tax Claim and the Alternative Plan Sponsors, provided that such treatment is on more favorable terms to the Debtors or the Reorganized Debtors than the treatment set forth in clause (i) of this Section IV.B.1.

**c. Other Priority Claims**

All other Allowed Priority Claims, to the extent of the applicable priority under section 507(a) of the Bankruptcy Code, will be paid the Allowed Amount of such Claim as of the Effective Date.

**2. Classified Claims**

**a. Classes 1, 8, 14, 19, 24 & 29**

Classification: Secured Claims of DIP Lenders Against Holdings, Casino, Holdings II, Builders, Realty and Trappers.

Treatment: Each Holder of ~~an~~ Allowed Claim in Class 1, 8, 14, 19, 24 and 29 shall receive, in full satisfaction of such Allowed Claim, its Pro Rata share of Cash from the Exit Financing on the Effective Date. Any monies that remain after satisfaction of any claims of the DIP Lenders shall remain with Reorganized Holdings ~~and to~~ be distributed pursuant to Section 3.3 of the Alternative Plan or re-vested with Reorganized Holdings pursuant to Article XI of this Plan.

Voting: Classes 1, 8, 14, 19, 24 and 29 are Unimpaired. Each Holder of an Allowed Claim in such Classes as of the Voting Record Date is deemed to accept the Alternative Plan.

**b. Classes 2, 9, 15, 20, 25 & 30**

Classification: Secured Claims of Pre-petition Lenders Against Holdings, Casino, Holdings II, Builders, Realty and Trappers.

Treatment: Each Holder of ~~a~~an Allowed Claim in Class 2, 9, 15, 20, 25 and 30, pursuant to the Pre-petition Lender Election, and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, shall receive, at its option, a Pro Rata share of (a) the Pre-petition Lenders New Common Units; or (b) the New ~~Subordinated~~Unsecured Debt and the Cash Distribution.

Voting: Classes 2, 9, 15, 20, 25 and 30 are Impaired. Each Holder of an Allowed Claim in such Classes as of the Voting Record Date is entitled to vote to accept or reject the Alternative Plan.

**c. Classes 3, 10, 16, 21, 26 & 31**

Classification: Secured Claims of Plan Proponents Against Holdings, Casino, Holdings II, Builders, Realty and Trappers.

Treatment: Each Holder of ~~a~~an Allowed Claim or its designee in Class 3, 10, 16, 21, 26 and 31 shall receive, in full satisfaction of such ~~Claims~~Allowed Claim, its Pro Rata share of (a) ~~31.74~~34.20% of the Plan Proponents New Common Units, and (b) 34.20% of the Plan Proponents Warrants.

Voting: Classes 3, 10, 16, 21, 26 and 31 are Impaired. Each Holder of an Allowed Claim in such Classes as of the Voting Record Date is entitled to vote to accept or reject the Alternative Plan.

**d. Classes 4, 11, 17, 22, 27, 32, 34 & 37**

Classification: Other Allowed Secured Claims Against Holdings, Casino, Holdings II, Builders, Builders Property, Realty, Realty Property, Trappers and Trappers Property, and Allowed Secured Claims Against Monroe and Kewadin.

Treatment: Each Holder of an Allowed Claim in Class 4, 11, 17, 22, 27, 32, 34 and 37 shall receive, in full satisfaction of such Allowed Claim, in the Reorganized Debtors' full discretion, either: (i) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and



Article V of this Plan), or, (ii) return of the collateral securing the Holder's Secured Claim.

A Claim shall be Allowed as a Secured Claim under Section 3.5 of the Alternative Plan only (i) if the Holder of the Claim holds a non-avoidable, first-priority Lien in property of one or more of the Debtors' Estates which is either (A) senior to the DIP Lenders' and Pre-petition Lenders' Liens, or (B) the Consent of the Lenders is obtained allowing such claim as an Allowed Secured Claim under Section 3.5 of the Alternative Plan, and (ii) only to the extent of the value, as of the Effective Date, of the Holder's interest in the applicable Estate's interest in the property securing the Claim. To the extent an Allowed Claim under Section 3.5 of the Alternative Plan is asserted to be a Secured Claim, but the value of the Holder's interest in the applicable Estate's interest is less than the amount of the Claim, the undersecured amount of the Claim shall be treated as a General Unsecured Claim against the respective Debtor.

Voting: Classes 4, 11, 17, 22, 27, 32, 34 and 37 are Impaired. Each Holder of an Allowed Claim in such Classes as of the Voting Record Date is entitled to vote to accept or reject the Alternative Plan.

**e. Classes 5, 6, 18, 23, 28, 33, ~~35~~35, 38, & ~~38~~40**

Classification: Bond Claims Against Holdings~~—and~~, General Unsecured Claims Against Holdings, Holdings II, Builders, Realty, Trappers, Monroe and Kewadin, and Deficiency Claims.

Treatment: Each Holder of an Allowed Claim in ~~Classes~~Class 5, 6, 18, 23, 28, 33, ~~35~~35, 38, and ~~38~~40 shall receive, in full satisfaction of such Claim, its Pro Rata share of the ~~Unsecured Distribution Warrants~~proceeds of the Litigation Trust Actions.

Voting: Classes 5, 6, 18, 23, 28, 33, ~~35~~35, 38, and ~~38~~40 are Impaired. Each Holder of an Allowed Claim in ~~such~~ Classes 5, 6, 18, 23, 28, 33, 35, 38, and 40 as of the Voting Record Date is entitled to vote to accept or reject the Alternative Plan.

**f. Class 12**

Classification: General Unsecured Claims Against Casino.

Treatment: Each Holder of an Allowed~~—Claim in~~ Class 12 Claim shall receive, in full satisfaction of such Allowed Claim, its Pro Rata share of (a) the Unsecured Distribution Fund, and (b) the Unsecured Distribution Warrants.~~—The Unsecured Distribution~~



~~Fund shall be paid in two (2) installments, the first of which shall be paid on the date that is six (6) months following the Effective Date, and the second on the date that is one (1) year following the Effective Date.~~

Voting: Class 12 is Impaired ~~by this Plan~~. Each Holder of an Allowed ~~Claim in~~ Class 12 Claim as of the Voting Record Date is entitled to vote to accept or reject the Alternative Plan.

**g. Class 13**

Classification: Trade Claims Against Casino.

Treatment: Each Holder of an Allowed Class 13 Claim shall receive ~~on or as soon as practicable after the Effective Date~~, in full satisfaction of such Allowed Claim, its Pro Rata share of the Trade Distribution Fund, but only up the amount of such Holder's Allowed Claim. The Trade Distribution Fund shall be paid in two (2) installments, the first of which shall be paid on the date that is six (6) months following the Effective Date, and the second on the date that is one (1) year following the Effective Date. As an additional distribution, each Holder of an Allowed Claim in Class 13 shall receive a release from Avoidance Claims and shall be a Released Party, subject to section 7.3 of the Alternative Plan.

Voting: Class 13 is Impaired. Each Holder of an Allowed Claim in Class 13 ~~Claim~~ as of the Voting Record Date is entitled to vote to accept or reject the Alternative Plan.

**h. Classes 7, 36 & 39**

Classification: Equity Interests - Holdings, Monroe and Kewadin

Treatment: Each Holder of an Equity Interest in Holdings, Monroe or Kewadin shall not receive or retain any interest or property under the Alternative Plan and all Equity Interests in Holdings, Monroe and Kewadin shall be cancelled and extinguished.

Voting: Classes 7, 36 and 39 are Impaired. Each Holder of Equity Interests in Holdings, Monroe or Kewadin is deemed to reject the Alternative Plan and is not entitled to vote to accept or reject the Alternative Plan.

**C. Acceptance or Rejection of the Plan**

**1. Presumed Acceptance of Plan**

Claim Holders in Classes 1, 8, 14, 19, 24 and 29 are Unimpaired and are deemed to accept the Alternative Plan under section 1126(f) of the Bankruptcy Code.

## **2. Voting Classes**

Classes ~~1~~, 2, 3, 4, ~~8~~, 5, 6, 9, 10, 11, 12, 13, ~~14~~, 15, 16, 17, ~~19~~, 18, 20, 21, 22, ~~24~~, 23, 25, 26, 27, ~~29~~, 28, 30, ~~21~~, 31, 32, ~~34~~, 33, 34, 35, 37, 38, and ~~38~~ 40 are Impaired Classes that may vote to accept or reject the Alternative Plan (the "Voting Classes"). Each Holder of an Allowed Claim ~~or Interest~~ as of the Voting Record Date in each of the Voting Classes will be entitled to vote to accept or reject the Alternative Plan.

## **3. Acceptance by Impaired Classes of Claims**

Under section 1126(c) of the Bankruptcy Code, and except as otherwise provided in section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims has accepted the Alternative Plan if the Holders of at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims in such Class actually voting have voted to accept the Alternative Plan.

#### **4. Presumed Rejection of the Plan**

Classes 7, 36, and 39 are Impaired and shall receive no distribution under the Alternative Plan on account of their Claims or Interests and are, therefore, presumed to have rejected the Alternative Plan under section 1126(g) of the Bankruptcy Code.

#### **5. Tabulation of Ballots**

The Alternative Plan Sponsors will tabulate all votes on the Alternative Plan on a consolidated basis to determine whether the Alternative Plan satisfies sections 1129(a)(8) and (10) of the Bankruptcy Code.

#### **6. Confirmation Under Bankruptcy Code Sections 1129(a) and (b)**

Bankruptcy Code section 1129(a) will be satisfied for purposes of Confirmation by acceptances of the Alternative Plan by an Impaired Class of Claims. The Alternative Plan Sponsors will seek Confirmation under Bankruptcy Code section 1129(b) with respect to any rejecting Class of Claims or Interests.

#### **7. Controversy Concerning Impairment**

If a controversy arises as to whether any Claims or interests, or any Class of Claims or interests, are Impaired, the Bankruptcy Court will, after notice and a hearing, determine such controversy on or before the Confirmation Date.

### **D. Procedures for Resolving Disputed Claims**

#### **1. Claims Administration**

The Alternative Plan Sponsors shall be responsible for and shall retain responsibility for administering, disputing, objecting to, compromising, or otherwise resolving Claims against, and Interests in, the Debtors and making distributions (if any) with respect to all Claims and Interests, except that the Creditors' Committee shall be responsible for and shall retain responsibility for administering, disputing, objecting to, compromising, or otherwise resolving all Class 12 Claims (General Unsecured Claims Against Casino), as provided for in article 5 of the Alternative Plan. The Creditors' Committee shall be entitled to compensation for its activities relating to Claims administration under this section solely from the Unsecured Distribution Fund, and the Alternative Plan Sponsors and Reorganized Debtors shall have no obligation to provide any funding or compensation for such Claims administration. Nothing in article 5 of the Alternative Plan shall prevent the DIP Agent or the Prepetition Agent from disputing or objecting to any Claim on its own behalf or on behalf of the DIP Lenders or Prepetition Lenders.

#### **2. Filing of Objections**

Unless otherwise provided in the Alternative Plan or extended by the Bankruptcy Court, any objections to Claims and/or Interests shall be served and Filed on or before the Claims Objection Deadline. Notwithstanding any authority to the contrary, an objection to a Claim or

Interest shall be deemed properly served on the Holder of the Claim or Interest if the Debtors, Reorganized Debtors, or the Creditors' Committee, as the case may be, effect service in any of the following manners: (i) in accordance with Fed. R. Civ. P. 4, as modified and made applicable by Bankruptcy Rule 7004, (ii) to the extent counsel for a Holder of a Claim or Interest is unknown, by first-class mail, postage prepaid, on the signatory on the Proof of Claim or other representative identified on the Proof of Claim or any attachment thereto (or at the last known addresses of such Holders of Claims if no Proof of Claim is Filed or if the Debtors and the Creditors' Committee have been notified in writing of a change of address), or (iii) by first-class mail, postage prepaid, on any counsel that has appeared on behalf of the Holder of the Claim or Interest in the Chapter 11 Cases and has not withdrawn such appearance.

### **3. Claim Dispute Resolution Procedures**

Resolution of disputes regarding Claims shall be subject to the following parameters:

- If the Settlement Amount for a General Unsecured Claim, Secured Claim, Priority Claim, Administrative Claim, or other Claim or postpetition Claim is less than \$500,000, the Debtors, Reorganized Debtors or Creditors' Committee, as applicable, after consultation with the Secured Lenders and the Alternative Plan Sponsors, shall be authorized to settle such Claim or Interest without the need for further Bankruptcy Court approval or further notice.
- If the Settlement Amount for a General Unsecured Claim, Secured Claim, Priority Claim, Administrative Claim, or other Claim or postpetition Claim is greater than or equal to \$500,000, the Debtors, Reorganized Debtors or Creditors' Committee, as applicable, after consultation with the Secured Lenders and the Alternative Plan Sponsors, shall file a proposed settlement stipulation with the Bankruptcy Court with notice and hearing consistent with the Local Rules and the Bankruptcy Rules.
- Settlement of any pre-petition controversies in these categories resulting in monetary Claims against the Debtors shall be resolved solely by determination and allowance of a Claim, subject to the requirements of Article V of the Alternative Plan.
- Settlement of any postpetition controversies in these categories resulting in monetary Claims against the Debtors or Reorganized Debtors may be resolved, where applicable, by the Debtors or Reorganized Debtors, subject to the Consent of the Lenders and the Alternative Plan Sponsors, by an allowance of an Administrative Claim related to such settlement, subject to the requirements of Article V of the Alternative Plan.
- The Debtors are authorized, subject to Consent of the Lenders and the Alternative Plan Sponsors, to allow Claims against specific Debtors and their Estates, where the allowance of such Claims otherwise meets the requirements of Article V of the Alternative Plan.

- The Debtors are authorized, subject to Consent of the Lenders and the Alternative Plan Sponsors, to allow Claims with a specific priority and security status, where the allowance of such Claims otherwise meets the requirements of Article V of the Alternative Plan and does not in any way affect, whether as a prior or subordinated Lien, the Lien of any other party. For purposes of clarity and without limitation, the granting or recognition of a subordinated Lien shall not be Allowed, absent a Bankruptcy Court order, without the consent of all other Lien Holders with respect to the affected collateral.
- The Creditors' Committee shall be authorized to settle only Class 12 Claims, and shall not be authorized to allow or permit any recovery other than the allowance of the Claim Holder's Class 12 Claims. For purposes of clarity and without limitation, the Creditors' Committee shall not be authorized to recognize or allow any Secured Claim or Priority Claim. Notwithstanding anything to the contrary in these procedures, to the extent that an asserted Secured Claim, Priority Claim or Trade Claim is recharacterized as a Class 12 Claim, the Creditors' Committee shall have no less than thirty (30) days after entry of a Final Order recharacterizing the Claim to object to Allowance of the Claim in full or in part.

#### **4. Determination of Claims or Interests**

Any Claim or Interest (or any revision, modification, or amendment thereof) determined and liquidated pursuant to (i) the procedures listed in Article V of the Plan or (ii) a Final Order of the Bankruptcy Court shall be deemed an Allowed Claim or an Allowed Interest in such liquidated amount and satisfied in accordance with the Alternative Plan. The payment of any Allowed Claim or Allowed Interest shall be made pursuant to Articles III and VIII of the Alternative Plan, unless otherwise ordered by the Bankruptcy Court.

#### **5. Insider Settlements**

Notwithstanding anything in the Alternative Plan to the contrary, any settlement that involves an insider shall be effected only in accordance with Bankruptcy Rule 9019(a).

#### **6. Ordinary Course of Business Exception**

Article V of the Alternative Plan shall in no manner affect, impair, impede, or otherwise alter the right of the Debtors or Reorganized Debtors to resolve any controversy arising in the ordinary course of the Debtors' or Reorganized Debtors' business or under any other order of the Bankruptcy Court.

#### **7. Objections to Trade Claims**

The Debtors or Reorganized Debtors may object at any time prior to the first anniversary of the Effective Date to any Trade Claim on the basis that the Trade Creditor has failed to comply with the Trade Claim Election. If the objection is sustained, the Claim held by the Trade Creditor shall be recharacterized as a General Unsecured Claim under Class 12 and shall be entitled to receive or retain distributions only in the amount of its Pro Rata distribution as a Holder of a Class 12 Claim. The Debtors and Reorganized Debtors, after consultation with the

Secured Lenders and the Alternative Plan Sponsors, shall be authorized to settle such objection without the need for further Bankruptcy Court approval or further notice.

#### **8. Adjustment to Claims Without Objection**

Any Claim that has been paid or satisfied, or any Claim that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Reorganized Debtor without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court or any other Person.

