

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----	X
	: <b>Chapter 11</b>
	:
<b>In re:</b>	: <b>Case No. 10-14653 (AJG)</b>
	:
<b>GSC GROUP, INC., et al.,</b>	: <b>(Jointly Administered)</b>
<b>Debtors.<sup>1</sup></b>	:
-----	X

**FINDINGS OF FACT, CONCLUSIONS OF LAW  
AND ORDER CONFIRMING BLACK DIAMOND CAPITAL  
MANAGEMENT, L.L.C.'S FOURTH AMENDED JOINT  
CHAPTER 11 PLAN FOR GSC GROUP, INC. AND ITS AFFILIATED DEBTORS**

---

A. The above-captioned debtors (the “**Debtors**”) provided debt-focused investment management of alternative assets with a full spectrum of complementary investment product offerings. They offered investment and advisory services through GSCP (NJ) LP, a debtor herein, and an investment advisor registered with the Securities Exchange Commission, while other members of the Filing Debtor group held investments in affiliated funds and provided monitoring and management services to portfolio companies of the funds.

B. The Debtors are privately owned and focused their businesses and funds along the following product lines: (i) Distressed Debt; (ii) U.S. Corporate Debt; (iii) European Corporate Debt; (iv) European Mezzanine Lending; and (v) U.S. ABS CDOs.<sup>2</sup>

---

<sup>1</sup> The Debtors along with the last four digits of each Debtor’s federal tax identification number are GSC Group, Inc. (6382), GSCP, LLC (6520), GSC Active Partners, Inc. (4896), GSCP (NJ), Inc. (3944), GSCP (NJ) Holdings, L.P. (0940), GSCP (NJ), L.P. (0785), and GSC Secondary Interest Fund, LLC (6477).

<sup>2</sup> Additional information about the Debtors’ businesses, prepetition capital structure and circumstances leading to the chapter 11 filings are set forth in the Declaration of Peter R. Frank in Support of Chapter 11 Petitions and First Day Orders ¶¶ 8-22 [Docket No. 9].

C. Following the Petition Date, the Debtors continued to operate their businesses and manage their properties as debtors in possession pursuant to sections 1007(a) and 1108 of the Bankruptcy Code.

D. On December 20, 2010, a sub-group of the Debtors' prepetition lenders filed a motion for the appointment of a chapter 11 trustee (the "**Trustee Motion**") [Docket No. 337].

E. On December 22, 2010, the Court conducted an evidentiary hearing on the Trustee Motion.

F. On January 5, 2011, the Court issued a bench ruling on the Trustee Motion in which, among other things, it found cause under section 1104(a)(2) of the Bankruptcy Code for the immediate appointment of a chapter 11 trustee, and directed the appointment of a chapter 11 trustee. Thereafter, the Court entered a Minutes Order granting the Trustee Motion [Docket No. 374].

G. On January 7, 2011, the Office of the United States Trustee for the Southern District of New York (the "**U.S. Trustee**") filed its Notice of Appointment of Chapter 11 Trustee [Docket No. 379]. On the same day, the Court entered an Order Approving Appointment of Chapter 11 Trustee [Docket No. 382].

H. On August 23, 2011, the Chapter 11 Trustee filed its proposed chapter 11 plan of reorganization (as modified and amended from time to time, the "**Trustee's Plan**").

I. On October 6, 2011, the Court entered an order [Docket No. 812] approving the disclosure statement and solicitation procedures for the Trustee's Plan.

J. On October 7, 2011, Black Diamond Capital Management, L.L.C. ("**BDCM**" and, together with certain affiliates, "**Black Diamond**") filed its proposed chapter 11 plan of reorganization.

K. On December 20, 2011, the Court approved a stipulation [Docket No. 1049] between Black Diamond and the Chapter 11 Trustee, pursuant to which the Chapter 11 Trustee agreed to suspend confirmation of the Trustee's Plan and instead support the Plan, subject to certain conditions, including that the Plan must be consummated by March 31, 2012.

L. On January 12, 2012, the Court entered an order (the "**Disclosure Statement Order**") [Docket No. 1107] approving the disclosure statement [Docket No. 1108] (the "**Disclosure Statement**") and solicitation procedures for the Black Diamond's fourth amended plan [Docket No. 1109] (as amended at Docket No. 1190 and through the date hereof, the "**Plan**").<sup>3</sup> As described and set forth in the Disclosure Statement, the Plan provides a greater recovery to the Debtors' stakeholders than contemplated under the Trustee's Plan.

M. Epiq Bankruptcy Solutions, LLC, the Court-approved solicitation and voting agent with respect to the Plan (the "**Solicitation Agent**"), commenced solicitation on January 13, 2012 pursuant to the Disclosure Statement Order as evidenced by the Affidavit of Service of Solicitation Materials of James F. Daloia, Esq., dated and sworn January 18, 2012 [Docket No. 1114] (the "**Solicitation Affidavit**").

N. Adequate and sufficient notice of the Confirmation Hearing and other requirements and deadlines, hearings and matters described in the Disclosure Statement Order was provided in compliance with the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order. As evidenced by the Solicitation Affidavit, notice of the Confirmation Hearing was mailed on or about January 13, 2012, to Holders of Claims against and Equity Interests in the Debtors and other parties in interest. As evidenced by the Verification of Publication [Docket No. 1151], the notice of the Confirmation Hearing was published on January 23, 2012,

---

<sup>3</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan. The rules of interpretation set forth in Section 1.2 of the Plan shall apply to this order (this "**Confirmation Order**").

in the national edition of *USA Today*. No other or further notice of the Confirmation Hearing was or is required.