#### **9. Disallowance of Claims or Interests**

Any Claim or Interest held by Persons from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code or that are transferees of transfers avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims and Interests may not receive any distribution of account of such Claims and Interests until such time as such Causes of Action against that Person have been settled or a Final Order with respect thereto has been entered and all stun due, if any, to the Debtors by that Person have been turned over or paid. All Claims Filed on account of any employee benefits or wages referenced in the Schedules which were paid by the Debtors before the Confirmation Date, shall be deemed satisfied and expunged from the Claims Register as of the Effective Date, without further notice to, or action, order, or approval of, the Bankruptcy Court.

#### **10. Claims Bar Date**

Except as provided in the Plan or otherwise agreed, any and all Claims for which a Proof of Claim was Filed after the applicable Bar Date shall be deemed to be a Disallowed Claim and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not receive any distributions on account of such Claims, unless on or before the Confirmation Date such late Claims have been deemed timely Filed by a Final Order.

## **11. Amendments to Claims**

On or after the Effective Date, except as provided herein, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors. To the extent that any such Claim is Filed without such authorization, such Claim shall be deemed to be a Disallowed Claim and expunged without any further notice to or action, order, or approval of the Bankruptcy Court or any other Person.

## **12. Offer of Judgment**

The Reorganized Debtor is authorized to serve upon a Holder of a Claim or Interest an offer to allow judgment to be taken on account of such Claim, and, pursuant to Bankruptcy Rules 7068 and 9014, Fed. R. Civ. P. 68 shall apply to such offer of judgment. To the extent the Holder of a Claim must pay the costs incurred by the Reorganized Debtor after the making of such an offer, the Reorganized Debtor is entitled to setoff such amounts against the amount of any distribution to be paid to such Holder without any further notice to or action, order, or approval of the Bankruptcy Court or any other Person.

## **E. Executory Contracts and Unexpired Leases**

### **1. Executory Contract and Unexpired Lease Assumption and Rejection**

All executory contracts and unexpired leases as to which any Debtor is a party shall be deemed automatically assumed in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code as of the Effective Date, unless such executory contracts or unexpired leases (i) shall have been previously rejected by the Debtors by Final Order of the Bankruptcy Court; (ii) shall be the subject of a motion to reject or assume such contract or lease pending on the Effective Date; (iii) shall have expired or terminated on or prior to the Effective Date (and not otherwise extended) pursuant to their own terms; ~~(iv) are listed on the schedule of rejected executory contracts and unexpired leases attached to the Plan as Exhibit 13.1, provided, however, that the Alternative Plan Sponsors reserve their right, at any time prior to the Effective Date, to amend Exhibit 13.1 to delete therefrom or add thereto an executory contract or unexpired lease with notice to the affected Creditor only; or (v)~~ (iv) are otherwise rejected pursuant to the terms of the Alternative Plan.

Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of the rejections and assumptions contemplated hereby pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. Each executory contract or unexpired lease assumed pursuant to section 13.1 of the Plan shall vest in, and be fully enforceable by, the applicable Reorganized Debtor in accordance with its terms, except as modified by the provisions of the Alternative Plan, any order of the Bankruptcy Court authorizing or providing for its assumption, or applicable federal law. The Alternative Plan Sponsors reserve the right to file a motion on or before the Effective Date to assume or reject any executory contract or unexpired lease.

### **2. Claims Based on Executory Contract or Unexpired Lease Rejection**

~~On the Effective Date, each executory contract and unexpired lease listed on Exhibit 13.1 to the Alternative Plan shall be rejected pursuant to section 365 of the Bankruptcy Code but only~~



~~to the extent that any such contract is an executory contract or unexpired lease.~~ The Confirmation Order shall constitute an order of the Bankruptcy Court approving the rejections described above, pursuant to section 365 of the Bankruptcy Code, as of the earlier of the Confirmation Date or (ii) the date that the affected Creditor party to such lease or executory contract is provided written notice of such rejection. All Allowed Claims arising from the rejection of unexpired leases and executory contracts shall be classified as General Unsecured Claims and shall be treated in accordance with Article III of the Alternative Plan.

### **3. Rejection Damages Bar Date**

If the rejection by a Debtor, pursuant to the Plan or otherwise, of an executory contract or unexpired lease results in a Claim, then such Claim shall be forever barred and shall not be enforceable against any Debtor or Reorganized Debtor or the properties of any of them unless a Proof of Claim is Filed with the Claims Agent and served upon counsel to the Debtors or Reorganized Debtors within thirty (30) days after the later of (a) the Effective Date or (b) notice that the executory contract or unexpired lease has been rejected, unless otherwise ordered by the Bankruptcy Court. Any Proofs of Claim arising from the rejection of the Debtors' executory contracts or unexpired leases that are not timely Filed shall be disallowed automatically, forever barred from assertion, and shall not be enforceable against the Reorganized Debtor without any further notice to or action, order, or approval of the Bankruptcy Court or other Person, and any Claim arising out of the rejection of the executory contract or unexpired lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary.

### **4. Cure of Assumed Executory Contract and Unexpired Lease Defaults**

If there is a dispute regarding (a) the nature or amount of any Cure, (b) the ability of the Reorganized Debtor or any assignee to provide "adequate assurance of performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed, or (c) any other matter pertaining to the assumption, the Cure shall occur following the entry of a Final Order resolving the dispute and approving the assumption or assumption and assignment, as the case may be; provided, however, if there is a dispute as to the amount of Cure that cannot be resolved consensually among the parties, the Debtors or the Reorganized Debtors shall have the right to reject the contract or lease for a period of five (5) days after entry of a Final Order establishing a Cure amount in excess of that provided by the Debtors or the Reorganized Debtors. Upon reasonable request, the Notice Parties shall be provided access to information regarding the Debtors' or the Reorganized Debtors' proposed Cure payments.

### **5. Reservation of Rights**

Neither the exclusion nor inclusion of any contract or lease in the Alternative Plan, ~~Exhibit 13.1~~, nor anything contained in the Alternative Plan, shall constitute an admission by the Debtors or the Alternative Plan Sponsors that any such contract or lease is in fact an executory contract or unexpired lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors, the Alternative Plan Sponsors or the Reorganized Debtors,



as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

## **F. Means for Implementation of the Plan**

### **1. Cash Contribution Consideration**

The ~~Reorganized Debtors shall transfer to the~~ Alternative Plan Sponsors, or their designees, ~~65.80% of the Plan Proponents New Common Units~~ shall receive, in exchange for the Cash Contribution, the Cash Contribution Consideration on the Effective Date.

### **2. Continued corporate or company existence of Reorganized Holdings and Reorganized Casino; Vesting of Assets**

After Alternative Plan Confirmation, Holdings and Casino will continue to exist as Reorganized Holdings and Reorganized Casino, respectively, each with all of the powers of a limited liability company under Michigan law pursuant to their respective organizational documents in effect before the Effective Date. Builders and Realty will also continue to exist after Confirmation, as Reorganized Realty and Reorganized Builders, respectively, each with all the powers of a corporation under Michigan law pursuant to their respective organizational documents in effect before the Effective Date. Reorganized Holdings, Reorganized Casino, Reorganized Realty, and/or Reorganized Builders will retain all of the assets held by Holdings, Casino, Realty, and Builders, respectively.

The Alternative Plan Sponsors currently contemplate forming a limited liability company LPF Holdings LLC, which, as of the Effective Date, and subject to it and its appropriate stakeholders receiving all of the necessary approvals from the ~~Michigan Gaming Control Board (the "MGCB")~~, will own all of the Plan Proponents New Common Units.

### **3. Restructuring Transactions**

On the Effective Date

- Except as otherwise provided in the Alternative Plan, all assets of each of the Non-reorganizing Debtors shall be transferred to Reorganized Casino free and clear of all Liens, Claims, mortgages, options, rights, encumbrances and interests of any kind or nature whatsoever.
- Each and every Intercompany Executory Contract shall be rejected.
- Each and every Intercompany Claim shall be eliminated, including any Rejection Damages Claims arising from the implementation of section 4.3.2 of the Alternative Plan. See Exhibit I to this Disclosure Statement for a detailed description of all Intercompany Claims.
- Each and every Intercompany Interest shall be retained, except for (i) the Interests in Holdings, and (ii) Interests in each of the Non-reorganizing Debtors, which Interests in each such case shall be canceled as of the Effective Date.

- Reorganized Holdings shall issue 100% of the New Common Units to ~~the Pre-petition Lenders and the Alternative Plan Sponsors or their respective designees~~ New Holding Company as provided for in the Alternative Plan.
- On the Effective Date, or as soon thereafter as practicable, each of the Non-reorganizing Debtors shall be dissolved.

For a full description of the City of Detroit's objections to any transfer of ownership to a new entity without the consent of the City of Detroit's Mayor and City Council, please see pp. 17-22 of the Debtors' Disclosure Statement.

#### **4. Exit Financing**

The Debtors, the Reorganized Debtors ~~or~~ the Alternative Plan Sponsors, or New Holding Company shall obtain Exit Financing, subject to the following limitations: (a) No Exit Financing shall be drawn or used by the Debtors or Reorganized Debtors until the Effective Date; and (b) the Debtors shall not grant or attempt to grant any Liens or security interests with priority greater than or equal to the Liens and security interests granted under the Exit Financing, except as permitted under the Exit Financing or to satisfy the Exit Financing in full.

#### **5. Cancellation of Existing Equity Interests in Holdings and the Non-Reorganizing Debtors**

Except as otherwise set forth in the Alternative Plan, on the Effective Date, all agreements, Instruments, and other documents evidencing any equity Interest in Holdings, or in any of the Non-reorganizing Debtors, and any right of any Holder in respect thereof including any Claim related thereto, shall be deemed cancelled, discharged and of no force or effect.

#### **6. Reservation of Substantial Contribution Claim, ~~Break-up Fees~~ and Expense Reimbursement.**

The ~~Alternative Plan Sponsors~~ Proponents reserve the right to seek a Substantial Contribution Claim ~~or otherwise seek the payment of the Break-Up Fee in the event that a plan based upon a Competing Proposal is confirmed~~, as well as reimbursement of all out of pocket expenses incurred in relation to the proposal of the ~~Alternative Plan~~. The MGCB reserves all regulatory powers which it may have with respect to any such ~~break-up fees and~~ expense reimbursements.

#### **~~7. Competing Proposals~~**

~~The Debtors may continue to market their assets for sale to prospective purchasers at any time on or before two (2) weeks prior to the date set for the Confirmation Hearing, subject to the conditions set forth in section 4.8 of the Alternative Plan.~~

~~No Competing Proposal shall be accepted unless:~~

- ~~(i) the proponent of the Competing Proposal provides a Cash bid in an amount that is not less than the Minimum Competing Proposal;~~

- ~~(ii) — the proponent of the Competing Proposal shows to the reasonable satisfaction of the Alternative Plan Sponsors that there is a reasonable likelihood that the Competing Proposal will result in Confirmation and Consummation of this Plan, including, without limitation, proof of committed financing and satisfactory indications that all necessary regulatory approvals will be obtained within a reasonable time; and~~
- ~~(iii) — the proponent of the Competing Proposal provides a Cash deposit in an amount that is not less than 5% of the Minimum Competing Proposal.~~

~~In the event that the Alternative Plan Sponsors accept an Competing Proposal and the Plan is confirmed, the Alternative Plan Sponsors shall be entitled to payment of the Break Up Fee on the Effective Date.~~

~~The Alternative Plan Sponsors shall have the right to outbid any Competing Proposal pursuant to any bid procedures set by the Bankruptcy Court.~~

~~In the event that a Competing Proposal is accepted, the distributions of proceeds from the Competing Proposal shall be made in accordance with the priorities of the Bankruptcy Code.~~

## 7.     **8. Dissolution of the Creditors' Committee**

The Creditors' Committee shall continue in existence until the Effective Date, and until such time shall continue to exercise those powers and perform those duties specified in section 1103 of the Bankruptcy Code, and shall perform such other duties as it may have been assigned by the Bankruptcy Court prior to the Effective Date. On the Effective Date, the Creditors' Committee shall be dissolved and its members shall be deemed released of all of their duties, responsibilities and obligations in connection with the Chapter 11 Cases or the Alternative Plan and its implementation, and the retention or employment of the Creditors' Committee's attorneys, financial advisors, and other agents shall terminate except as provided in the Alternative Plan.

Notwithstanding the foregoing, after the passage of the Effective Date, the Creditors' Committee shall continue with respect to: (a) claims for compensation for the Creditors' Committee's Professionals; (b) any appeals of the Confirmation Order; and (c) any adversary proceedings or contested matters pending as of the Effective Date to which it is a party, including final resolution of any objections to Claims Filed by the Creditors' Committee. But neither the Debtors ~~and~~ the Reorganized Debtors, not New Holding Company shall have ~~no~~ further any obligation to fund, compensate, or reimburse the Creditors' Committee for any costs, fees, or expenses incurred after the Effective Date. The Creditors' Committee shall be entitled to compensation for all fees and expenses accruing after the Effective Date, if any, solely from the Unsecured Distribution Fund.

## 8.     **9. Funding**

~~The~~ New Holding Company and/or the Reorganized Debtors shall fund Cash distributions to be made under the Alternative Plan with the Exit Financing, Cash on hand, including Cash proceeds from current and future operations, existing assets, and any proceeds of litigation or

settlements thereof. ~~The~~New Holding Company, Reorganized Debtors, and/or the Alternative Plan Sponsors may seek any refinancing as shall be determined in the discretion of New Holding Company, the Reorganized Debtors, and/or the Alternative Plan Sponsors, or the sale or other disposition of additional stock or other securities, subject to the limitations contained in the Alternative Plan. Under no circumstances shall any financing, refinancing, or sale of securities, of any kind, obligate the Alternative Plan Sponsors ~~or~~ the Debtors, the Reorganized Debtors, or New Holding Company to accelerate any payment obligation set forth in the Alternative Plan, except as explicitly set forth in the Alternative Plan or the ~~Alternative Plan Note~~Exit Financing. Any additional financing is subject to approval by the MGCB.

## 2.     ~~10.~~ **Other Restructuring Transactions**

Upon the occurrence of the Effective Date, subject to the provisions and obligations set forth in the Alternative Plan, the Reorganized Debtors may enter into such other transactions and may take any such actions as the Reorganized Debtors may deem to be necessary or appropriate without the need to provide notice or to seek approval from the Bankruptcy Court. After Confirmation, but before the occurrence of the Effective Date, after seven (7) days notice to the Stipulating Parties and subject to (i) the Consent of the Secured Lenders and the Alternative Plan Sponsors, (ii) applicable law, and (iii) the provisions of the Alternative Plan, the Debtors may enter into further or additional restructuring transactions which may include, among other things, a change in the organizational form of any of the Debtors or Reorganized Debtors, the merger, disposition, liquidation, or dissolution of one or more of the Asset Debtors, or the filing of registration statements of any or all of the Reorganizing Debtors with the Securities and Exchange Commission and any appropriate state agency. Provided no objection from a Stipulating Party is received within seven (7) days after service, no further notice or Bankruptcy Court approval of any kind shall be necessary for any such transactions consistent with the Alternative Plan that shall become effective after the Effective Date.

## 10.     Litigation Trust

On the Effective Date, all Litigation Trust Actions shall be contributed will be contributed to a trust established for the benefit of the Litigation Trust Beneficiaries. Pursuant to section 1123(b)(3) of the Bankruptcy Code, the Litigation Trust Actions shall be retained by, and may be enforced by, the Litigation Trust with in accordance with the terms of the Litigation Trust Agreement. The Creditors' Committee will appoint the Litigation Trustee, who shall supervise the prosecution, valuation, and distribution of the Litigation Trust assets. The Debtors will provide \$250,000 to fund the prosecution of the Litigation Trust Actions by the Litigation Trust. In addition, under the Litigation Trust Agreement, the Litigation Trust shall be permitted to obtain funding from sources other than the Reorganized Debtors.

The Litigation Trust shall provide for the distribution of any recoveries obtained by the Litigation Trust as follows:

- Amounts paid to prosecute the Litigation Trust Actions shall be paid from the first proceeds realized by the Litigation Trust, except as may otherwise be provide in the Litigation Trust Agreement or any other applicable funding documents.

- Any remaining proceeds realized by the Litigation Trust shall be distributed on a Pro Rata basis to the Litigation Trust Beneficiaries in accordance with section 507 of the Bankruptcy Code.