O. On January 27, 2012, in accordance with the terms of the Disclosure Statement Order and the Plan, BDCM filed and served the Plan Supplement [Docket No. 1138], which included the following documents: (i) the list of assumed executory contracts and unexpired leases, (ii) the form of the Liquidating Trust Agreement, (iii) amended organizational documents for each of the Reorganized Debtors, (iv) the form of the note evidencing the BDCM Loan, (v) information regarding the directors and officers of Reorganized GSC Group, and (vi) the Certificates of Designation.

P. The Disclosure Statement Order established October 5, 2011 as the record date (the “**Record Date**”) for determining which creditors are entitled to vote to accept or reject the Plan and 4:00 p.m. (prevailing Eastern Time) on February 6, 2012, as the voting deadline to return completed ballots to the Solicitation Agent.

Q. On February 7, 2012, the Solicitation Agent filed the *Declaration of Jane Sullivan on Behalf of Epiq Bankruptcy Solutions, LLC, Regarding Voting and Tabulation of Ballots Accepting and Rejecting the Black Diamond Capital Management, L.L.C.’s Fourth Amended Joint Chapter 11 Plan for GSC Group, Inc. and Its Affiliated Debtors* [Docket No. 1185] certifying the method and results of the ballot tabulation for the Classes of Claims and Equity Interests entitled to vote to accept or reject the Plan (the “**Voting Report**”). As evidenced by the Voting Report, ballots were tabulated in compliance with the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order.

R. The Disclosure Statement Order established 4:00 p.m. (prevailing Eastern Time) on February 10, 2012, as the deadline to object to confirmation of the Plan. No objections were

timely filed. BDCM received two informal responses: one from the United States Trustee and the other from the United States Attorney's Office for the Southern District of New York, both of which have been resolved fully. Therefore, there are no outstanding objections to the Plan.

S. On February 10, 2012, BDCM filed the a notice of filing of the first supplement to the Plan Supplement [Docket No. 1194], which includes a revised Exhibit A (List of Assumed Executory Contracts and Unexpired Leases) and a revised Exhibit E (Directors and Officers of Reorganized GSC Group).

T. On February 10, 2012, BDCM filed a memorandum of law in support of confirmation of the Plan [Docket No. 1195] (the "**Confirmation Brief**"), a declaration in support thereof by Samuel Goldfarb, General Counsel of Black Diamond Capital Management, L.L.C. (attached as Exhibit A to the Confirmation Brief), and a proposed form of this Confirmation Order.

U. The Confirmation Hearing was held before this Court on February 14, 2012.

NOW, THEREFORE, this Court having reviewed and considered the Disclosure Statement, the Plan, the Plan Supplement and the documents contained therein, the Solicitation Affidavit, the Voting Report, and the Confirmation Brief; this Court having heard statements of counsel in support of confirmation of the Plan at the Confirmation Hearing; this Court having considered all testimony presented and admitted into evidence at the Confirmation Hearing; it appearing to this Court that (i) notice of the Confirmation Hearing was adequate and appropriate as to all parties to be affected by the Plan and the transactions contemplated thereby and (ii) the legal and factual bases set forth in the Confirmation Brief and presented at the Confirmation Hearing establish just cause for the relief granted herein; and after due deliberation thereon and

good cause appearing therefor, this Court hereby makes and issues the following Findings of Fact and Conclusions of Law:

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

IT IS HEREBY FOUND AND DETERMINED THAT:

1. Exclusive Jurisdiction; Venue; Core Proceeding (28 U.S.C. §§ 157, 1334(a), 1408 and 1409). The Debtors filed the Chapter 11 Cases with the United States Bankruptcy Court for the Southern District of New York (the “**Court**”) on August 31, 2010 (the “**Petition Date**”). This Court has jurisdiction over the Chapter 11 Cases pursuant to 28 U.S.C. §§ 157 and 1334. Confirmation of the Plan is a core proceeding under 28 U.S.C. § 157(b)(2), and this Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed. Venue is proper before this Court pursuant to 28 U.S.C. § 1408.

2. Judicial Notice. This Court takes judicial notice of the docket of the Chapter 11 Cases maintained by the Clerk of the Court or its duly appointed agent, with respect to the documents filed in connection with Plan confirmation.

3. Transmittal and Mailing of Materials, Notice; Solicitation. The Solicitation Packages (as defined in the Disclosure Statement Order) were transmitted and served in compliance with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules for the Southern District of New York (the “**Local Bankruptcy Rules**”) and the Disclosure Statement Order. Such transmittal and service of the Solicitation Packages were adequate and sufficient. Adequate and sufficient notice of the Confirmation Hearing was given in compliance with the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order, and no other or further notice is or shall be required. Votes for acceptance and rejection of the Plan were solicited in good faith and such solicitation complied with sections 1125 and 1126 of the

Bankruptcy Code, Rules 3017 and 3018 of the Bankruptcy Rules, all other applicable provisions of the Bankruptcy Code, the Disclosure Statement Order and all other applicable rules, laws and regulations.

4. Burden of Proof. BDCM, as proponent of the Plan, has met its burden of proving the elements of sections 1129(a) and (b) of the Bankruptcy Code by a preponderance of the evidence.

5. Plan Supplement. On January 27, 2012, as supplemented on February 10, 2012, BDCM filed the Plan Supplement with the Bankruptcy Court and served the Plan Supplement and/or a notice of filing of the Plan Supplement on all Holders of Claims or Equity Interests entitled to vote on the Plan and other parties in interest, as applicable. The documents contained in the Plan Supplement, including all exhibit cover pages, are integral to, part of and incorporated by reference into the Plan. The Plan Supplement complies with the terms of the Plan, and the filing and notice of such documents constitutes good and proper notice in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and the Disclosure Statement Order, and no other or further notice is or shall be required. BDCM reserves its right to modify the Plan Supplement prior to the Effective Date to be consistent with and pursuant to the Plan, and any such modifications to the Liquidating Trust Agreement shall be subject to the consent of the Chapter 11 Trustee.

6. Modifications to the Plan. As described in the Confirmation Brief, after solicitation on the Plan, BDCM made certain non-material or technical modifications to the Plan. The filing of the Confirmation Brief constitutes due and sufficient notice thereof under the circumstances of these Chapter 11 Cases. The modifications do not materially or adversely affect the treatment of any Claims against or Equity Interests in the Debtors under the Plan. The

modifications neither require additional disclosure under section 1125 of the Bankruptcy Code nor re-solicitation of vote on the Plan under section 1126 of the Bankruptcy Code and Bankruptcy Rules 3018 or 3019. In accordance with section 1127 of the bankruptcy Code and Bankruptcy Rule 3019, all Holders of Claims against or Equity Interests in the Debtors who voted to accept the Plan are hereby deemed to have accepted the Plan as amended consistent with these modifications.

7. Plan Compliance with the Applicable Provisions of the Bankruptcy Code (11 U.S.C. § 1129(a)(1)). As set forth below, the Plan complies with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(1) of the Bankruptcy Code.

(a) Proper Classification of Claims and Equity Interests (11 U.S.C. §§ 1122 and 1123(a)(1)). In addition to Administrative Claims, Priority Tax Claims, and UST Fees, which need not be classified, the Plan designates five Classes of Claims and Equity Interests. *See* Plan Article IV. The Claims or Equity Interests placed in each Class are substantially similar to other Claims or Equity Interests, as the case may be, in such Class. Valid business, factual and legal reasons exist for separately classifying the various Classes of Claims and Equity Interests created under the Plan, and such Classes do not unfairly discriminate among Holders of Claims or Equity Interests. Thus, the Plan satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

(b) Specification of Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Article IV of the Plan specifies that Class 1 and Class 2 are Unimpaired under the Plan, thereby satisfying section 1123(a)(2) of the Bankruptcy Code.

(c) Specification of Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Article IV of the Plan designates Classes 3, 4 and 5 as Impaired and specifies the treatment of Claims



and Equity Interests in those Classes, thereby satisfying section 1123(a)(3) of the Bankruptcy Code.

(d) Equal Treatment Within Classes (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment for each Claim or Equity Interest in a particular Class unless the Holder of a particular Claim or Equity Interest in such Class has agreed to a less favorable treatment of its Claim or Equity Interest, thereby satisfying section 1123(a)(4) of the Bankruptcy Code.

(e) Implementation of Plan (11 U.S.C. § 1123(a)(5)). The Plan and Plan Supplement provide adequate and proper means for implementation of the Plan, including, but not limited to: (i) the substantive consolidation of the Debtors for the purposes of voting, confirmation and distributions under the Plan; (ii) the formation of the Liquidating Trust pursuant to Section 5.1 of the Plan; (iii) the issuance of Reorganized GSC Group Stock; (iv) the post-Effective Date management of the Reorganized Debtors; (iv) provisions governing distributions pursuant to the Plan; (v) the entry into the BDCM Loan; and (vi) certain restructuring transactions necessary to effect the reorganization contemplated by the Plan, thereby satisfying section 1123(a)(5) of the Bankruptcy Code.

(f) Charter Provisions (11 U.S.C. § 1123(a)(6)). The amended and restated certificates of incorporation contained in Exhibit C of the Plan Supplement prohibit the issuance of non-voting securities. The Plan, therefore, satisfies the requirements of section 1123(a)(6) of the Bankruptcy Code.

(g) Selection of Officers and Directors (11 U.S.C. § 1123(a)(7)). On and after the Effective Date, the officers of Reorganized GSC Group and the Reorganized Debtors' management shall be as described in Section 5.3 of the Plan and the organizational documents included as Exhibit C of the Plan Supplement. The identity of the directors to serve on the board

of Reorganized GSC Group upon emergence has been disclosed at or prior to the Confirmation Hearing. The amended and restated certificate of incorporation and bylaws of Reorganized GSC Group filed as part of the Plan Supplement providing for the selection of officers and directors of Reorganized GSC Group are consistent with the interests of creditors and equity security holders and with public policy, thereby satisfying section 1123(a)(7) of the Bankruptcy Code.

8. Bankruptcy Rule 3016. The Plan is dated and identifies the Plan proponent, thereby satisfying Bankruptcy Rule 3016(a). The filing of the Disclosure Statement with the Clerk of the Court satisfies Bankruptcy Rule 3016(b).

9. Bankruptcy Rule 3017. BDCM has given notice of the Confirmation Hearing as required by Bankruptcy Rule 3017(d) and the Disclosure Statement Order. The transmittal and service of the Solicitation Packages was in compliance with the Disclosure Statement Order and adequate and sufficient under the Bankruptcy Rules and the circumstances surrounding these Chapter 11 Cases.

10. Bankruptcy Rule 3018. The solicitation of votes to accept or reject the Plan solely from Holders of Allowed Claims and Equity Interests in the Classes entitled to vote to accept or reject the Plan as of the Record Date satisfies Bankruptcy Rule 3018. Votes to accept and reject the Plan have been solicited and tabulated fairly, in good faith, and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules, the Disclosure Statement Order and industry practice.