## 11. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, except as otherwise provided in the Plan, the Reorganized Debtors shall retain and may (but are not required to) enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether belonging to the Reorganizing Debtors or the Non-reorganizing Debtors, and whether arising before or after the Petition Date, including, but not limited to, Avoidance Claims, claims and Causes of Action assigned to the Reorganized Debtors by the Non-reorganizing Debtors as provided in the Alternative Plan, and any claims and Causes of Action specifically listed in this Disclosure Statement. With respect to Avoidance Claims arising under section 547 of the Bankruptcy Code, only Casino and Kewadin made transfers to creditors within 90 days before the Petition Date, as set forth in detail in such Debtors' Statements of Financial Affairs at docket numbers 217 and 216, respectively, totaling \$45,691,785.21 and \$198,295.00, respectively. Debtors have not undertaken any other analysis of potential defenses to Avoidance Claims, including defenses arising under section 547 of the Bankruptcy Code. With respect to any potential Avoidance Claims under any other section of the Bankruptcy Code, Debtors have not undertaken any analysis of such potential claims or of any potential defenses to such claims.

Among other preserved Causes of Action, to the extent not released in the Alternative Plan, the Debtors reserve (i) all Causes of Action under section 547 of the Bankruptcy Code against any and all Persons that received any transfer of property from the Debtors within 90 days before the Petition Date, and any and all insiders that received any transfer of property from the Debtors within one year before the Petition Date, including, but not limited to, those Persons listed on the Debtors' Statements of Financial Affairs<sup>3</sup> as having received such transfers, and all subsequent transferees; (ii) all Causes of Action under section 549 of the Bankruptcy Code against any and all Persons that received unauthorized transfers of property of one or more of the Debtors' estates after the Petition Date, (iii) all Causes of Action under section 548 and/or 544 of the Bankruptcy Code and any applicable state law against any and all Persons that received property from the Debtors' estate for less than reasonably equivalent value within six years of the Petition Date and while the Debtors were insolvent, (iv) all Causes of Action of any nature whatsoever against current or former insiders that are not Released Parties and against former officers, directors, equity owners, agents and representatives that are not Released Parties, including any all Causes of Action relating to the operation or management of the Debtors, the receipt of dividends, distributions or other transfers from the Debtors, self-interested dealing with the Debtors and fiduciary obligations, (v) all Causes of Action relating to the construction of Debtors' hotel and expanded casino, including all actions, demands or setoffs for cost overruns, delays, defects, insufficient service, over-billing, credits, bad faith dealing, and breaches of contractual obligations that the Debtors may have against all material suppliers, construction companies, architects, designers and service providers, including Jenkins/Skanska and the City of Detroit, and (vi) all Causes of Action arising before or after the Petition Date in the ordinary course against any and all Persons with which the Debtors have contractual, trade or account relations, including all Causes of Action relating to breaches of contract, collection of accounts

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<sup>3</sup> The Debtors' Schedules and Statements of Financial Affairs were previously filed with the Bankruptcy Court and can be found on the Debtors' website: <http://www.kcclic.net/greektowncasino>.

receivable and other actions against the Debtors' clientele that may owe money or other obligations to the Debtors, breach of warranties or representations, supply of non-conforming or deficient goods or services, collection of lease or rental payments, overpayments, credits, setoffs, demands for turnover of property, and any other Causes of Action that the Debtors may have arising under applicable state or federal law against the Debtors' customers, trade suppliers and other business partners of any nature whatsoever. All such claims and Causes of Action, along with all rights, interests and defenses related thereto, shall vest with the applicable Reorganized Debtor. All Causes of Action of the Non-reorganizing Debtors shall be transferred to, and shall vest in, Reorganized Holdings.

In addition to the foregoing Causes of Action, and not by way of limitation, the Debtors specifically retain any Causes of Action arising from or relating to the \$49.36 million (the "Bond Amount") in City of Detroit Economic Development Agency Series 1999 C taxable and tax exempt bonds (the "Bonds"). Pursuant to the Development Agreement, the Debtors caused National City to issue a letter of credit in favor of the Bonds' Indenture Trustee. Upon information and belief, National City and/or certain other parties to the Credit Agreement caused National City to send a notice that it would terminate the letter of credit, which caused the Bonds' Indenture Trustee to draw down the letter of credit. As a result, the Bonds Amount was included under the Prepetition Credit Agreement, which causes the Debtors an estimated additional \$2.5 million per year in interest because interest rate on the Bond Amount rose from 2.6% under letter of credit interest rate to 7.6% under the Prepetition Credit Agreement.

Unless any Cause of Action against a Person is expressly waived, relinquished, exculpated, released, compromised, or settled in the Alternative Plan or a Final Order, the Reorganized Debtors specifically reserve all Causes of Action for later adjudication, including all Causes of Action belonging to the Non-reorganizing Debtors. The Alternative Plan is not intended to be a final judgment as to the Debtors' Causes of Action or to in any way preclude the Debtors from pursuing any Causes of Action before or after the Effective Date of the Alternative Plan. Therefore, no preclusion doctrine, estoppel (judicial, equitable, or otherwise) or laches shall apply to any of the Causes of Action upon, after or as a consequence of the Confirmation, the Effective Date, or Consummation of the Alternative Plan, and neither the Alternative Plan nor the order confirming the Alternative Plan shall have the effect of res judicata as to any Cause of Action belonging to any of the Debtors' estates.

Whether or not any Cause of Action is pursued or abandoned, the Alternative Plan Sponsors and Reorganized Debtors reserve their rights to use any Cause of Action defensively, including for the purposes of asserting a setoff or recoupment, or to object to all or part of any claim pursuant to section 502(d) of the Bankruptcy Code or otherwise.

## **G. Provisions Governing Distributions**

### **1. Distribution on Claims Allowed as of the Effective Date**

Except as otherwise provided for in the Plan or this Disclosure Statement, as agreed by the relevant parties, or ordered by the Bankruptcy Court, distributions on account of Claims Allowed on or before the Effective Date under the Alternative Plan shall be made on the Distribution Date; provided, however, that Allowed Administrative Claims with respect to



liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the Debtors before the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice.

## **2. No Interest on Disputed Claims**

Unless otherwise specifically provided for in the Alternative Plan or as otherwise required by section 506(b) of the Bankruptcy Code, interest shall not accrue or be paid on any Disputed Claim for the period from the Effective Date to the date a final distribution is made when and if such Disputed Claim becomes an Allowed Claim.

## **3. Disbursing Agent**

The Disbursing Agent shall make all distributions required under the Alternative Plan. The Debtors and the Reorganized Debtors, as applicable, have the authority, in their sole discretion, to enter into agreements with one or more Disbursing Agents to carry out the distributions required under the Plan or to not engage a Disbursing Agent. As a condition to serving as a Disbursing Agent, a Disbursing Agent must: (a) affirm its obligation to promptly distribute any documents; (b) affirm its obligation to promptly distribute any recoveries or distributions required under the Alternative Plan; and (c) waive any right or ability to setoff, deduct from, or assert any Lien or encumbrance against, the distributions required under the Alternative Plan. The Reorganized Debtors will reimburse any Disbursing Agent for reasonable and necessary services performed by it (including reasonable attorneys' fees and documented out-of-pocket expenses) in connection with the making of distributions under the Plan to Holders of Allowed Claims or Allowed Interests, without the need for the filing of an application with, or approval by, the Bankruptcy Court. The Disbursing Agent must submit detailed invoices to the Alternative Plan Sponsors or the Reorganized Debtors, as applicable, for all fees and expenses for which the Disbursing Agent seeks reimbursement and the Debtors or the Reorganized Debtors, as applicable, will pay those amounts that they, in their sole discretion, deem reasonable, and will object in writing to those fees and expenses, if any, that the Debtors or the Reorganized Debtors, as applicable, deem to be unreasonable. To the extent there are any disputes that the reviewing parties are unable to resolve with the Disbursing Agent, the reviewing parties will report to the Bankruptcy Court as to whether there are any unresolved disputes regarding the reasonableness of the Disbursing Agent's (and their attorneys') fees and expenses. Any such unresolved disputes may be submitted to the Bankruptcy Court for resolution.

## **4. Surrender of Securities or Instruments**

On or before the Distribution Date, or as soon as practical after the Distribution Date, each Holder of an Instrument evidencing a Claim or an Interest must surrender the Instrument to the Disbursing Agent, and the Instrument will be cancelled (automatically on the Effective Date and without regard to surrender) solely with respect to the Debtors and such cancellation shall not alter the obligations or rights of any non-Debtor third parties vis-a-vis one another to such Instruments; provided, however, that this paragraph does not apply to any Claims Reinstated under the terms of the Alternative Plan. In the event an Instrument has been lost, stolen,



destroyed, or is otherwise unavailable, the Holder of a Claim shall, in lieu of surrendering the Instrument, execute an affidavit of loss setting forth the unavailability of the Instrument and provide indemnity reasonably satisfactory to the Disbursing Agent to hold the Disbursing Agent harmless from any liabilities, damages, and costs incurred in treating the Holder as a Holder of an Allowed Claim or Allowed Interest. The acceptance of the affidavit of loss and indemnity by the Disbursing Agent shall be deemed, for all purposes pursuant to the Alternative Plan, to be a surrender of the Instrument. No distribution of property under the Alternative Plan shall be made to or on behalf of any such Holder unless and until such Instrument is received by the Disbursing Agent or the unavailability of such Instrument is reasonably established to the satisfaction of the Disbursing Agent. Any Holder who fails to surrender or cause to be surrendered such Instrument, or fails to execute and deliver an affidavit of loss and indemnity reasonably satisfactory to the Disbursing Agent before the first anniversary of the Effective Date, shall be deemed to have forfeited all rights and Claims in respect of such Instrument and shall not participate in any distribution under the Alternative Plan, and all property in respect of such forfeited distribution, including any dividends or interest attributable thereto, shall revert to the Reorganized Debtors notwithstanding any federal or state escheat laws to the contrary.

## **5. Delivery of Distributions in General**

Except as otherwise provided in the Alternative Plan, and notwithstanding any authority to the Reorganized Debtors or to the contrary, distributions to Holders of Allowed Claims and Allowed Interests shall be made by the Disbursing Agent (a) at the addresses set forth on the Proofs of Claim Filed by such Holders of Claims or Interests (or at the last known addresses of such Holders of Claims or Interests if no Proof of Claim is Filed or if the Debtors and the Alternative Plan Sponsors have been notified in writing of a change of address), (b) at the addresses set forth in any written notices of address changes delivered to the Disbursing Agent and the Claims Agent after the date of any related Proof of Claim, (c) at the addresses reflected in the Schedules if no Proof of Claim has been Filed and the Disbursing Agent and Claims Agent have not received a written notice of a change of address, or (d) on any counsel that has appeared in the Chapter 11 Cases on the Holder's behalf. Except as set forth in the Alternative Plan, distributions under the Alternative Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like legal process, so that each Holder of an Allowed Claim shall have and receive the benefit of the distributions in the manner set forth in the Alternative Plan. The Debtors, the Reorganized Debtors, and the Disbursing Agent, as applicable, shall not incur any liability whatsoever on account of any distributions under the Plan except for gross negligence or willful misconduct.

## **6. Compliance with Tax Requirements and Allocations**

In connection with the Alternative Plan, to the extent applicable, the Reorganized Debtors and the Disbursing Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Alternative Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Alternative Plan to the contrary, the Reorganized Debtors and the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Alternative Plan to generate sufficient funds to pay applicable withholding taxes,

withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right, in their sole discretion, to allocate all distributions made under the Alternative Plan in compliance with all applicable wage garnishments, alimony, child support, other spousal awards, Liens, and encumbrances.

## **7. Distributions for Tax Purposes**

For tax purposes, distributions in full or partial satisfaction of Allowed Claims shall be allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid interest that accrued on such Claims.

## **8. Undeliverable Distributions**

If any distribution to a Holder of a Claim or Interest is returned as undeliverable, no further distributions to such Holder of such Claim or Interest shall be made unless and until the Disbursing Agent is notified of the then-current address of such Holder of the Claim or Interest, at which time all missed distributions shall be made to such Holder of the Claim or Interest without interest. Amounts in respect of undeliverable distributions shall be returned to the Reorganized Debtors until such distributions are claimed. No later than ninety (90) days after the first Distribution Date, the Reorganized Debtors shall File with the Bankruptcy Court a list of the Holders of undeliverable distributions. This list shall be maintained and updated periodically in the sole discretion of the Reorganized Debtors for as long as the Debtors' Chapter 11 Cases stay open. Nothing contained in this Disclosure Statement or the Alternative Plan shall require the Reorganized Debtors to attempt to locate any Holder of an Allowed Claim or Allowed Interest. All claims for undeliverable distributions must be made on or before the later to occur of (i) the first anniversary of the Effective Date or (ii) six months after such Holder's Claim or Interest becomes an Allowed Claim or Allowed Interest, after which date all such Allowed Claims or Allowed Interests shall be deemed unclaimed property under section 317(b) of the Bankruptcy Code and shall revert to the Reorganized Debtors free of any restrictions, and the Claim of any Holder or successor to such Holder with respect to such property shall be discharged and forever barred, notwithstanding federal or state escheat laws to the contrary.

## **9. Distributions with Respect to Disputed Claims**

### **a. Payments and Distributions on Disputed Claims**

Except as otherwise provided in the Alternative Plan, ordered by the Bankruptcy Court, or as agreed to by the relevant parties, distributions under the Alternative Plan on account of Disputed Claims that become Allowed after the Effective Date shall be made on a Distribution Date or the first Periodic Distribution Date that is at least thirty (30) days after the Disputed Claim becomes an Allowed Claim or Allowed Interest; provided, however, that disputed Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the Debtors on or before the Effective Date that become Allowed after the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice.

**b. No Distributions Pending Allowance**

Notwithstanding any provision otherwise in the Alternative Plan and except as otherwise agreed by the relevant parties: (a) no partial payments and no partial distributions shall be made with respect to a Disputed Claim until all such disputes in connection with such Disputed Claim have been resolved by settlement or Final Order; and (b) any Person that holds both an Allowed Claim and a Disputed Claim shall not receive any distribution on the Allowed Claim unless and until all objections to the Disputed Claim have been resolved by settlement or Final Order and the Claims have been Allowed. All distributions made pursuant to the Alternative Plan on account of an Allowed Claim or Allowed Interests shall be made together with any dividends, payments, or other distributions made on account of, as well as any obligations arising from, the distributed property as if such Allowed Claim or Allowed Interest had been an Allowed Claim or Allowed Interest on the dates distributions were previously made to Holders of Allowed Claims or Allowed Interests included in the applicable Class.

**c. Distribution Reserve**

On the Effective Date, the Reorganized Debtors shall establish one or more Distribution Reserves for the purpose of reserving for distributions to Holders of Disputed Claims or Disputed Interests pending the allowance or disallowance of such Claims or Interests in accordance with the Alternative Plan.

**d. Estimation of Claims for Distribution Reserve**

The number of units of New Common Units or amount of Cash withheld as a part of each Distribution Reserve for the benefit of a Holder of a Disputed Claim shall be equal to the lesser of the following: (a) (i) if no estimation is made by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Code hereof, the number of units of New Common Units or amount of Cash necessary to satisfy the distributions required to be made pursuant to the Alternative Plan based on the asserted amount of the Disputed Claim or, if the Claim is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code as of the Distribution Record Date, the amount that the Reorganized Debtors elect in their sole discretion to withhold on account of such Claim in the Distribution Reserve; or (ii) the number of units of New Common Units or amount of Cash necessary to satisfy the distributions required to be made pursuant to the Plan for such Disputed Claim based on an amount as estimated by and set forth in a Final Order for purposes of allowance and distributions; and (b) the number of units of New Common Units or Cash necessary to satisfy the distributions required to be made pursuant to the Plan based on an amount as may be agreed upon by the Holder of such Disputed Claim and the Reorganized Debtors. As Disputed Claims are Allowed, the Disbursing Agent or Reorganized Debtors shall distribute, in accordance with the terms of the Alternative Plan, the appropriate New Common Units or Cash, as applicable, to Holders of Allowed Claims or Allowed Interests, and the appropriate Distribution Reserve shall be adjusted accordingly.

**e. No Recourse to Debtors or Reorganized Debtors**

Any Disputed Claim or Disputed Interest that ultimately becomes an Allowed Claim or Allowed Interest, as the case may be, shall be entitled to receive its applicable distribution under the Plan solely from the Distribution Reserve established on account of such Disputed Claim or Disputed Interest. In no event shall any Holder of a Disputed Claim or Disputed Interest have any recourse with respect to distributions made, or to be made, under the Alternative Plan to Holders of such Claims or Interests to any Debtor or Reorganized Debtor on account of such Disputed Claim or Disputed Interest, regardless of whether such Disputed Claim or Disputed Interest shall ultimately become an Allowed Claim or Allowed Interest, as the case may be, or regardless of whether sufficient Cash, New Common Units, or other property remains available for distribution in the applicable Distribution Reserve established on account of such Disputed Claim or Disputed Interest at the time such Claim or Interest becomes entitled to receive a distribution under the Plan.