11. BDCM's Compliance with the Applicable Provisions of the Bankruptcy Code (11 U.S.C. § 1129(a)(2)). BDCM has complied with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(2) of the Bankruptcy Code. Specifically:

(a) the Debtors are proper debtors under section 109 of the Bankruptcy Code

(b) BDCM is a proper proponent of the Plan under section 1121(c)(1) of the Bankruptcy Code; and

(c) BDCM has complied with the applicable provisions of the Bankruptcy Code, including sections 1125 and 1126(b), the Bankruptcy Rules and the Disclosure Statement Order in transmitting solicitation materials and in soliciting and tabulating votes on the Plan.

12. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). BDCM has proposed the Plan in good faith and not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. In determining that the Plan has been proposed in good faith, this Court has examined the totality of the circumstances surrounding the filing of these Chapter 11 Cases and the formulation of the Plan. These Chapter 11 Cases were filed and the Plan was proposed with the legitimate and honest purposes of reorganizing certain of the Debtors' assets and expeditiously making distributions to the Debtors' creditors.

13. Payments for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). Any payment made or to be made by BDCM or the Debtors for services or for costs and expenses in or in connection with these Chapter 11 Cases, or in connection with the Plan and incident to these Chapter 11 Cases, has been approved by, or is subject to the approval of, this Court as reasonable, thereby satisfying section 1129(a)(4) of the Bankruptcy Code.

14. Directors, Officers and Insiders (11 U.S.C. § 1129(a)(5)). On and after the Effective Date, the officers of Reorganized GSC Group and the Reorganized Debtors' management shall be as described in Section 5.3 of the Plan and the organizational documents included as Exhibit C of the Plan Supplement. The identity of the directors to serve on the board of Reorganized GSC Group upon emergence has been disclosed prior to the Confirmation Hearing. The selection of the initial directors and officers of the Reorganized Debtors was, is and will be consistent with the interests of Holders of Claims and Interests and public policy.

Accordingly, the requirements of section 1123(a)(7) of the Bankruptcy Code have been satisfied..

15. No Rate Changes (11 U.S.C. § 1129(a)(6)). The Plan does not provide for any change in rates subject to governmental regulation. Thus, section 1129(a)(6) of the Bankruptcy Code is not applicable to these Chapter 11 Cases.

16. Best Interests of Creditors Test (11 U.S.C. § 1129(a)(7)). The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. Article IX.C.3 of the Disclosure Statement supports a finding that the Plan provides greater recoveries than under the Trustee's Plan, the disclosure statement for which, in turn, showed that the Trustee's Plan provided greater recoveries than under a chapter 7 liquidation. The Disclosure Statement and evidence proffered or adduced at the Confirmation Hearing (a) is persuasive and credible; (b) has not been challenged or controverted by other evidence; and (c) establishes that each Holder of a Claim or Equity Interest in an Impaired Class either (i) has accepted the Plan or (ii) will receive or retain under the Plan, on account of such Claim or Equity Interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that it would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

17. Acceptance or Rejection by Certain Classes (11 U.S.C. § 1129(a)(8)). Holders of Claims in Classes 1 and 2 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Holders of Equity Interests in Class 5 are conclusively deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Claims in Class 3 and Class 4 were the only parties entitled to vote on the Plan. All procedures used to tabulate the Ballots were fair and conducted in accordance with the Solicitation Procedures Order, the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and all other

applicable rules, laws and regulations. As set forth in the Voting Report, the percentages of Holders of Claims and Equity Interests in the Classes entitled to vote on the Plan that voted to accept or reject the Plan are as follows:

<u>Impaired Class of Claims</u>	<u>Percentage Accepting</u>	
	<u>Dollar/Interest Amount</u>	<u>Number of Claims</u>
Class 3 — General Unsecured Claims	99.99%	97.87%
Class 4 — Preferred Equity Interests	100.00%	N/A

Holders of Claims in both Class 3 and Class 4 have voted to accept the Plan pursuant to sections 1126(c) and (d), respectively of the Bankruptcy Code. Because Class 5 is conclusively deemed to reject the Plan, however, the Plan does not satisfy section 1129(a)(8) of the Bankruptcy Code. Notwithstanding the lack of compliance with section 1129(a)(8) of the Bankruptcy Code with respect to Class 5, the Plan is confirmable because it satisfies section 1129(b)(1) of the Bankruptcy Code with respect to such Class, as set forth below.

18. Treatment of Priority Claims (11 U.S.C. § 1129(a)(9)). The treatment of Allowed Administrative Claims and Allowed Other Priority Claims pursuant to Articles III and IV of the Plan satisfies the requirements of sections 1129(a)(9)(A) and (B) of the Bankruptcy Code, and the treatment of Allowed Priority Tax Claims pursuant to Section 3.2 of the Plan satisfies the requirements of section 1129(a)(9)(C) of the Bankruptcy Code.

19. Acceptance of at Least One Impaired Claims Class (11 U.S.C. § 1129(a)(10)). Holders of Claims in Class 3 have voted to accept the Plan and have accepted the Plan in the requisite numbers and amounts without the need to include any acceptance of the Plan by any insider. Thus, the Plan satisfies section 1129(a)(10) of the Bankruptcy Code.

20. Feasibility (11 U.S.C. § 1129(a)(11)). The Plan satisfies section 1129(a)(11) of the Bankruptcy Code. Article IX.C.2 of the Disclosure Statement and other evidence related

thereto proffered or adduced by BDCM at or prior to the Confirmation Hearing: (a) is reasonable, persuasive, credible and accurate; (b) utilizes reasonable and appropriate methodologies and assumptions; (c) has not been controverted by other evidence; (d) establishes that the Plan is feasible and Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Reorganized Debtors or any successor to the Reorganized Debtors under the Plan except as provided in the Plan; and (e) establishes that the Reorganized Debtors will have sufficient funds available to meet their obligations under the Plan. Accordingly, the requirements of section 1129(a)(11) of the Bankruptcy Code have been satisfied.

21. Payment of Certain Fees (11 U.S.C. § 1129(a)(12)). All fees payable under 28 U.S.C. § 1930 and 31 U.S.C. § 3717 either have been paid or will be paid pursuant to Section 12.1 of the Plan. Accordingly, the Plan satisfies section 1129(a)(12) of the Bankruptcy Code.

22. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). The Debtors did not offer retiree benefits to their employees. Therefore, section 1129(a)(13) of the Bankruptcy Code is inapplicable to these Chapter 11 Cases.

23. Domestic Support Obligations, Individuals and Certain Transfers (11 U.S.C. § 1129(a)(14)-(16)). The Debtors are not required to pay any domestic support obligations and, therefore, section 1129(a)(14) of the Bankruptcy Code is inapplicable. The Debtors are not individuals and, accordingly, section 1129(a)(15) is inapplicable in these Chapter 11 Cases. The Debtors that are corporations are moneyed, business or commercial corporations and, accordingly, section 1129(a)(16) is inapplicable in these Chapter 11 Cases.

24. Principal Purpose (11 U.S.C. § 1129(d)). As set forth in the Confirmation Brief, the principal purpose of the Plan is neither the avoidance of taxes nor the avoidance of section 5

of the Securities Act of 1933, and no governmental unit has objected to the confirmation of the Plan on any such grounds. The Plan, therefore, satisfies the requirements of section 1129(d) of the Bankruptcy Code.

25. Confirmation of Plan Over Nonacceptance of Impaired Classes (11 U.S.C. § 1129(b)). As described in paragraphs 7 through 24 above, the Plan satisfies the applicable requirements of section 1129(a) of the Bankruptcy Code other than section 1129(a)(8). Pursuant to section 1129(b)(1) of the Bankruptcy Code, the Plan may be confirmed notwithstanding the fact that not all Impaired Classes have voted to accept the Plan if the Plan (a) satisfies all of the other requirements of section 1129(a) of the Bankruptcy Code and (b) does not “discriminate unfairly” and is “fair and equitable” with respect to any impaired class that does not vote to accept the Plan. The treatment of Class 5 does not discriminate unfairly because there is no similarly situated Class. The Plan is fair and equitable with respect to Class 5 because no junior Class of Claims or Equity Interests will receive or retain any property under the Plan on account of such Claims or Interests. Therefore, the requirements of section 1129(b)(2)(C)(ii) are satisfied with respect to Class 5. Accordingly, the Plan satisfies the requirements of section 1129(b) of the Bankruptcy Code and shall be confirmed notwithstanding the requirements of section 1129(a)(8) of the Bankruptcy Code.

26. Rule 9019 Settlement of Claims and Controversies. The provisions of the Plan and the Agreed Stipulated Order reached between BDCM and the Chapter 11 Trustee regarding the settlement of the Designation and Disqualification Motions (the “**BDCM/Chapter 11 Trustee Settlement**”) constitute a good faith compromise and settlement of all claims or controversies relating to the enforcement or termination of all contractual, legal and equitable subordination and turnover rights that a Holder of a Claim or Equity Interest may have with

respect to any Allowed Claim or Equity Interest, or any distribution to be made pursuant to the Plan on account of such Claim. Such settlement, as reflected in the relative distributions and recoveries of Holders of Allowed Claims under the Plan, (a) will save the Debtors and their Estates the costs and expenses of prosecuting various disputes, the outcome of which is likely to consume substantial resources of the Debtors' Estates and require substantial time to adjudicate and (b) have facilitated the creation and implementation of the Plan and benefits the Debtors' estates and creditors. The compromise or settlement of all such claims or controversies is approved under Rule 9019 of the Bankruptcy Rules as being fair, equitable and reasonable and in the best interests of the Debtors, Reorganized GSC Group and the Holders of Claims and Equity Interests.

27. Conditions to Confirmation. Entry of this Confirmation Order shall satisfy the conditions set forth in Section 9.1 of the Plan.

28. Releases by the Debtors. The release and discharge of Claims and Causes of Action by the Debtors and the Reorganized Debtors described in Section 10.5(a) of the Plan (the "**Debtor Release**") releases the Released Parties and is a necessary and an important aspect of the Plan. The Debtor Release is based on a valid exercise of sound business judgment and is reasonable and acceptable pursuant to the standards that courts in this district generally apply. Each of the Released Parties provided good and valuable consideration in exchange for the Debtor Release, including, among other things, the service of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated in the Plan. The Released Parties played an integral role in the formulation of the Plan and have expended significant time and resources analyzing and negotiating the complex issues presented by the Debtors' chapter 11 cases.



29. Releases by Holders of Claims. The release of Claims and Causes of Action by Non-Debtor Releasing Parties as described in Section 10.5(b) of the Plan (the “**Third Party Release**”) is an important aspect of the Plan. The Third Party Release is designed to provide finality for the Debtors, Reorganized Debtors, the other Released Parties regarding the parties’ respective obligations under the Plan to the extent permitted by applicable law.