**f. Tax Reporting Matters**

Subject to definitive guidance from the Internal Revenue Service or an applicable court to the contrary (including the receipt by the Reorganized Debtors of a private letter ruling or the receipt of an adverse determination by the Internal Revenue Service upon audit, if not contested by the Reorganized Debtors), the Reorganized Debtors shall treat each Distribution Reserve as a single trust, consisting of separate and independent assets to be established with respect to each Disputed Claim, in accordance with the trust provisions of the IRC, and, to the extent permitted by law, shall report consistently with the foregoing for federal, state, and local tax purposes. All Holders of Claims shall report, for federal, state, and local tax purposes, consistently with the foregoing.

## **10. De Minimis Distributions**

Neither the Disbursing Agent, the Reorganized Debtor, nor any Debtor shall have any obligation to make a distribution on account of an Allowed Claim or Allowed Interest from any Distribution Reserve or otherwise if (i) the aggregate amount of all distributions authorized to be made from such Distribution Reserve or otherwise on the Distribution Date in question is or has a value less than \$10,000; provided that the Debtors shall make a distribution on a Distribution Date of less than \$10,000 if the Debtors expect that such Distribution Date shall be the final Distribution Date or (ii) the amount to be distributed to the specific Holder of the Allowed Claim or Allowed Interest on the particular Distribution Date does not both (x) constitute a final distribution to such Holder and (y) has a value less than \$100.

## **11. Fractional Payments**

Notwithstanding any other provision to the contrary in the Alternative, payments of fractions of dollars or units shall not be required. Payment of fractions of dollars or units that would otherwise be distributed under the Alternative Plan shall be rounded to the nearest whole number of units or dollars, as applicable, in accordance with the following method: (a) fractions of greater than one-half ( $1/2$ ) shall be rounded to the next higher whole number of dollars or units; and (b) fractions of one-half ( $1/2$ ) or less shall be rounded to the next lower whole number of dollars or units.

## **12. Failure to Negotiate Checks**

Checks issued by a Disbursing Agent or Reorganized Debtors on account of Allowed Claims shall be null and void if not negotiated within 120 days after the issuance of such check. In an effort to ensure that all Holders of Allowed Claims receive their allocated distributions, no later than 120 days after the issuance of such checks, the Reorganized Debtors shall File with the Bankruptcy Court a list of the Holders of any un-negotiated checks. This list shall be maintained and updated periodically in the sole discretion of the Reorganized Debtors for as long as the Debtors' Chapter 11 Cases stay open. Requests for reissuance of any check shall be made directly to the Disbursing Agent or Reorganized Debtors by the Holder of the relevant Allowed Claim with respect to which such check originally was issued. Any Holder of an Allowed Claim holding an un-negotiated check that does not request reissuance of such gym-negotiated check within 180 days after the date of mailing or other delivery of such check shall have its Claim for such un-negotiated check discharged and expunged and be discharged and forever barred, estopped, and enjoined from asserting any such Claim against the Reorganized Debtors or their property. In such cases, any Cash held for payment on account of such Claims shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and become property of the Reorganized Debtors, free of any Claims of such Holder with respect thereto. Nothing in this Disclosure Statement or in the Alternative Plan requires the Reorganized Debtors to attempt to locate any Holder of an Allowed Claim.

### **13. Manner of Payment Under the Alternative Plan**

Any payment in Cash to be made pursuant to the Alternative Plan shall be made at the election of the Reorganized Debtors, any Debtor, or the Disbursing Agent, as applicable, by check or by wire transfer.

## **H. Settlement, Release, Injunction, and Related Provisions**

### **1. Claim Discharge and Interest Termination**

Pursuant to section 1141(d) of the Bankruptcy Code, except as otherwise specifically provided in the Plan or in the Confirmation Order, the distributions and rights that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims and causes of action, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims, rights, and Interests, including, but not limited to, Claims and Interests that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims relate to services performed by employees of the Debtors before the Petition Date and that arise from a termination of employment or a termination of any employee or retiree benefit program, regardless of whether such termination occurred before or after the Effective Date, all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not (a) a Proof of Claim based upon such Claim, debt, right, or Interest is Filed or deemed Filed under section 501 of the Bankruptcy Code, (b) a Claim or Interest based upon such Claim, debt, right, or Interest is Allowed under section 502 of the Bankruptcy Code, or (c) the Holder of such a Claim, right, or Interest accepted the Plan, The Confirmation Order shall be a judicial determination of the discharge of all Claims against and Interests in the Debtors, subject to the occurrence of the Effective Date.

### **2. Subordinated Claims**

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and the respective distributions and treatments under the Plan take into account and confirm the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principals of equitable subordination, section 510 of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Reorganized Debtor reserves the right to reclassify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

### **3. Releases**

#### **a. Release by the Debtors**

Pursuant to section 1123(b)(3) of the Bankruptcy Code, effective as of the Effective Date, each Debtor, in its individual capacity and as a debtor in possession for and on behalf of its Estate, automatically and without further notice, consent or order be deemed to have, and shall have, conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged



all Released Parties (subject only to the limitations of this section) for and from any and all Claims or Causes of Action existing from the beginning of time through the Effective Date in any manner arising from, based on, or relating to, in whole or in part, the Exculpated Claims, the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Alternative Plan, the business or contractual arrangements between any Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or any act, omission, occurrence, or event in any manner relating to any such Claims, Interests, restructuring, a Restructuring Transaction or the Chapter 11 Cases, provided, however, all such Claims and Causes of Action against the Released Parties, except the Lenders, shall be retained by the Debtors and Reorganized Debtors solely for defensive purposes to defend against Claims asserted by the Released Parties against the Debtors or Reorganized Debtors (but such retained Claims and Causes of Action shall not be assignable except as assigned pursuant to this Plan). Notwithstanding anything to the contrary in section 7.3 of the Alternative Plan, the releases provided herein are applicable to Trade Creditors only with respect to Avoidance Claims and do not effect a release of any other Claims, Causes of Action or any other liabilities or obligations owed by the Trade Creditors to the Debtors or Reorganized Debtors and only if the Trade Creditors that are, at all times, in compliance with the Trade Claim Election. The Reorganized Debtors and any newly formed entities that will be continuing the Debtors' business after the Effective Date shall be bound, to the same extent the Debtors are bound, by the releases and discharges set forth in the Alternative Plan.

**b. Release by Claim and Interest Holders**

Except as otherwise specifically provided in the Alternative Plan on or after the Effective Date, Holders of Claims and Interests (a) voting to accept this Plan or (b) abstaining from voting on this Plan and electing not to opt out of the release contained in this section 7.4 (which by definition, does not include Holders of Claims and Interests that are not entitled to vote in favor of or against the Alternative Plan), shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged the Debtors, the Reorganized Debtors, and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative Claims asserted on behalf of any Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that such Person would have been entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, a Restructuring Transaction, the Debtors' Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Alternative Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims or Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Alternative Plan and this Disclosure Statement, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of the Debtors, the Reorganized Debtors, or a Released Party that constitutes failure to perform the duty to act in good faith, with the care of an ordinarily prudent person and in a manner the Debtors, the Reorganized Debtors, or the Released Parties reasonably believe to be in the best interest of the Debtors (to the extent such duty is imposed by applicable non-bankruptcy

law) where such failure to perform constitutes willful misconduct or gross negligence; provided, however, that section 7.4 of the Alternative Plan shall not release any Released Party from any Cause of Action held by a Governmental Unit existing as of the Effective Date based on (i) the IRC or other domestic state, city, or municipal tax code; (ii) the environmental laws of the United States or any domestic state, city or municipality; (iii) any criminal laws of the United States or any domestic state, city or municipality; (iv) the Exchange Act, the Securities Act, or other securities laws of the United States or any domestic state, city or municipality; (v) the ERISA; or (vi) the Michigan Gaming Control and Revenue Act, MCL 432.201, *et seq.*, as amended, or the regulations promulgated thereunder.

#### **4. Exculpation**

Except as otherwise provided in the Alternative Plan, each Released Party is hereby released and exculpated from any Claim, obligation, cause of action, or liability for any Exculpated Claim, except for gross negligence or willful misconduct, but in all respects such Released Parties shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Alternative Plan. The Debtors and the Reorganized Debtors (and each of their respective Affiliates, agents, directors, members, managers, partners, officers, employees, advisors, and attorneys) have, and on the Confirmation Date shall be deemed to have, participated in compliance with the applicable provisions of the Bankruptcy Code with regard to the distributions made pursuant to the Alternative Plan, and therefore are not, and on account of such distributions, shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Alternative Plan or such distributions made pursuant to the Alternative Plan. The Debtors have represented that they are not aware of any Exculpated Claims and have therefore not undertaken any analysis of any Exculpated Claims.

#### **5. Injunction**

Except as provided in the Alternative Plan or the Confirmation Order, as of the Confirmation Date, all Persons that have held, currently hold, or may hold Claims or Interests that have been discharged or terminated pursuant to the terms of the Alternative Plan, including, without limitation, this Article VII, are permanently enjoined from taking any of the following actions against any of the Debtors, the Reorganized Debtors, or their property on account of any such discharged Claims, debts, liabilities, or terminated Interests or rights: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree, or order; (iii) creating, perfecting, or enforcing any Lien or encumbrance; (iv) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability, or obligation due to the Debtors; and (v) commencing or continuing any action in any manner, in any place that does not comply, or is consistent, with the provisions of the Alternative Plan.

#### **6. Protections Against Discriminatory Treatment**

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the United States Constitution, all Persons, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit,

charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or other Person with whom the Reorganized Debtors have been associated, solely because one or more of the Debtors has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

## **7. Setoffs**

Except as otherwise expressly provided for in the Alternative Plan, each Reorganized Debtor pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable to non-bankruptcy law, or as may be agreed by the Holder of a Claim, may setoff against any Allowed Claim and the distributions to be made pursuant to the Alternative Plan on account of such Allowed Claim (before any distribution is made on account such Allowed Claim), any Claims, rights, and Causes of Action of any nature that such Debtors or Reorganized Debtor, as applicable, may hold against the Holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action against such Holder have not been otherwise compromised or settled on or before the Effective Date (whether pursuant to the Alternative Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Alternative Plan shall constitute a waiver or release by such Reorganized Debtor of any such Claims, rights, and Causes of Action that such Reorganized Debtor may possess against such Holder. In no event shall any Holder of Claims be entitled to setoff any Claim against any Claim, right, or Cause of Action of the Debtors or Reorganized Debtor, as applicable, unless such Holder has Filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

## **8. Recoupment**

In no event shall any Holder of a Claim or Interest be entitled to recoup any Claim or Interest against any Claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

## **9. Lien Release**

Except as otherwise provided in the Alternative Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Alternative Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to Articles III and VIII of the Alternative Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns.

## **10. Document Retention**

On and after the Effective Date, the Reorganized Debtors may maintain documents in accordance with their current document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors.

## **11. Reimbursement or Contribution**

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of a Person pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of allowance or disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 5020) of the Bankruptcy Code, unless before the Confirmation Date: (1) such Claim has been adjudicated as non-contingent; or (2) the relevant Holder of a Claim has Filed anon-contingent Proof of Claim on account of such Claim and a Final Order has been entered before the Confirmation Date determining such Claim as no longer contingent.

## **12. Exclusions and Limitations on Exculpation and Releases**

Notwithstanding anything in the Plan to the contrary, no provision of the Plan or the Confirmation Order, including, without limitation, any exculpation or release provision, shall modify, release, or otherwise limit the liability of any Person not specifically released under the Plan, including, without limitation, any Person who is a co-obligor or joint tortfeasor of a Released Party or who is otherwise liable under theories of vicarious or other derivative liability.

### **I. Allowance and Payment of Certain Administrative Claims**

#### **1. Professional Claims**

##### **a. Final Fee Applications**

All final requests for payment of Professional Claims and requests for reimbursement of expenses of Creditors' Committee members must be Filed no later than forty-five (45) days after the Effective Date. After notice and a hearing under the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court, the Allowed amounts of the Professional Claims and expenses shall be determined by the Bankruptcy Court.

##### **b. Payment of Interim Amounts**

Subject to the Professional Fee Order, on the Effective Date, the Alternative Plan Sponsors or Reorganized Debtors shall pay all outstanding amounts owing to Professionals and members of the Creditors' Committee for then outstanding amounts payable.

##### **c. Holdback Amount**

On the Effective Date, the Debtors or the Reorganized Debtors shall fund an account with sufficient Cash to pay all Professionals for services rendered and costs incurred through the Effective Date, along with all applicable US Trustee fees. Within ten (10) days of entry of an

order allowing final requests for Professional Claims, the amounts funded above, along with the remaining amount of the Professional Claims owing to the Professionals, shall be paid to such Professionals.

**d. Post-Effective Date Retention**

On the Effective Date, any requirement that Professionals comply with sections 327 through 331 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date or to make any disclosures pursuant to Bankruptcy Rules 2014 and 2016 shall terminate, and the Reorganized Debtors shall employ and pay Professionals in the ordinary course of business.

**2. Other Administrative Claims**

All other requests for payment of an Administrative Claim (other than as set forth in section 2.4 or 2.5 of the Plan) must be Filed with the Bankruptcy Court on or before the Administrative Claims Bar Date. Any Administrative Claim that (i) was required to be Filed before the Bar Date pursuant to the Bar Date Order, and (ii) was not so filed, shall be a Disallowed Claim. Any request for payment of an Administrative Claim pursuant to section 2.6 of the Plan that is not Filed before the Administrative Claims Bar Date shall be automatically deemed a Disallowed Claim without the need for any objection. The Alternative Plan Sponsors or the Reorganized Debtors may settle an Administrative Claim without further Bankruptcy Court approval (with the Consent of the Secured Lenders). Unless an objection to an Administrative Claim is Filed within sixty (60) days of the Administrative Claims Bar Date (unless such objection period is extended by the Bankruptcy Court), such Administrative Claim shall be deemed Allowed in the amount requested. In the event that an objection to an Administrative Claim is filed, the Bankruptcy Court shall determine the Allowed Amount of such Administrative Claim. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim that is paid or payable in the ordinary course of business.

**J. Confirmation and Consummation of the Plan**

**1. Conditions Precedent to Confirmation**

The following are conditions precedent to Confirmation of the Alternative Plan, each of which may be satisfied or waived in accordance with section 6.3 of the Alternative Plan:

(a) The Confirmation Order is reasonably acceptable in form and substance to the Alternative Plan Sponsors.

(b) All Exhibits to the Alternative Plan are in form and substance reasonably acceptable to the Alternative Plan Sponsors.

(c) The Alternative Plan Sponsors shall have secured Exit Financing on terms and conditions that are acceptable to the Alternative Plan Sponsors. All such ~~exit financing~~Exit Financing is subject to the approval of the MGCB.

## 2. Conditions Precedent to the Effective Date

The following are conditions precedent to the occurrence of the Effective Date, each of which may be satisfied or waived in accordance with section 6.3 of the Alternative Plan:

(a) The Bankruptcy Court shall have approved by Final Order a Disclosure Statement with respect to the Plan in form and substance acceptable to each of the Alternative Plan Sponsors.

(b) The Bankruptcy Court shall have entered one or more orders, which may include the Confirmation Order, authorizing the assumption and rejection of unexpired leases and executory contracts by the Debtors as contemplated by the Plan.

(c) The Confirmation Order, in form and substance acceptable to the Alternative Plan Sponsors, shall have been entered by the Bankruptcy Court and shall be a Final Order, the Confirmation Date shall have occurred, and no request for revocation of the Confirmation Order under section 1144 of the Bankruptcy Code shall have been made, or, if made, shall remain pending.

(d) ~~The Plan Supplement and each~~ Each Exhibit, document, or agreement to be executed in connection with the Plan shall be in form and substance reasonably acceptable to the Alternative Plan Sponsors.

(e) All authorizations, consents, and regulatory approvals required for the Plan's effectiveness shall have been obtained including, without limitation, any required MGCB regulatory approvals, and consents.

(f) The Tax Rollback shall have become effective.

(g) Reorganized Holdings<sup>2</sup> and New Holding Company's ownership structure and Casino's capitalization and management shall have been approved by the MGCB.

(h) Pursuant to Section 8.2 of the Development Agreement, Reorganized Holdings<sup>2</sup> and New Holding Company's ownership structure shall have been approved by the City of Detroit in accordance with the Development Agreement and Detroit, Mich., Code, Chapter 18, Article XIII, Section 18-13-10.<sup>4</sup>

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<sup>4</sup> The Alternative Plan Sponsors are aware that, as set forth more fully on pp. ~~23~~14-29~~24~~ of the Debtors' Disclosure Statement, the City of Detroit has asserted that the Debtors are in default under the Development Agreement. The Alternative Plan Sponsors take no position as to whether the Debtors are in default under the Development Agreement. The Alternative Plan Sponsors look forward to productive discussions with the City of Detroit in an effort to cure any potential defaults and implement the City's and the Reorganized Debtors' objectives under the Development Agreement.