30. Exculpation. The exculpation described in Section 10.6 of the Plan (the “**Exculpation**”) is appropriate under applicable law because it is part of the Plan and was proposed in good faith, was vital to the Plan formulation process, and is appropriately limited in scope. The Exculpation, including its carve-out for gross negligence or willful misconduct, is consistent with applicable law, including sections 105, 1123 and 1129 of the Bankruptcy Code.

31. Injunction. The injunction provision set forth in Section 10.7 of the Plan (the “**Injunction**”) is necessary to preserve and enforce the Debtor Release, the Third Party Release, and the Exculpation, and is narrowly tailored to achieve this purpose.

32. Based on the foregoing, each of the Debtor Release, the Third Party Release, the Exculpation, and the Injunction set forth in the Plan: (a) is within the jurisdiction of the Court under 28 U.S.C. §§ 1334(a), 1334(b) and 1334(d); (b) is necessary to implement the Plan pursuant to section 1123(a)(6) of the Bankruptcy Code; (c) is an integral element of the transactions incorporated into the Plan; (d) is in the best interests of, the Debtors, their Estates, and the holders of Claims; (e) is important to the overall objectives of the Plan to finally resolve all Claims among or against the parties in interest in these chapter 11 cases with respect to the Debtors; and (f) is consistent with applicable law, including sections 105, 1123, 1129, and other applicable provisions of the Bankruptcy Code.

33. Substantive Consolidation. The facts set forth by BDCM in the Confirmation Brief support the substantive consolidation of the Debtors for all purposes related to the Plan, have not been challenged, and provide an adequate basis for the substantive consolidation of the Debtors as provided in the Plan.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, DECREED AND DETERMINED THAT:

34. Confirmation. All requirements for confirmation of the Plan have been satisfied. The Plan is confirmed in its entirety pursuant to section 1129 of the Bankruptcy Code. A copy of the Plan is attached hereto as Exhibit A. The terms of the Plan and the Plan Supplement are incorporated by reference into, and are integral parts of, this Confirmation Order. Except as otherwise set forth in the Plan or this Confirmation Order, the terms of the Plan, the Plan Supplement, all exhibits thereto, and all other relevant and necessary documents shall be effective and binding as of the Effective Date. All objections to the Plan not heretofore withdrawn, resolved, settled, or waived are overruled in their entirety.

35. Provisions of Plan and Order Nonseverable and Mutually Dependent. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are nonseverable and mutually dependent.

36. Modifications to Plan. Upon entry of this Confirmation Order, BDCM may, upon order of this Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan; *provided, however*, that any such modifications shall be subject to the consent of the Chapter 11 Trustee, which consent shall not be unreasonably withheld. Holders of Claims and Equity Interests that

have accepted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim.

37. Plan Classification Controlling. The classification of Claims and Equity Interests for purposes of the distributions to be made under the Plan shall be governed solely by the terms of the Plan. The classifications and amounts of Claims, if any, set forth on the ballots returned in connection with voting on the Plan (a) were set forth on the ballots solely for purposes of voting to accept or reject the Plan; (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual amount or classification of such Claims under the Plan for distribution purposes; and (c) shall not be binding on the BDCM, the Chapter 11 Trustee, the Debtors, Reorganized GSC Group or the Liquidating Trustee except with respect to voting on the Plan.

38. Binding Effect. Pursuant to section 1141 of the Bankruptcy Code, except as otherwise expressly provided in the Plan, on and after the Effective Date, the Plan and all exhibits thereto (including the Plan Supplement) shall bind all Holders of Claims and Equity Interests.

39. Documentation. The BDCM, the Chapter 11 Trustee, the Debtors, Reorganized GSC Group and the Liquidating Trustee are authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents or take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and any securities issued pursuant to the Plan without need of any further court or other approval.

40. Substantive Consolidation. The estates of the Debtors shall be substantively consolidated for all purposes related to the Plan, including for purposes of voting, confirmation

and distribution. On and after the Effective Date, except as provided in Section 2.1(a) of the Plan, (a) all assets and liabilities of the Debtors shall be treated as though they were merged; (b) no distributions shall be made under the Plan on account of any Claim held by any Debtor against any other Debtor; (c) all guarantees of any Debtor of any obligation of any other Debtor shall be eliminated so that any Claim against any Debtor and any guarantee thereof expected by any other Debtor and any joint or several liability of any of the Debtors shall be one obligation of the Debtors; and (d) each and every Claim Filed or to be Filed against any of the Debtors shall be deemed Filed against the Debtors, and shall be one Claim against and an obligation of the Debtors. The substantive consolidation effected pursuant this Confirmation Order and Section 2.1 of the Plan shall not affect: (i) the legal and organizational structure of the Debtors; (ii) defenses to any Cause of Action or requirements for any third party to establish mutuality in order to assert a right of setoff; (iii) distributions out of any insurance policies or proceeds of such policies; and (iv) the obligation of any Debtor, Reorganized GSC Group or the Liquidating Trust to pay quarterly fees to the Office of the U.S. Trustee pursuant to 28 U.S.C. § 1930 and 31 U.S.C. § 3717 until such time as a final decree is entered in each Debtor's particular case, or an order is entered dismissing or converting each of the Debtors' particular cases.

41. Cancellation of Intercompany Claims. On the Effective Date, all Intercompany Claims shall be eliminated and extinguished in accordance with the procedures established in Section 2.1 of the Plan.

42. Cancellation of Notes, Instruments, Common Stock and Stock Options. On the Effective Date, except to the extent provided otherwise in the Plan, the Plan Supplement, or this Confirmation Order, and provided that the treatments provided for therein and the distributions contemplated by Article IV of the Plan are made, (a) all notes, instruments, certificates,

guaranties and other documents evidencing Claims in any of the Debtors shall be cancelled and deemed terminated; (b) all Equity Interests (including 100% of the Equity Interests in GSC Group, Inc. and the Preferred Equity Interests) in the Debtors shall be cancelled and deemed terminated; and (c) all options, warrants, conversions, privileges or other legal or contractual rights to acquire any Equity Interests in any of the Debtors shall be cancelled and deemed terminated.

43. BDCM Loan. The BDCM Loan (including any and all transactions contemplated thereby, and all actions to be taken, undertakings to be made and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities and expenses provided for therein) is hereby approved and the Debtors or Reorganized Debtors, as applicable, are authorized to enter into and execute any agreement evidencing the BDCM Loan, including the form of promissory note filed as Exhibit D of the Plan Supplement, and such other documents as may be required or appropriate to effectuate the treatment afforded to such lenders thereto. The Reorganized Debtors may use the BDCM Loan for any purpose permitted thereunder. Upon the date the BDCM Loan closes, the Debtors and the Reorganized Debtors are authorized to execute and deliver any agreement evidencing the BDCM Loan and perform their obligations thereunder, and such agreement shall constitute the legal, valid and binding obligations of the Debtors and Reorganized Debtors which are parties thereto, enforceable in accordance with their respective terms, and no obligation, payment, transfer or grant of security under such agreement (or any other documents as may be required or appropriate to effectuate the treatment afforded to the BDCM Loan lenders) shall be stayed, restrained, voidable or recoverable under the Bankruptcy Code or under any applicable law or subject to any defense, reduction, recoupment, setoff or counterclaim. The Debtors and the Reorganized Debtors, as

applicable, and any other Entities granting any Liens and security interests to secure the obligations under the BDCM Loan are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary or desirable to establish and further evidence perfection of such liens and security interests under the provisions of any applicable federal, state, provincial or other law (whether domestic or foreign) (it being understood that perfection shall occur automatically by virtue of the entry of this Confirmation Order and any such filings, recordings, approvals and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such liens and security interests to third parties.

44. Rule 9019(a) Settlement. The provisions of the Plan and the BDCM/Chapter 11 Trustee Settlement constitute a good faith compromise of all Claims or controversies relating to the contractual, legal and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim or any distribution to be made on account of such an Allowed Claim. The entry of this Confirmation Order constitutes this Court's approval of the compromise or settlement of all such Claims or controversies.

45. Formation and Capitalization of the Liquidating Trust. The formation of the Liquidating Trust and the transfer of assets, and all other transactions contemplated in Sections 5.1 and 5.4 of the Plan are approved and authorized in all respects. Consistent with the terms of that certain letter of credit dated July 26, 2011, upon its creation pursuant to the Plan, the Liquidating Trust is hereby appointed as a successor in replacement of James L. Garrity, Jr.

46. Discharge of Claims and Interests. Pursuant to and to the fullest extent permitted by section 1141(d) of the Bankruptcy Code, except as otherwise specifically provided in the Plan or in this Confirmation Order, confirmation of the Plan discharges and releases, effective as of

the Effective Date, the Debtors and the Estates from all Claims and Causes of Action, whether known or unknown, and from liabilities of, liens on, obligations of, rights against, and Equity Interests in the Debtors or any of their assets or properties; and, further, a Holder of any Claim or Equity Interest discharged herein may not on account of such Claim or Equity Interest seek to receive any payment or other treatment from, or seek recourse against the Debtors, the Liquidating Trustee, the Liquidating Trust or the Reorganized Debtors or their respective property, except as otherwise expressly provided in the Plan.

47. Releases. Except as otherwise expressly provided in the Plan or this Confirmation Order, the release provisions set forth in Section 10.5 of the Plan are approved.

48. Exculpation. Except as otherwise expressly provided in the Plan or this Confirmation Order, the exculpation provisions set forth in Section 10.6 of the Plan are approved.

49. Injunction. Except as otherwise expressly provided in the Plan or this Confirmation Order, the injunction provisions set forth in Section 10.7 of the Plan are approved.

50. Preservation of All Causes of Action Not Expressly Settled or Released. Unless a claim or Cause of Action against a Holder of a Claim or other Entity is expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order, such Claim or Cause of Action shall be expressly reserved for later enforcement by the Liquidating Trustee, including, other than Causes of Action released under Section 10.5 of the Plan, Avoidance Actions, Director and Officer Causes of Action and Causes of Action not specifically identified or of which Debtors and the Trustee may presently be unaware or that may arise or exist by reason of additional facts or circumstances unknown to Debtors and the Trustee at this time or facts or circumstances that may change or be different from those that the Debtors and the

Trustee now believe to exist) and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such claims or Causes of Action upon or after Confirmation based on the Disclosure Statement, the Plan or this Confirmation Order, except where such claims or Causes of Action have been expressly released in the Plan or other Final Order. In addition, Reorganized GSC Group and the Liquidating Trust shall have the right to pursue or adopt any claims, cross-claims or counterclaims alleged in any lawsuit in which any of the Debtors are a defendant or an interested party against any person or entity, including, without limitation, the plaintiffs or co-defendants in such lawsuits, subject to the provisions in the Plan, this Confirmation Order, or any Final Order.