### **3. Waiver of Conditions Precedent**

The Alternative Plan Sponsors may waive any of the conditions to Confirmation of the Alternative Plan or the Effective Date (other than those set forth in sections 6.2.5 and 6.2.7 of the Alternative Plan and subparagraphs 2(e) and 2(g) above) and without further notice to or action, order, or approval of the Bankruptcy Court or any other Person, and without any formal action other than proceeding to Consummate the Plan. A failure to satisfy or waive any condition to Consummation of the Alternative Plan or the Effective Date may be asserted as a failure of Consummation of the Alternative Plan or the Effective Date regardless of the circumstances giving rise to such failure (including any action or inaction by the Person asserting such failure). The failure of the Alternative Plan Sponsors, as applicable, to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

### **4. Effect of Nonoccurrence of Conditions to Plan Consummation**

Each of the conditions to the Effective Date must be satisfied or waived pursuant to section 6.1 or 6.2 of the Plan, and the Effective Date must occur within 180 days of when the Confirmation Order becomes a Final Order, or by such later date established by any other Final Order. If the Effective Date has not occurred within 180 days of when the Confirmation Order becomes a Final Order, then upon motion by one or more of the Alternative Plan Sponsors made before the Effective Date and a hearing, the Confirmation Order may be vacated by the Bankruptcy Court; provided, however, that notwithstanding the Filing of such motion to vacate, the Confirmation Order may not be vacated if the Effective Date occurs before the Bankruptcy Court enters a Final Order granting such motion. If the Confirmation Order is vacated pursuant to this section 6.3 of the Plan or otherwise, then except as provided in any Final Order vacating the Confirmation Order, the Plan will be null and void in all respects, including the discharge of Claims and termination of Interests pursuant to the Plan and section 1141 of the Bankruptcy Code and the assumptions, assignments, and rejections of executory contracts or unexpired leases pursuant to Article XIII of the Plan and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims, Interests, Causes of Action, or Retained Actions; (2) prejudice in any manner the rights of any Debtor or any other Person; or (3) constitute an admission, acknowledgment, offer, or undertaking of any sort by any Debtor or any other Person.

### **5. Satisfaction of Conditions Precedent to Confirmation**

On entry of a Confirmation Order acceptable to the Alternative Plan Sponsors each of the conditions precedent to Confirmation, as set forth in Article VI of the Alternative Plan, shall be deemed to have been satisfied or waived in accordance with the Alternative Plan.

## **K. Alternative Plan Modification, Revocation, or Withdrawal**

### **1. Alternative Plan Modification and Amendment**

Except as otherwise provided in the Alternative Plan, the Alternative Plan Sponsors may, from time to time, propose amendments or modifications to the Alternative Plan before the Confirmation Date, without leave of the Bankruptcy Court. Subject to certain restrictions and



requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modification set forth in the Alternative Plan, the Alternative Plan Sponsors expressly reserve their right to revoke or withdraw, or to alter, amend or modify materially the Alternative Plan with respect to one or more Debtors, one or more times, after the Confirmation Date. After the Confirmation Date, the Reorganized Debtor may, with leave of the Bankruptcy Court, and upon notice and opportunity for hearing to the affected Creditor(s) and the Notice Parties only, remedy any defect or omission, reconcile any inconsistencies in the Alternative Plan or in the Confirmation Order, or otherwise modify the Alternative Plan.

## **2. Effect of Confirmation on Alternative Plan Modifications**

Entry of a Confirmation Order shall mean that all modifications or amendments to the Alternative Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

## **3. Alternative Plan Revocation or Withdrawal**

The Alternative Plan Sponsors reserve the right to revoke or withdraw the Alternative Plan before the Confirmation Date and to File subsequent chapter 11 plans. If the Alternative Plan Sponsors revoke or withdraw the Alternative Plan, or if Confirmation or Consummation does not occur, then: (1) the Alternative Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Alternative Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption, assignment, or rejection of executory contracts or unexpired leases effected by the Alternative Plan, and any document or agreement executed pursuant to the Alternative Plan, shall be deemed null and void; and (3) nothing contained in the Alternative Plan shall: (i) constitute a waiver or release of any Claims, Interests, or Causes of Action; (ii) prejudice in any manner the right of such Alternative Plan Sponsors or any other Person; or (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by such Alternative Plan Sponsors or any other Person. In the event that one or more, but less than all, of the Alternative Plan Sponsors seeks to revoke or withdraw the Alternative Plan, nothing in the Alternative Plan prevents any Alternative Plan Sponsors from continuing to seek Confirmation of the Alternative Plan or from Filing and seeking Confirmation of any alternative or competing Plan.

## **L. Retention of Jurisdiction**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, and subject to the MGCB retaining exclusive jurisdiction to determine all regulatory matters arising under the Michigan Gaming Act, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including without limitation, jurisdiction to:

- Allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the

resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims or Interests;

- Decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;
- Resolve any matters related to: (a) the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Cure or Claims arising therefrom, including Cure or Claims pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any executory contract or unexpired lease that is assumed; (c) the Reorganized Debtors amending, modifying, or supplementing, after the Effective Date, pursuant to Article XI, any executory contracts or unexpired leases to the list of executory contracts and unexpired leases to be assumed or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory or expired;
- Ensure that distributions to Holders of Allowed Claims and Interests are accomplished pursuant to the provisions of the Plan;
- Adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;
- Adjudicate, decide, or resolve any and all matters related to any Causes of Action;
- Adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;
- Enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Alternative Plan and Confirmation Order and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;
- Enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;
- Resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Person's obligations incurred in connection with the Alternative Plan;
- Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person with Consummation or enforcement of the Alternative Plan;

- Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, and other provisions contained in Article VII, and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;
- Resolve any and all cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by a Holder of a Claim for amounts not timely repaid;
- Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;
- Adjudicate any and all disputes arising from or relating to payments or distributions under the Alternative Plan;
- Consider any and all modifications of the Alternative Plan, to cure any defect or omission, or to reconcile any inconsistency in any Final Order, including the Confirmation Order;
- Hear and determine requests for the payment or distribution on account of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;
- Hear and determine any and all disputes arising in connection with the interpretation, implementation, or enforcement of the Alternative Plan or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Alternative Plan;
- Hear and determine any and all disputes arising under sections 525 or 543 of the Bankruptcy Code;
- Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code with any tax incurred or alleged to be incurred by any Debtor or Reorganized Debtor as a result of Consummation of the Plan being considered to be incurred or alleged to be incurred during administration of these Chapter 11 Cases for purposes of section 505(b) of the Bankruptcy Code, with the exception of Casino or Reorganized Casino's request for the tax rollback pursuant to MCLA 432.212;
- Hear and determine any and all disputes involving the existence, nature, or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred before or after the Effective Date;
- Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract,

instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;

- Enforce any orders previously entered by the Bankruptcy Court;
- Hear any and all other matter not inconsistent with the Bankruptcy Code; and
- Enter an order or Final Decree concluding or closing the Chapter 11 Cases.

## **M. Miscellaneous Provisions**

### **1. Immediate Binding Effect**

Subject to Article VI of the Alternative Plan and notwithstanding Bankruptcy Rules 3020(e), 6004(g), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Alternative Plan shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Interests (irrespective of whether any such Holders of Claims or Interests did not vote to accept or reject the Alternative Plan, voted to accept or reject the Alternative Plan, or is deemed to accept or reject the Alternative Plan), all Persons that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Alternative Plan and this Disclosure Statement, each Person acquiring property under the Alternative Plan, and any and all non-Debtor parties to executory contracts and unexpired leases with the Debtors.

## **2. Additional Documents**

On or before the Effective Date, the Alternative Plan Sponsors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Alternative Plan. The Debtors or the Reorganized Debtors, as applicable, and all Holders of Claims or Interests receiving distributions pursuant to the Alternative Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Alternative Plan.

## **3. Statutory Fee Payment**

The Reorganized Debtors shall pay to the United States Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6) and shall provide the United States Trustee with an appropriate affidavit indicating the Cash disbursements for the relevant period until such time as the Chapter 11 Cases are administratively closed.

## **4. Reservation of Rights**

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan or this Disclosure Statement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders of Claims or Interests before the Effective Date.

## **5. Successors and Assigns**

The rights, benefits, and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign, affiliate, officer, director, agent, representative, attorney, beneficiary, or guardian, if any, of such Person.

## **6. Service of Documents**

After the Effective Date, any pleading, notice, or other document required by the Alternative Plan to be served or delivered to the Alternative Plan Sponsors, the Debtors or the Reorganized Debtors must be sent by overnight mail, postage prepaid to:

To the Debtors

555 E. Lafayette  
Detroit, MI 48226  
Attn: Chief Executive Officer

*with a copy to:*

Schafer and Weiner, PLLC  
40950 Woodward Ave., Ste. 100  
Bloomfield Hills, MI 48304  
Attn: Daniel Weiner, Esq.  
Michael E. Baum, Esq.

To the Alternative Plan Sponsors

[ ]

[42875 Grand River Avenue, Suite 201](#)  
[Novi, Michigan 48375](#)  
[Attn: President](#)

*with a copy to:*

Foley & Lardner LLP  
500 Woodward Ave., Ste. 2700  
Detroit, Michigan 48226  
Attn: Salvatore A. Barbatano, Esq.

Thomas B. Spillane, Esq.

To the Reorganized Debtors

[ ]

[42875 Grand River Avenue, Suite 201](#)  
[Novi, Michigan 48375](#)  
[Attn: President](#)

After the Effective Date, the Reorganized Debtors have authority to send a notice to Persons that continue to receive documents pursuant to Bankruptcy Rule 2002, that each such Person must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Reorganized Debtors are authorized to limit the list of Persons receiving documents pursuant to Bankruptcy Rule 2002 to those Persons who have Filed such renewed requests.

**7. Term of Injunctions or Stays**

Unless otherwise provided in the Alternative Plan or Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases under Bankruptcy Code sections 105 or 362 or any Bankruptcy Court order, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or Confirmation Order), will remain in full force and effect until the Effective Date. All injunctions or stays in the Alternative Plan or Confirmation Order will remain in full force and effect in accordance with their terms.

**8. Termination of Liens and Encumbrances**

Any of the Debtors, the Reorganized Debtor, and all parties in interest, including without limitation any Creditor, shall be required to execute any document reasonably requested by the other to memorialize and effectuate the terms and conditions of the Alternative Plan. This shall include without limitation any execution by any of the Debtors or the Reorganized Debtors of Uniform Commercial Code financing statements and the execution by creditors of any Uniform Commercial Code termination and mortgage releases and termination. The Reorganized Debtor is expressly authorized to file any termination statement to release a Lien which is either discharged or satisfied as a result of the Alternative Plan or any payments made in accordance with the Alternative Plan.

## **9. Limitations on Operations**

When the Debtors or the Reorganized Debtor have made all payments and distributions required under the Alternative Plan, all restrictions, negative covenants, and other limitations on the Debtors' operations provided in the Alternative Plan or in the Confirmation Order shall terminate.

## **10. Causes of Action; Standing**

Except as otherwise provided in the Alternative Plan, the Reorganized Debtor shall have the right to commence, continue, amend or compromise all Causes of Action available to any Debtor, the Estate or the debtor in possession, including without limitation all Avoidance Claims whether or not those Causes of Action or Avoidance Claims were the subject of a suit as of the Confirmation Date.

## **11. Entire Agreement**

Except as otherwise indicated, the Alternative Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Alternative Plan.

## **12. Governing Law**

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules) unless otherwise specifically stated, the laws of the State of Michigan, including any regulatory rules and laws of the MGCB, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Alternative Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Alternative Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control).

## **13. Alternative Plan Provisions Nonseverable**

If, before Confirmation, any term or provision of the Alternative Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall 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 of the Alternative Plan will remain in full force and effect and will 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 of the Alternative Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Alternative Plan and may not be deleted or modified without the Debtors' consent; and (3) nonseverable and mutually dependent.

#### **14. Closing of Chapter 11 Cases**

The Reorganized Debtors shall, promptly after the full administration of any of the Chapter 11 Cases, File with the Bankruptcy Court, all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close their Chapter 11 Cases.

#### **15. Waiver or Estoppel**

Each Holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, secured, or not subordinated by virtue of an agreement made with the Debtors, the Stipulating Parties, or their counsel, or any other Person, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Bankruptcy Court before the Confirmation Date.

#### **16. Conflicts and Plan Interpretation**

Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement, or any other Bankruptcy Court order (other than the Confirmation Order) referenced in the Plan (or any Exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control.

### **V. STATUTORY REQUIREMENTS FOR PLAN CONFIRMATION**

The following is a brief summary of the Plan Confirmation process. Claim and Interest Holders are encouraged to review the Bankruptcy Code's relevant provisions and to consult their own attorneys.

#### **A. The Confirmation Hearing**

Bankruptcy Code section 1128(a) requires the Bankruptcy Court, after notice, to hold a hearing on Plan Confirmation. Under Bankruptcy Code section 1128(b), any party in interest may object to Plan Confirmation.

The Confirmation Hearing will commence on ~~\_\_\_\_\_~~ Tuesday, November 3, 2009 at ~~\_\_\_\_\_~~ 10:00 a.m. (prevailing Eastern time), before the Honorable Walter Shapero, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Eastern District of

Michigan, Southern Division, located at The Theodore Levin Courthouse, 211 West Lafayette Blvd., 10th Floor, Detroit, Michigan 48226. The Bankruptcy Court may adjourn the Confirmation Hearing from time to time without further notice except by announcing the adjournment date at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

The Bankruptcy Court has directed that objections, if any, to Plan Confirmation be Filed with the Bankruptcy Court clerk and served so that they are **RECEIVED** on or before  , at   Tuesday, October 13, 2009, at 10:00 a.m. (prevailing Eastern time) by counsel to the Alternative Plan Sponsors, Foley & Lardner LLP, 500 Woodward Avenue, Suite 2700, Detroit, MI 48226, Attn: Salvatore A. Barbatano, Katherine R. Catanese, & Adam J. Wiener; counsel to the Debtors, Schafer & Weiner PLLC, 40950 Woodward Avenue, Suite 100, Bloomfield Hills, MI 48034, Attn: Daniel J. Weiner & Michael E. Baum; counsel for the DIP Agent and Pre-petition Agent, Mayer Brown LLP, 1675 Broadway, New York, New York 10019, Attn: J. Robert Stoll & Andrew D. Shaffer; counsel for the Creditors' Committee, Clark Hill, PLC, 151 S. Old Woodward, Suite 200, Birmingham, MI 48009, Attn: Joel D. Applebaum & Robert A. Gordon; and the United States Trustee, 211 West Fort, Suite 700, Detroit, MI 48226, Attn: Leslie Berg.

## **B. Confirmation Standards**

To confirm the Alternative Plan, the Bankruptcy Court must find that, among other things, the requirements of Bankruptcy Code section 1129 are satisfied. In summary, these requirements include the following:

1. The Alternative Plan complies with all applicable Bankruptcy Code provisions.
2. The Alternative Plan Sponsors have complied with the applicable Bankruptcy Code provisions.
3. The Alternative Plan has been proposed in good faith and not by any means forbidden by law.
4. Any payment made or promised under the Alternative Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Alternative Plan and incident to the cases, has been disclosed to the Bankruptcy Court, and any such payment made before Alternative Plan Confirmation is reasonable, or if such payment is to be fixed after Confirmation, such payment is subject to Bankruptcy Court approval as reasonable.
5. With respect to each Class of Impaired Claims or Interests, either each Claim or Interest Holder in such Class has accepted the Alternative Plan or will receive or retain under the Alternative Plan on account of such Claim or Interest, property of a value, as of the Effective Date, not less than the amount such Holder would receive or retain if the Debtors were liquidated on such date under chapter 7 of the Bankruptcy Code.
6. Each Class of Claims or Equity Interests entitled to vote on the Alternative Plan either has accepted the Alternative Plan or is not Impaired under the Alternative Plan, or the

Alternative Plan can be confirmed without the approval of each voting Class under Bankruptcy Code section 1129(b).

7. Except to the extent a particular Claim Holder agrees to different treatment, Allowed Administrative Claims and other Allowed Priority Claims will be fully paid on, or as soon as reasonably practical after, the Effective Date.

8. At least one Class of Impaired Claims or Equity Interests has accepted the Alternative Plan, determined without including any acceptance of the Alternative Plan by any Insider holding a Claim or Interest in such Class.

9. Confirmation is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Alternative Plan, unless the liquidation or reorganization is proposed in the Plan.

10. All fees of the type described in 28 U.S.C. § 1930, including the fees of the United States Trustee, will be paid as of the Effective Date.

11. The Alternative Plan addresses payment of retiree benefits in accordance with Bankruptcy Code section 1114.

The Alternative Plan Sponsors believe that the Alternative Plan satisfies the requirements of Bankruptcy Code section 1129, including, without limitation, that (i) the Alternative Plan satisfies or will satisfy all of the Bankruptcy Code's statutory requirements; (ii) the Alternative Plan Sponsors have complied or will have complied with all of the Bankruptcy Code's requirements; and (iii) the Alternative Plan Sponsors proposed the Alternative Plan in good faith.

### **C. Best Interests of Creditors Test**

Before it can confirm the Alternative Plan, the Bankruptcy Court must find (with certain exceptions) that the Alternative Plan provides, with respect to each Class, that each Claim or Interest Holder in such Class either: (a) has accepted the Alternative Plan; or (b) will receive or retain under the Alternative Plan property of a value, as of the Effective Date, not less than the amount that such Person would receive or retain if the Debtors liquidated under chapter 7 of the Bankruptcy Code.

In chapter 7 liquidation cases, unsecured creditors and interest holders are generally paid from available assets in the following order, with no junior class receiving any payments until all amounts due to senior classes have been fully paid or any such payment is provided for:

- Secured creditors (to the extent of their collateral's value);
- Administrative and other priority creditors;
- Unsecured creditors;
- Debt expressly subordinated by its terms or by Bankruptcy Court order; and

- Equity interest holders.

As described in more detail in the Liquidation Analysis set forth on Exhibit B to the Debtors' Disclosure Statement, the Alternative Plan Sponsors believe that the value of any distributions in a chapter 7 case would be less than the value of Alternative Plan distributions because, among other reasons, distributions in a chapter 7 case may not occur for a longer period of time, reducing the distributions' present value. In this regard, it is possible that chapter 7 distributions could be delayed for a period for a trustee and its professionals to become knowledgeable about the Chapter 11 Cases and the Claims against the Debtors. In addition, chapter 7 distributions are likely to be significantly discounted because of the sale's distressed nature, and because the chapter 7 trustee's and professionals' fees and expenses would likely exceed those of the Debtors' Professionals (further reducing Cash available for distribution).

#### **D. Financial Feasibility**

Before it can confirm the Alternative Plan, the Bankruptcy Court must also find that Confirmation is not likely to be followed by the Reorganized Debtor's liquidation or the need for further financial reorganization, unless that liquidation or reorganization is contemplated by the Alternative Plan. For purposes of showing that the Alternative Plan meets this feasibility standard, the Alternative Plan Sponsors have analyzed the Reorganized Debtors' ability to meet their obligations under the Alternative Plan and to retain sufficient liquidity and capital resources to conduct their businesses.

The Alternative Plan Sponsors believe that, with a significantly deleveraged capital structure, the Debtors' businesses will be viable. The decreased debt on the Debtors' balance sheet will substantially reduce their interest expense, thereby improving cash flow.

Projections indicate that the Reorganized Debtors should have sufficient cash flow to pay and service their debt obligations and to fund their operations. Accordingly, the Alternative Plan Sponsors believe that the Alternative Plan complies with Bankruptcy Code section 1129(a)(11)'s financial feasibility standard.

#### **E. Acceptance by Impaired Classes**

The Bankruptcy Code requires, as a condition to plan confirmation, that, except as described in the following section, each class of impaired claims or equity interests accept the plan. A class not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. A class is "impaired" unless the plan: (a) leaves unaltered the legal, equitable and contractual rights to which the claim or interest entitles the holder of that claim or interest; (b) cures any default and reinstates the original terms of the obligation; or (c) provides that, on the consummation date, the claim or interest holder receives cash equal to the allowed amount of its claim or, with respect to any interest, any fixed liquidation preference to which the interest holder is entitled or any fixed price at which the debtors may redeem the security.

#### **F. Confirmation Without Acceptance by All Impaired Classes**

Bankruptcy Code section 1129(b) allows a Bankruptcy Court to confirm a plan, even if all impaired classes entitled to vote on the plan have not accepted it, provided that the plan has been accepted by at least one impaired class. Bankruptcy Code section 1129(b) states that, notwithstanding an impaired class's failure to accept a plan, the plan shall be confirmed, at the plan proponent's request, in a procedure commonly known as "cram down," so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or interests impaired that is impaired under, and has not accepted, the plan.

Courts will take into account a number of factors in determining whether a plan discriminates unfairly, including the effect of applicable subordination agreements between parties. Accordingly, a plan could treat two unsecured-creditor classes differently without unfairly discriminating against either class.

The condition that a plan be "fair and equitable" to a non-accepting class of secured claims includes the requirements that: (a) the secured claim holders retain the liens securing their claims for the claims' allowed amount, whether the debtors' retain the applicable encumbered property or transfer it to another entity under the plan; and (b) each secured claim holder in the class receives deferred cash payments totaling at least the claims' allowed amount with a present value, as of the plan's effective date, at least equivalent to the value of the secured claimant's interest in the applicable encumbered property.

The condition that a plan be "fair and equitable" with respect to a non-accepting class of unsecured claims requires that either: (a) the plan provides that each claim holder in the class receive or retain property valued, as of the plan's effective date of the plan, equal to the claim's allowed amount; or (b) any claim or interest holder junior to the claims of the class will not receive or retain under the plan any property for the junior claim or equity interest.

The condition that a plan be "fair and equitable" to a non-accepting class of equity interests requires that either: (a) the plan provides that each interest holder in the class receives or retains under the plan property of a value, as of the plan's effective date, equal to the greater of the allowed amount of any fixed liquidation preference to which the interest holder is entitled, any fixed redemption price to which the interest holder is entitled, or (iii) the interest's value; or (b) if the class does not receive such an amount as required under (a), no class of equity interests junior to the non-accepting class receives a distribution under the plan.

The Alternative Plan provides that if any Impaired Class rejects the Plan, the Alternative Plan Sponsors reserve the right to seek to Alternative Plan Confirmation under Bankruptcy Code section 1129(b)'s "cram down" provisions. If any Impaired Class rejects the Plan or is deemed to have rejected the Alternative Plan, the Alternative Plan Sponsors will request Confirmation of the Alternative Plan under Bankruptcy Code section 1129(b). The Alternative Plan Sponsors reserve the right to alter, amend, modify, revoke or withdraw the Alternative Plan or any Alternative Plan Exhibit or Schedule, including for the purpose of satisfying Bankruptcy Code section 1129(b)'s requirements, if necessary.

## **VI. CERTAIN FACTORS TO BE CONSIDERED BEFORE VOTING**

Before voting on the Plan, all Impaired Claim Holders should read and carefully consider the factors set forth below, as well as all other information set forth or otherwise referenced in this Disclosure Statement. These factors should not, however, be regarded as constituting the only risks involved in connection with the Plan and its implementation.

**A. Certain Bankruptcy Law Considerations**

Information on certain bankruptcy law considerations is set forth on pages ~~6783~~6985 of the Debtors' Disclosure Statement. In addition, confirmation of the Alternative Plan is conditioned upon the Alternative Plan Sponsors obtaining \$275 million in Exit Financing from third parties to fund distributions under the Plan and the Debtors' business operations. While the Alternative Plan Sponsors believe that it is likely that they will secure such Exit Financing, there is no assurance that they will be able to do so.

**B. Risk Factors That May Affect Allowed Claim Holders' Recovery**

Information on risk factors that may affect Allowed Claim Holders' recovery is set forth on pages ~~6985~~7086 of the Debtors' Disclosure Statement.

**C. Risk Factors that Could Negatively Impact the Debtors' Businesses**

Information on risk factors that may negatively impact the Debtors' businesses is set forth on pages ~~7086~~7895 of the Debtors' Disclosure Statement.

**D. Risk Factor on Licensing of Casino**

Generally, under the Michigan Gaming Act and the rules promulgated by the MGCB (the "MGCB Rules"), any owner of more than a 1% direct or indirect interest of a casino must either be (i) approved by the MGCB, or (ii) qualify for any waivers of the MGCB's licensing requirements. The MGCB's licensing requirements are rigorous and the waivers relatively narrow. While the Alternative Plan Sponsors believe that (a) they will be able to be licensed under the Michigan Gaming Act and the MGCB Rules, and (b) the Alternative Plan otherwise will satisfy any licensing requirements, there is no guarantee that the Alternative Plan Sponsors' views are correct.

#### **E. Risks and Issues Associated with Substantive Consolidation**

At various times during these Chapter 11 Cases, certain parties may have asserted, or may hereafter assert, that the businesses of the Debtor entities should be "substantively consolidated," pursuant to applicable bankruptcy law. The decision to substantively consolidate the various Debtors would be premised on a determination by the Bankruptcy Court that, by virtue of the manner in which the enterprises have been historically managed and operated, it is appropriate to treat the assets and liabilities of all of the enterprises as the assets and liabilities of one common enterprise.

In the event of such a court ruling, some classes of creditors would be entitled to share in the distribution of assets to which they had not previously been entitled. One example of such an outcome would be a sharing in the proceeds of the litigation or settlement of causes of action or claims of certain Debtor entities against third parties. Substantive consolidation could also result in the elimination of causes of action or claims which one or more Debtor entities may have against other Debtor entities.

Although the Alternative Plan does not contemplate substantive consolidation, the Alternative Plan Sponsors have not adopted a position with respect to the applicability of the substantive consolidation doctrine to these Chapter 11 Cases. In the event, however, that it becomes apparent that the assertion of substantive consolidation claims may jeopardize the timely adoption and effectuation of the Alternative Plan, the Alternative Plan Sponsors retain the right and discretion to resolve such disputes through the implementation of one or more settlements pursuant to Bankruptcy Rule 9019 and applicable provisions of the Bankruptcy Code.



## **F. Risks Associated With Forward-Looking Statements**

### **1. Financial Information Is Based on Information provided by the Debtors and, Unless Otherwise Stated, No Audit Was Performed**

The financial information in this Disclosure Statement is based on information provided by the Debtors. Unless otherwise noted, the financial information has not been audited. While the Alternative Plan Sponsors have no reason to believe that such financial information does not fairly reflect the financial condition of the Debtors, the Alternative Plan Sponsors are unable to warrant or represent that the financial information is without inaccuracies.

### **2. Financial Projections and Other Forward-Looking Statements Are Not Assured, Are Subject to Inherent Uncertainty Due to the Numerous Assumptions on which They Are Based and, as a Result, Actual Results May Vary**

This Disclosure Statement contains various projections concerning the financial results of the Reorganized Debtors' operations, including the Financial Projections that are, by their nature, forward looking, and which projections are necessarily based on certain assumptions and estimates. Should any or all of these assumptions or estimates ultimately prove to be incorrect, the actual future experiences, of the Reorganized Debtors may turn out to be different from the Financial Projections. Due to the inherent uncertainties associated with projecting financial results generally, the projections contained in this Disclosure Statement will not be considered assurances or guarantees of the amount of funds or the amount of Claims that may be Allowed in the various Classes.

Specifically, the projected financial results contained in this Disclosure Statement reflect numerous assumptions concerning the anticipated future performance of the Reorganized Debtors, some of which may not materialize, including, without limitation, assumptions concerning: (a) the timing of Confirmation and Consummation of the Alternative Plan in accordance with its terms; (b) the anticipated future performance of the Reorganized Debtors, including without limitation, the Debtors' ability to maintain or increase revenue and gross margins, control future operating expenses, or make necessary capital expenditures; (c) general business and economic conditions; (d) overall industry performance and trends; (e) the Debtors' ability to maintain market strength and receive vendor support by way of favorable purchasing terms; and (f) consumer preferences continuing to support the Debtors' business plan.

## **G. Disclosure Statement Disclaimer**

### **1. Information Contained in this Disclosure Statement Is for Soliciting Votes**

The information contained in this Disclosure Statement is for the purpose of soliciting votes on the Alternative Plan and may not be relied on for any other purposes.

**2. This Disclosure Statement Was Not Approved by the U.S. Securities and Exchange Commission**

This Disclosure Statement was not filed with the U.S. Securities and Exchange Commission (the “SEC”) under the Securities Act or applicable state securities laws. Neither the SEC nor any state regulatory agency has passed on the accuracy or adequacy of this Disclosure Statement, or the Exhibits or the statements contained in this Disclosure Statement, and any representation to the contrary is unlawful.

**3. Reliance on Exemptions from Registration under the Securities Act**

This Disclosure Statement has been prepared under section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016(b) and is not necessarily in accordance with federal or state securities laws or other similar laws. The offer of Reorganized Holdings’ New Common Units to certain Claim Holders has not been registered under the Securities Act or similar state securities laws or “blue sky” laws.

**4. No Legal or Tax Advice Is Provided to You by this Disclosure Statement**

This Disclosure Statement is not legal advice to you. The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each Claim and Interest Holder should consult his or her own legal counsel and accountant for legal, tax, and other matters related to his or her Claim or Interest. This Disclosure Statement may not be relied on for any purpose other than to determine how to vote on the Alternative Plan or object to Confirmation of the Alternative Plan.

**5. No Admissions Made**

The information and statements contained in this Disclosure Statement will neither (a) constitute an admission of any fact or liability by any Person (including, without limitation, the Alternative Plan Sponsors or the Debtors) nor (b) be deemed evidence of the tax or other legal effects of the Plan on the Debtors, the Reorganized Debtors, Allowed Claim or Interest Holders, or any other parties in interest.

**6. Failure to Identify Litigation Claims or Projected Objections**

No reliance should be placed on the fact that a particular litigation claim or projected objection to a particular Claim or Interest is, or is not, identified in this Disclosure Statement. The Debtors or the Reorganized Debtors may seek to investigate, file, and prosecute Claims and Interests and may object to Claims after the Confirmation or Effective Date of the Alternative Plan irrespective of whether this Disclosure Statement identifies such Claims or objections to such Claims.

**7. No Waiver of Right to Object or Right to Recover Transfers and Assets**

The vote by a Holder of an Allowed Claim for or against the Alternative Plan does not constitute a waiver or release of any Claims, Causes of Action, or rights of the Debtors or the Reorganized Debtors (or any party in interest, as the case may be) to object to that Holder’s

Allowed Claim, or recover any preferential, fraudulent, or other voidable transfer of assets, regardless of whether any Claims or Causes of Action of the Debtors or their respective Estates are specifically or generally identified herein.

**8. Information Was Provided by the Debtors and Was Relied on by the Alternative Plan Sponsors**

The Alternative Plan Sponsors have relied on information provided by the Debtors in connection with the preparation of this Disclosure Statement. The Alternative Plan Sponsors have not verified independently the information contained in this Disclosure Statement.

**9. Potential Exists for Inaccuracies, and the Alternative Plan Sponsors Have No Duty to Update**

The statements contained in this Disclosure Statement are made by the Alternative Plan Sponsors as of the date of this Disclosure Statement, unless otherwise specified, and the delivery of this Disclosure Statement after that date does not imply that there has not been a change in the information since that date. While the Alternative Plan Sponsors have used their reasonable business judgment to ensure the accuracy of all of the information provided in this Disclosure Statement and in the Alternative Plan based on information available to them, the Alternative Plan Sponsors nonetheless cannot, and do not, confirm the current accuracy of all statements appearing in this Disclosure Statement. Further, although the Alternative Plan Sponsors may subsequently update the information in this Disclosure Statement, the Alternative Plan Sponsors have no affirmative duty to do so unless ordered to do so by the Bankruptcy Court.

## **10. No Representations Outside this Disclosure Statement Are Authorized**

No representations concerning or relating to the Debtors, these Chapter 11 Cases, or the Alternative Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Alternative Plan other than as contained in, or included with, this Disclosure Statement, should not be relied upon by you in arriving at your decision. You should promptly report unauthorized representations or inducements to the Alternative Plan Sponsors' counsel, Debtors' counsel, the Creditors' Committee counsel, and the United States Trustee.

## **H. Alternatives to Confirmation and Consummation of the Plan**

### **1. Liquidation under Chapter 7**

If no plan can be confirmed, the Debtors' Chapter 11 Cases may be converted to a case (or cases) under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on the recoveries of Holders of Claims and Interests and the Liquidation Analysis is set forth above. The Alternative Plan Sponsors believe that liquidation under chapter 7 would result in (1) smaller distributions being made to Creditors than those provided for in the Plan because of: (a) the likelihood that the assets of the Debtors would have to be sold or otherwise disposed of in a less orderly fashion over a shorter period of time; (b) additional administrative expenses involved in the appointment of a trustee; and (c) additional expenses and claims, some of which would be entitled to priority, which would be generated during the liquidation and from the rejection of leases and other executory contracts in connection with a cessation of the Debtors' operations; and (2) no distributions being made to any class junior to the Holders of Allowed Secured Claims.

### **2. Other Plans of Reorganization**

If the Alternative Plan is not confirmed, the Alternative Plan Sponsors (or any other party in interest) could attempt to formulate a different plan, including the Debtors' Plan. Such a plan might involve either a reorganization and continuation of the Debtors' business or an orderly liquidation of their assets. The Alternative Plan Sponsors believe that the Alternative Plan, as described herein, enables Creditors to realize the most value under the circumstances. In a liquidation under chapter 11, the Debtors' assets would be sold in an orderly fashion over a more extended period of time than in a liquidation under chapter 7, possibly resulting in somewhat greater (but indeterminate) recoveries than would be obtained in chapter 7. Further, if a trustee were not appointed, because such appointment is not required in a chapter 11 case, the expenses for Professional fees would most likely be lower than those incurred in a chapter 7 case. Although preferable to a chapter 7 liquidation, the Alternative Plan Sponsors believe that any alternative liquidation under chapter 11 is a much less attractive alternative to Creditors and Interest Holders than the Alternative Plan because of the greater return provided by the Alternative Plan.

## VII. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain United States federal income tax consequences of the Alternative Plan to the Debtors, the Reorganized Debtors and to the Holders of Allowed Claims who are entitled to vote on the Alternative Plan. This summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations promulgated thereunder, and administrative and judicial interpretations and practice, all as in effect on the date hereof and all of which are subject to change, with possible retroactive effect. No ruling from the Internal Revenue Service (the “Service”) or opinion of counsel will be sought as to any of the tax consequences discussed below. Substantial uncertainty may exist with respect to some of the tax consequences described below due to the lack of definitive judicial or administrative authority or interpretations in a number of areas, and the fact that the Alternative Plan Sponsors have not had access to the detailed tax records of the Debtors and have not analyzed specific tax positions of the Debtors in developing the Alternative Plan. Accordingly, there can be no assurance that the Service will not take a contrary position with respect to one or more of the tax consequences discussed below.

The following discussion is for informational purposes only and does not address all of the matters that may be relevant to particular Holders or Classes of Holders, including those that are subject to special rules under the Code, including, without limitation, financial institutions, securities dealers, broker-dealers, tax-exempt entities, insurance companies, foreign persons, or holders that hold their Securities as part of a “straddle” or a “conversion transaction” (as defined in the Code). Consequently, such Holders may be subject to special rules not discussed below. In addition, neither state and local or estate and gift tax issues are addressed herein.

To the extent that a transaction under the Alternative Plan gives rise to taxable gain or loss, the nature of that gain or loss and the tax consequences will depend on a number of factors (“Tax Factors”) and the tax consequences of the transaction may vary among Holders even in the same class. Such Tax Factors include the tax status of the Holder, whether the obligation from which the Claim arose is a capital asset in the hands of the Holder and how long it has been held, and whether and to what extent the Holder has previously claimed a bad debt deduction. A Holder that purchased its Claim from a prior Holder at a market discount may be subject to the market discount rules of Code which could characterize a portion of the gain recognized as ordinary income. In addition, Section 582(c) of the Code provides that the sale or exchange of a bond, debenture, note or certificate or other evidence of indebtedness by certain financial institutions shall be considered the sale or exchange of a non-capital asset. Accordingly, any gain or loss recognized by such financial institutions may not be treated as capital in nature.

THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE ALTERNATIVE PLAN ARE COMPLEX AND ARE SUBJECT TO SIGNIFICANT UNCERTAINTIES. ALL HOLDERS OF CLAIMS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE ALTERNATIVE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY FEDERAL ESTATE, STATE, LOCAL, OR FOREIGN TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

**IRS Circular 230 Notice.** To ensure compliance with IRS Circular 230, Holders of Claims are hereby notified that (i) any discussions of federal tax issues contained or referred to in this Disclosure Statement is not intended or written to be used, and can not be used, by Holders of Claims for the purpose of avoiding penalties that may be imposed on them under the Code, (ii) such discussion is written in connection with the promotion or marketing of the transactions or matters discussed herein, and (iii) Holders of Claims should seek advice based on their particular circumstances from an independent tax advisor.

**A. Certain Federal Income Tax Consequences to the Debtors**

**1. Tax Status of the Debtors**

Holdings is a limited liability company taxable as partnerships for federal income tax purposes. Holdings does not pay federal income tax. Rather, all of the income, gain, loss, deductions and credits generated by Holdings flow through to, and are reportable on, the tax returns of Holdings' members. Accordingly, the federal income tax consequences to Holdings resulting under the Alternative Plan will be borne by its members. Each such member will be subject to federal income tax on its proportionate share of any taxable income of Holdings resulting from the Alternative Plan, regardless of whether any distribution or cash or property is made to such member. While the character of any gain or loss normally is determined at the partnership level, the specific federal income tax treatment of certain items must be determined at the partner/member level. Each such member is encouraged to consult its own tax advisor regarding the tax consequences of the Alternative Plan with respect to such member.

Holding is the sole member of each of the Non-reorganizing Debtors. A limited liability company that has a single member generally will be treated as a disregarded entity tax purposes, with its business activities being included in the federal income tax return filed by its sole member. To the knowledge of the Alternative Plan Sponsors, the Non-reorganizing Debtors are disregarded entities for federal income tax purposes and the tax consequences of the Alternative Plan with respect to the Non-reorganizing Debtors will also flow through to the tax returns of the members of Holdings at the time the Alternative Plan is confirmed.

Realty and Building are corporations taxable as C Corporation for federal income tax purposes. The Alternative Plan Sponsors do not have access to the information necessary to determine the federal income tax consequences resulting to such Debtors under the Alternative Plan, if any.

**2. Restructuring Transactions**

For federal income tax purposes, Holdings and Reorganized Holdings will be considered one and the same taxpayer.

The federal income tax consequences of any Restructuring Transaction would be considered prior to implementing any such transaction. As all of the other Debtors are directly or indirectly wholly owned by Holdings, it is anticipated that most mergers or liquidations involving the Debtors could be accomplished on a tax free basis. However, it is possible that one or more Restructuring Transactions may give rise to taxable income.



Under the Alternative Plan, all of the Equity Interests in Holdings will be cancelled and New Common Units issued to holders of certain Claims. Under federal income tax rules, the taxable income or loss of Holdings for the year in which the ownership of interests changes must be allocated among the holders of Equity Interests and New Common Units based on the number of days during the year in which they held interests in Holdings.

### **3. Issuance of New Equity Interests and Cancellation of Equity Interests**

The Alternative Plan anticipates that Holdings will issue New Common Units in full or payment of existing Claims. No gain or loss should be recognized by Holdings for federal income tax purposes with respect to the issuance of the New Common Units.

The Alternative Plan further anticipates that the Equity Interests will be cancelled and no distributions made to the Holders of such interests with respect to such cancellation. No gain or loss should be recognized by Holdings for federal income tax purposes with respect to the cancellation of the Equity Interests.

### **4. Cancellation of Indebtedness**

When indebtedness of a taxpayer is cancelled during a taxable year, the taxpayer is generally required by the Code to include in gross income the amount of indebtedness that is discharged or cancelled (“COD income”). The amount of COD income realized is the aggregate amount of debt cancelled or retired under the Alternative Plan, including previously accrued but unpaid interest (unless not deducted by the taxpayer) over the amount of cash, the issue price of any new debt, and the fair market value of other property issued in satisfaction of such cancelled or retired debt. However, Section 108 of the Code provides several exceptions to this general rule, including exceptions that apply if the cancellation occurs in a case under the Bankruptcy Code or the taxpayer is insolvent.

As a result of the exchanges contemplated by the Alternative Plan, Holdings will be required to recognize COD income for federal income tax purposes. The amount of such COD income is, in general, equal to the excess of the adjusted issue price (including accrued but unpaid interest) of the indebtedness over the fair market value of the other property issued therefore (e.g. the New Common Units, warrants, cash and other property transferred to the Holders).

Section 108(e) of the Code provides that any COD income of a partnership is includible in the gross income of the taxpayers that were partners immediately before such discharge. Accordingly, the holders of Equity Interests will be required to report their distributive shares of the COD income realized by Holdings whether or not they receive any distribution of or with respect to such income.

Section 108(a) of the Code provides that if the discharge is granted by a court in a Chapter 11 proceeding or is pursuant to a plan approved by such court, such income is excluded from the debtor’s taxable income. Section 108(a) further provides that no COD income is recognized to the extent that the taxpayer is insolvent before the cancellation. However, in the case of a partnership, Section 108(a) is applied at the partner level and would not be applicable to the discharge occurring under the Alternative Plan unless Section 108(a) is applicable to the



Holder of the Equity Interest. Any COD income attributable to the Alternative Plan will be taxable to the Holders of Equity Interests at the time the Alternative Plan is confirmed.

## **5. Use of Remaining NOLs by the Reorganized Debtors**

Any pre-Confirmation losses generated by Holdings will have been passed through to the holders of Equity Interests and will remain with the Holders of such interests and will not be available for use by the Reorganized Debtors or holders of New Common Units.

## **B. Federal Income Tax Consequences To Holders of Claims and Equity Interests**

### **1. Holders Of Allowed Claims**

#### **a. Classes 1, 8, 14, 19, 24 and 29 – Secured Claims of DIP Lenders**

Under the Alternative Plan, each Holder of an Allowed Claim in these Classes will receive in full satisfaction of such claims a Pro Rata share of the Exit Financing. The satisfaction of these Claims will have the same federal income tax consequences to the Holders that it would have had if the Alternative Plan were not confirmed and the Claims had been satisfied outside of bankruptcy.

#### **b. Classes 2, 9, 15, 20, 25 and 30 – Secured Claims of Pre-petition Lenders**

Under the Alternative Plan, each Holder of an Allowed Claim in these Classes will receive in full satisfaction of these Claims, at the election of the Holder, but subject to certain conditions, a Pro Rata share of (i) the Prepetition Lender New Common Units or (ii) the New ~~Subordinated~~Unsecured Debt and the Cash Distribution.

Holders receiving New Equity Interests will be deemed to have received an amount equal to the fair market value of the New Common Units on the Effective Date in exchange for their Claims. Under regulations recently proposed by the Internal Revenue Service, the exchange will be deemed governed by Section 721 of the Code. As a result, such Holders will not recognize either gain or loss on the exchange and will have a tax basis in their New Common Units equal to the tax basis of their Claims.

However, to the extent that the Claim represents a claim for unpaid rent, royalties or interest such exchange will constitute a taxable transaction and such a Holder will recognize gain or loss in an amount equal to the difference between (i) the “amount realized” by the Holder with respect to such Claim (other than any claim for accrued but unpaid interest) and (ii) the Holder’s adjusted tax basis in its Allowed Claim (other than any claim for accrued but unpaid interest).

Receipt of the Cash Distribution shall be considered a partial payment against the Claim and will be taxable on the same basis as would receipt of a comparable payment outside of bankruptcy.

Holders receiving New ~~Subordinated~~Unsecured Debt may or may not recognize taxable gain or loss on the receipt of such debt depending on the facts and circumstances of each Holder.

To the extent gain or loss is required to be recognized, the character of any such gain or loss will depend on the Tax Factors applicable to the Holder. Holders of such claims are urged to consult their own tax advisers regarding the taxability of the receipt of New ~~Subordinated~~Unsecured Debt and the character of taxable gain or loss realized, if any.

The payment of the principal of the New ~~Subordinated~~Unsecured Debt will constitute the payment of the Claim. The payment of interest under such notes will generally give rise to taxable interest income to the holders of such claims. Such interest income may have to be accrued for tax purpose, rather than deferred until payment, where the note is subject to the original issue discount rules under the Code.

**c. Classes 3, 10, 16, 21, 26, and 31 – Secured Claims of Plan Proponents**

Under the Alternative Plan, each Holder of Allowed Claims in these Classes will receive in complete satisfaction of such Claim a Pro Rata share of (i) ~~31.74~~34.20% of the Plan Proponents New Common Units and (ii) the Plan Proponents Warrants.

Holders of Allowed Claims in these Classes will be deemed to have received an amount equal to the fair market value of the New Common Units and warrants on the Effective Date in exchange for their Claims. Under regulations recently proposed by the Internal Revenue Service, the exchange for New Common Units will be deemed governed by Section 721 of the Code. The tax consequences of the receipt of the warrants is not clear and will depend on the Tax Factors and the terms of the warrants. Such Holders will not recognize either gain or loss on the receipt of the New Common Units and will have a tax basis in their New Equity Interests and warrants equal to the tax basis of their Claims.

The foregoing notwithstanding, to the extent that the Claim represents a claim for unpaid rent, royalties or interest such exchange will constitute a taxable transaction and such a Holder will recognize gain or loss in an amount equal to the difference between (i) the “amount realized” by the Holder with respect to such Claim (other than any claim for accrued but unpaid interest) and (ii) the Holder’s adjusted tax basis in its Allowed Claim (other than any claim for accrued but unpaid interest).

**d. Classes 4, 11, 17, 22, 27, 32, 34, and 37 – Other Allowed Secured Claims**

Under the Alternative Plan, each Holder of an Allowed Claim in these classes will receive in full satisfaction of such Claim, at the discretion of the Reorganized Debtors either (i) the value of such Secured Claim or (ii) the collateral securing such Claim.

The satisfaction of these Claims will have the same federal income tax consequences to the Holders that it would have had if the Alternative Plan were not confirmed and the Claims had been satisfied outside of bankruptcy on the same terms.

- e. Classes 5, 6, 18, 23, 28, 33, ~~35~~35, 38 & ~~38~~40 -- Bond Claims Against Holdings ~~and~~, General Unsecured Claims Against Holdings, Holdings II, Builders, Realty, Trappers, Monroe and Kewadin, and Deficiency Claims

Under the Alternative Plan, each Holder of an Allowed Claim in these Classes will receive in full satisfaction of such Claim its Pro Rata share of the ~~Unsecured Distribution Warrants~~proceeds of the Litigation Trust Actions.

~~The tax consequences of the receipt of the warrants is not clear and may vary from Holder to Holder. Each such Holder~~transfer of the Litigation Trust Actions and cash to the Litigation Trust will be constitute a taxable exchange between the Debtors and the Litigation Trust Beneficiaries. On the Effective Date, each such Litigation Trust Beneficiary shall be deemed to have received from the Debtors its pro rata share of the fair market value of the Litigation Trust Actions and the cash contributed to the Trust as a payment against its Claims and then to have contributed its rights in such Actions and cash to the Litigation Trust.

The Litigation Trust itself will be considered a grantor trust for federal income tax purposes and each Litigation Trust Beneficiary will be required to report its pro rata share of all gain, loss, income and expense of the Litigation Trust on its own federal and state income tax returns.

The Litigation Trust Trustee will provide such information to each Litigation Trust Beneficiary and will file an information return with the Internal Revenue Service reporting each Litigation Trust Beneficiary's share of such gain, loss, income and expense..

Each Litigation Trust Beneficiary is encouraged to discuss ~~such tax consequences~~the tax implication of being a beneficiary of the Litigation Trust with its own tax adviser.

**f. Class 12 – General Unsecured Claims Against Casino**

Under the Alternative Plan, each Holder of an Allowed Claim in this Class will receive in full satisfaction of such claim its Pro Rata share of (i) the Unsecured Distribution Fund, and (ii) the Unsecured Distribution Warrants ~~with payment of the Pro Rata share of the Unsecured Distribution Fund being made in two semi-annual installments.~~

Receipt of the distributions from the Unsecured Distribution Fund will be considered in part a payment against the Claim and in part a payment of interest.

The tax consequences of the receipt of the warrants is not clear and may vary from Holder to Holder. Each such Holder is encouraged to discuss such tax consequences with its own tax adviser.

**g. Class 13 – Trade Claims Against Casino**

Under the Alternative Plan, each Holder of an Allowed Claim in this Class will receive in full satisfaction of such Claim its Pro Rata share of (i) the Trade Distribution Fund, payable in two semi-annual installments, and (ii) the proceeds of the Litigation Trust Actions, as well as a release from the Avoidance Claims. ~~Receipt of the distributions from the Trade Distribution Fund will be considered in part a payment against the Claim and in part a payment of interest.~~

The tax consequences of the receipt of the release of Avoidance Claims will vary from Holder to Holder. Each such Holder is encouraged to discuss such tax consequences with its own tax adviser.

**2. Holders of Class 7, 36 or 39 Equity Interests**

The tax consequences of the Alternative Plan to holders of Equity Interests are complex and largely dependent on the facts and circumstances of individual Holders. Holders of such Equity Interests should consult their own tax counsel regarding the tax consequences of the Alternative Plan.

### **C. Information Reporting and Backup Withholding**

Under the Code's back up withholding rules, a holder of a Claim may be subject to backup withholding with respect to distributions or payments made pursuant to the Alternative Plan, unless the holder of the Claim falls comes within an excepted category or provides a correct taxpayer identification number and verifies under penalty of perjury that such number is correct and that the taxpayer is not otherwise subject to backup withholding.

## **VIII. VOTING INSTRUCTIONS**

### **A. Record Date**

On [\_\_\_\_], 2009 the Bankruptcy Court entered the Solicitation Procedures Order approving the adequacy of this Disclosure Statement and approving the Solicitation Procedures (as defined in the Solicitation Procedures Motion, incorporated by reference into the Solicitation Procedures Order), which set forth procedures for the solicitation of votes to accept or reject the Plan [Docket No. \_\_\_\_]. A copy of the Solicitation Procedures is attached as an exhibit to the Solicitation Procedures Motion. In addition to approving the Solicitation Procedures, the Solicitation Procedures Order established certain dates and deadlines, including the date for the Confirmation Hearing, the Voting Record Date, and the Voting Deadline. The Solicitation Procedures Order also approved the forms of Ballots and certain Confirmation-related notices. The Solicitation Procedures Order and Solicitation Procedures should be read in conjunction with this Article VIII. Capitalized terms used in this Article VIII that are not otherwise defined in this Disclosure Statement or the Alternative Plan have the meanings given them in the Solicitation Procedures.

### **B. Confirmation Generally**

The Bankruptcy Court may confirm a plan only if it determines that the plan complies with the requirements of chapter 11 of the Bankruptcy Code. One of these requirements is that the Bankruptcy Court find, among other things, that the plan has been accepted by the requisite votes of all classes of impaired claims and impaired interests unless approval will be sought under Bankruptcy Code section 1129(b) despite the non-acceptance by one or more such classes. The process by which the Alternative Plan Sponsors solicit votes to accept or reject the Alternative Plan will, be governed by the Solicitation Procedures Order and the Solicitation Procedures.

The following is a brief and general summary of the Solicitation Procedures. Claim and Interest Holders are encouraged to review the Solicitation Procedures Order, the Solicitation Procedures, the relevant provisions of the Bankruptcy Code, and to consult their own advisors. To the extent of any inconsistency between the summary below and the Solicitation Procedures Order or the Solicitation Procedures, the Solicitation Procedures Order and the Solicitation Procedures control.

### **C. Who Can Vote**

In general, a claim or interest holder may vote to accept or reject a plan if (i) no party in interest has objected to such claim or interest, and (ii) the claim or interest is impaired by the

plan. If the holder of an impaired claim or interest will not receive any distribution under the plan for the claim or interest, the Bankruptcy Code deems such holder to have rejected the plan for that claim or interest. If a claim or interest is not impaired, the Bankruptcy Code deems that the holder of such claim or interest has accepted the plan and the plan proponent need not solicit such holder's vote.

Under Bankruptcy Code section 1124, a class of claims or interests is deemed to be "impaired" under a plan unless the plan leaves unaltered the claim or interest holder's legal, equitable, and contractual rights, or, notwithstanding any legal right to accelerate payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of bankruptcy events), reinstates the maturity of such claim or interest as it existed before the default, compensates the holder of such claim or interest for any damages incurred as result of reasonable reliance on the holder's legal right to an accelerated payment, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest holder is entitled.

None of the Impaired Interest Holders are entitled to vote on the Plan. Only the following Impaired Claims in Voting Classes shall be entitled to vote on the Plan with regard to such Claims:

1. Holders of Claims for which Proofs of Claim have been timely filed, as reflected on the Claims register, as of the Voting Record Date;
2. Holders of Claims that are listed in the Debtors' Schedules, with the exception of those Claims that are listed in the Schedules as contingent, unliquidated, and/or disputed (excluding such Claims listed in the Debtors' Schedules that have been superseded by a timely filed Proof of Claim); and
3. Holders whose Claims arise pursuant to an agreement or settlement with the Debtors executed before the Voting Record Date, as reflected in a document filed with the Bankruptcy Court, in an order of the Bankruptcy Court, or in a document executed by the Debtors pursuant to authority granted by the Bankruptcy Court, regardless of whether a Proof of Claim has been filed.

The assignee of a transferred and assigned Claim (whether a timely-Filed Claim or a Claim on the Schedules) shall be permitted to vote such Claim only if (i) the transfer or assignment has been fully effected under the procedures dictated by Bankruptcy Rule 3001(e) and such transferor and assignor of such Claim would be permitted to vote such Claim if such transfer and assignment had not occurred.

For purposes of determining the Claim amount associated with each Holder's vote, such amount shall not include applicable interest accrued after the Petition Date only if the Claim Holder is entitled to payment of interest under the Alternative Plan.

A vote may be disregarded under Bankruptcy Code section 1126(e) if the Bankruptcy Court determines that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code. The Solicitation Procedures also set forth assumptions and procedures for tabulating Ballots.

## **D. Classes Impaired Under the Plan**

### **1. Unimpaired Classes of Claims**

Classes 1, 8, 14, 19, 24, and 29 are Unimpaired under the Alternative Plan and deemed to have accepted the Alternative Plan under Bankruptcy Code section 1126(f).

### **2. Impaired Voting Classes of Claims and Interests**

Classes 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 15, 16, 17, 18, 20, 21, 22, 23, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 37, 38, and ~~38~~40 are Impaired under the Alternative Plan and are therefore entitled to vote to accept or reject the Alternative Plan.



### 3. Impaired Non-Voting Classes of Claims and Interests

Classes 7, 36, and 39 are wholly Impaired under the Plan and are deemed to have rejected the Plan under Bankruptcy Code section 1126(g). Thus, Holders in such Classes will not be solicited to vote on the Alternative Plan. Rather, acceptances or rejections of the Alternative Plan are being solicited only from those who hold Claims in an Impaired Class whose members will receive a distribution under the Alternative Plan. Under the Solicitation Procedures, these parties will receive a notice, substantially in the form attached as an exhibit to the Solicitation Procedures Order, notifying them of their non-voting rights.

#### E. Contents of the Solicitation Package

The following materials will constitute the Solicitation Package:

1. The Alternative Plan;
2. This Disclosure Statement;
3. ~~The Disclosure Statement Order;~~<sup>4.</sup> The Solicitation Procedures Order (without exhibits, except the Solicitation Procedures);
- ~~5.~~<sup>4.</sup> The Confirmation Hearing Notice;
- ~~6.~~<sup>5.</sup> The appropriate Ballot and voting instructions;
6. A list identifying, by Class, the names of Holders of Claims in Classes 12 and 13 of the Alternative Plan; and
7. A pre-addressed, postage pre-paid, return envelope; and
- ~~8. A solicitation letter describing certain key provisions of the Alternative Plan, comparing it to the Debtors' Plan and urging Creditors to (a) vote in favor of the Alternative Plan, and (b) vote against the Debtors' Plan.~~
- ~~9. An appropriate cover letter (i) describing the contents of the Solicitation Package, and (ii) explaining that the Plan Supplement, if any, will be Filed with the Bankruptcy Court five (5) days before the Voting Deadline or such later date as may be approved by the Bankruptcy Court on notice to parties in interest.~~

Any party who receives portions of the Solicitation Package in electronic format but who desires a paper copy of these documents may request a copy from the Claims Agent. The Solicitation Package (except the Ballots) may also be obtained by accessing the Debtors' restructuring website at <http://www.kccllc.net/greektowncasino>.

#### F. Distribution of Solicitation Package

The Solicitation Package will be served on the Holders of Claims in the Voting Classes; the Internal Revenue Service; the United States Trustee for the Eastern District of Michigan; and all other parties in interest on the Voting Record Date.

#### **G. Voting**

The Claims Agent will carry out the solicitation process, including answering questions regarding the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan, providing additional copies of all materials, and overseeing the voting tabulation process.

**To be counted, Ballots cast by Holders of Claims in Voting Classes indicating acceptance or rejection of the Plan must be RECEIVED by the Claims Agent by the Voting Deadline at the address listed on the Ballot, whether by first-class mail, overnight, courier, or personal delivery. The Ballots and the accompanying pre-addressed postage-paid envelopes will clearly indicate the appropriate return address. Completed Ballots must be returned to: Luna Greentown LLC and Plainfield Asset Management LLC, C/O Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245, Attn: Ballot Processing Department. Such Ballots should be cast in accordance with the Solicitation Procedures. Any Ballot received after the Voting Deadline will be counted in the Alternative Plan Sponsors' sole discretion.**

**For answers to any questions regarding the Solicitation Procedures, parties may call the Claims Agent toll free at 888-733-1425.**

To obtain an additional copy of the Alternative Plan, this Disclosure Statement, or other Solicitation Package materials (including Ballots), please refer to the Claims Agent's website at <http://www.kccllc.net/greentowncasino> or request a copy from the Claims Agent by mail at 2335 Alaska Avenue, El Segundo, California 90245, Attn: Greentown Balloting; by telephone toll free at 888-733-1425; or by e-mail at [greentowninfor@kccllc.com](mailto:greentowninfor@kccllc.com).

#### **H. Establishing Claim Amounts**

In tabulating votes, the following hierarchy will be used to determine the Claim amount associated with each Creditor's vote:

- (1) The Claim's Allowed Amount, if the Claim has been Allowed pursuant to Court order;
- (2) The Claim amount settled and/or agreed upon by the Debtors prior to the Voting Record Date, as reflected in a court pleading, stipulation, term sheet, agreement, or other document filed with the Bankruptcy Court, in an order entered by the Bankruptcy Court, or in a document executed by the Debtors pursuant to authority granted by the Bankruptcy Court, regardless of whether a Proof of Claim has been filed;
- (3) The Claim amount contained on a Proof of Claim that has been timely filed by the relevant Bar Date (or deemed timely filed by the Bankruptcy Court under applicable law); provided, however, that Ballots cast by Holders whose Claims are not listed on the Debtors'

Schedules, but who timely filed Proofs of Claim in unliquidated or unknown amounts that are not the subject of an objection filed before the Voting Deadline, will count for satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code, and the unliquidated or unknown portion of the Claims will count in the amount of \$1.00 solely for the purposes of satisfying the dollar amount provisions of section 1126(c) of the Bankruptcy Code; and

(4) The Claim amount listed in the Debtors' Schedules, provided that such Claim is not scheduled as contingent, disputed, and/or unliquidated and has not been paid.

(5) In the absence of any of the foregoing at zero.

The Claim amount established pursuant to the foregoing will control for voting purposes only, and will not be determinative of the Allowed Amount of any Claim.

## **I. Ballot Tabulation**

The following voting procedures and standard assumptions shall be used in tabulating Ballots:

(1) Except as otherwise provided in the Solicitation Procedures, unless a Ballot being furnished is timely submitted on or prior to the Voting Deadline, the Alternative Plan Sponsors may reject such Ballot as invalid and, therefore, decline to count it in connection with Confirmation;

(2) The Claims Agent will date all Ballots when received. The Claims Agent shall retain the original Ballots and an electronic copy of the same for a one (1) year period after the Effective Date of the Plan or provide such documents to the Reorganized Debtors, unless otherwise ordered by the Bankruptcy Court;

(3) As soon as reasonably practicable before the Confirmation Hearing, unless such other date is set by the Bankruptcy Court, the Alternative Plan Sponsors will file a verified summary of the Ballot count in accordance with sections 1126(c) and (d) and Local Rule 3018-1 (the "Voting Report") with the Bankruptcy Court. The Voting Report shall, among other things, delineate every irregular Ballot including, without limitation, those Ballots that are late or (in whole or in material part) illegible, unidentifiable, lacking original signatures, or lacking necessary information, received via facsimile, email, or any other electronic means, or damaged. The Voting Report shall indicate the Alternative Plan Sponsors' intentions with regard to such irregular Ballots;

(4) The method of delivery of Ballots to be sent to the Claims Agent is at the election and risk of each Holder, and except as otherwise provided, a Ballot will be deemed delivered only when the Claims Agent actually receives the original executed Ballot;

(5) An original executed Ballot is required to be submitted by the Person submitting such Ballot. Delivery of a Ballot to the Claims Agent by facsimile, e-mail, or any other electronic means will not be valid;

(6) No Ballot should be sent to any of the Alternative Plan Sponsors, the Debtors, the Debtors' agents (other than the Claims Agent), any indenture trustee (unless specifically instructed to do so), or the Debtors' financial or legal advisors, and, if so sent, will not be counted;

(7) The Alternative Plan Sponsors expressly reserve the right to amend from time to time the terms of the Plan in accordance with the terms thereof (subject to compliance with the requirements of section 1127 of the Bankruptcy Code and the terms of the Plan regarding modification);

(8) If multiple Ballots are received from the same Claim Holder with respect to the same Claim prior to the Voting Deadline, the latest valid Ballot will be deemed to reflect that voter's intent and will supersede and revoke any prior received Ballot for the same Claim;

(9) Claim Holders must vote all of their Claims within a particular Class either to accept or to reject the Plan and may not split such votes. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted. Further, to the extent there are multiple Claims within the same Class, the Alternative Plan Sponsors may, in their sole discretion, aggregate the Claims of any particular Holder within a Class for the purpose of counting votes;

(10) A person signing a Ballot in its capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity should indicate such capacity when signing and must submit proper evidence to the requesting party to so act on behalf of such Holder or beneficial Holder;

(11) The Alternative Plan Sponsors, subject to contrary order of the Bankruptcy Court, may waive any defects or irregularities as to any particular Ballot at any time, either before or after the Voting Deadline, and any such waivers will be documented in the Voting Report;

(12) Neither the Alternative Plan Sponsors, nor any other Person, will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots other than as provided in the Voting Report, nor will any of them incur any liability for failure to provide such notification;

(13) Unless waived or as ordered by the Bankruptcy Court, any defects or irregularities in connection with deliveries of Ballots must be cured prior to the Voting Deadline or such Ballots will not be counted;

(14) In the event a designation of lack of good faith is requested by a party-in-interest under section 1126(e) of the Bankruptcy Code, the Alternative Plan Sponsors will count that Person's vote unless otherwise ordered by the Bankruptcy Court under section 1126(e) of the Bankruptcy Code;

(15) If a Claim is listed in the Schedules as being a non-Priority Claim (or is not listed in the Schedules) and a Proof of Claim is filed as a Priority Claim (in whole or in part), such Claim will be temporarily Allowed for voting purposes as a non-Priority Claim in an amount that such Claim would have been so Allowed in accordance with the tabulation procedures set forth in the Solicitation Procedures had such Proof of Claim been filed as a non-Priority Claim;

(16) If a Claim is listed in the Schedules as being an unsecured Claim (or is not listed in the Schedules) and a Proof of Claim is filed as a Secured Claim (in whole or in part), such Claim will be temporarily Allowed for voting purposes as an unsecured Claim in an amount that such Claim would have been so Allowed in accordance with the tabulation procedures set forth in the Solicitation Procedures had such Proof of Claim been filed as an unsecured Claim.

(17) Subject to any contrary order of the Bankruptcy Court, the Alternative Plan Sponsors reserve the right to reject any and all Ballots not in proper form, the acceptance of which, in the opinion of the Alternative Plan Sponsors, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; provided, however, that any such rejections will be documented in the Voting Report;

(18) If a Claim has been estimated or otherwise allowed for voting purposes only by an order of the Bankruptcy Court, such Claim shall be temporarily allowed in the amount so estimated or allowed by the Bankruptcy Court for voting purposes only and not for purposes of allowance or distribution;

(19) The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot that is illegible or contains insufficient information to permit the identification of the Claim Holder; (ii) any Ballot cast by a Person that does not hold a Claim in a Class that is entitled to vote on the Plan; (iii) any Ballot cast for a Claim listed on the Debtors' Schedules as contingent, unliquidated, and/or disputed for which no Proof of Claim was timely filed; (iv) any unsigned Ballot or one lacking an original signature; (v) any Ballot not marked to accept or reject the Alternative Plan, or marked both to accept and reject the Alternative Plan; and (vi) any Ballot submitted by any Person not entitled to vote pursuant to the procedures described in the Solicitation Procedures.

## **IX. RECOMMENDATION**

In the Alternative Plan Sponsors' opinion, the Alternative Plan is preferable to the alternatives described in this Disclosure Statement because the Alternative Plan provides for a larger distribution to Claim Holders than would otherwise result from a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative to Alternative Plan Confirmation could result in extensive delay and increased administrative expense, resulting in smaller distributions to Claim Holders. Accordingly, the Alternative Plan Sponsors recommend that the Claim Holders entitled to vote on the Alternative Plan support Alternative Plan Confirmation by voting to accept the Alternative Plan.

**[Signature Page Follows]**

[Signature Page to ~~First~~Second Amended Disclosure Statement for Joint Plans of Reorganization]

Respectfully Submitted,

**LUNA GREEKTOWN LLC AND  
PLAINFIELD ASSET MANAGEMENT, LLC  
AND ITS AFFILIATES**

By: \_\_\_\_\_  
Name: James Oegema  
Title: Authorized Agent

Dated: August ~~11~~28, 2009

Prepared By:

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