51. Continuation of Automatic Stay. Except as otherwise expressly provided in the Plan, this Confirmation Order or a separate Order of this Court, all injunctions or stays provided for in these Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect through and including the Effective Date.

52. Provisions Regarding Distributions and Reserves. The provisions contained in Articles VII and VIII of the Plan, including without limitation, the provisions governing distributions and reserves, are found to be reasonable and are hereby approved.

53. Procedures for Resolving Disputed Claims and Unresolved Claims. The provisions contained in Article VIII of the Plan, including without limitation, the provisions governing the procedures for resolving Disputed Claims, are found to be reasonable and are hereby approved.



54. Record Date. The Liquidating Trustee shall not have any obligation to recognize any transfer of Claims occurring after the Confirmation Date. Only those Holders of Claims of record stated on the transfer ledgers as of the close of business on the Confirmation Date shall be entitled to be recognized for all purposes, including distributions, under the Liquidating Trust Agreement.

55. Setoffs. In the event the Debtors have a claim of any nature whatsoever against a Holder of a Claim, the Debtors, the Reorganized Debtors, or the Liquidating Trustee may, but are not required to, setoff against such Holder's Claim (and any distributions or other rights to receive property arising out of such Claim under the Plan), the Debtors' claim against such Holder, subject to the provisions of section 553 of the Bankruptcy Code and other applicable law. Neither the failure to setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtors, the Reorganized Debtors, or the Liquidating Trustee of any Claims that the Debtors, the Reorganized Debtors or the Liquidating Trustee have against the Holder of such Claim, all of which are preserved. Nothing contained or omitted from the Plan shall limit, adversely affect, or otherwise impair any rights of setoff or recoupment the Debtors, the Reorganized Debtors or the Liquidating Trustee may possess, as against third parties.

56. Issuance of Reorganized GSC Group Stock. Reorganized GSC Group is authorized to issue Reorganized GSC Group Stock as necessary to effectuate Section 5.2 of the Plan. The offering, issuance, and distribution of any securities contemplated by the Plan, including the Reorganized GSC Group Stock, and the distribution, transfer or exchange thereof in accordance with the Plan and the Plan Supplement shall be exempt from registration or similar requirement under applicable securities laws (including, without limitation, section 5 of the Securities Act of 1933 or any similar state or local law requiring the registration for offer or sale

of a security or registration or licensing of an issuer of a security) pursuant to section 1145 of the Bankruptcy Code, and any such securities will be freely tradable by the recipients thereof, subject to the provisions of section 1145(b)(1) of the Bankruptcy Code and the restrictions on the transferability of such securities and instruments set forth in the Reorganized Debtors' organizational documents and the Certificates of Designation. The forms of the Certificates of Designation and the amended and restated organizational documents provided in the Plan Supplement are hereby approved, and all holders of Reorganized GSC Group stock shall be bound by the terms of such documents.

57. Section 1146 Exemption. Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan shall not be subject to any stamp or similar tax, and upon entry of this Confirmation Order, the appropriate state or local governmental officials or agents are directed to forgo the collection of any such tax and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax.

58. Professional Compensation and Reimbursement Claims. The provisions in Section 3.3 of the Plan are hereby approved and found to be fair and reasonable. Except as otherwise provided by order of this Court for a specific Professional, the Chapter 11 Trustee and each Professional requesting compensation pursuant to sections 330, 331 or 503(b) of the Bankruptcy Code for services rendered in connection with the Chapter 11 Cases prior to the Confirmation Date shall File an application for allowance of final compensation and reimbursement of expenses in the Chapter 11 Cases on or before the 60th day following the Effective Date. Without limiting the foregoing, the Chapter 11 Trustee, the Liquidating Trustee or the Reorganized Debtors may pay the charges incurred by the Debtors or the Chapter 11 Trustee on and after the Confirmation Date for any Professional's fees, disbursements, expenses

or related support services, without application to, or approval by, the Bankruptcy Court. Black Diamond has waived its rights to receive any substantial contribution award that would be payable from or otherwise affect or impact the distributions to be made by the Liquidating Trust.

59. United States Trustee Statutory Fees. To the extent required by applicable law, the Debtors, the Liquidating Trustee, the Chapter 11 Trustee and the Reorganized Debtors, as applicable, shall pay all UST Fees on all disbursements, including Plan payments and disbursements in and outside the ordinary course of the Debtors' business, until the entry of a Final Decree in each of the Debtors' particular cases, dismissal of each of the Debtors' particular cases, or conversion of each of the Debtors' particular cases under chapter 7 of the Bankruptcy Code.

60. Executory Contracts and Unexpired Leases. The provisions contained in Article VI of the Plan, including, without limitation, the provisions regarding rejection of the Debtors' executory contracts and unexpired leases are hereby approved and found to be fair and reasonable. Pursuant and subject to Article VI.2 of the Plan, all executory contracts and unexpired leases that have not been assumed, assumed and assigned, or rejected prior to the date hereof, or for which a motion is not pending for assumption, assumption and assignment, or rejection as of the date hereof, will be deemed rejected as of the date hereof. All proofs of claim with respect to Claims arising from the rejection of executory contracts or unexpired leases as of the Confirmation Date, if any, must be Filed within 14 days after the Confirmation Date. Any Holder of General Unsecured Claims arising on account of executory contracts or unexpired leases that are rejected pursuant to Section 6.2 of the Plan shall have until seven days after the Confirmation Date to elect to receive a distribution under the Up-front Cash Option, the Combination Cash Option, or the Equity Option on account of such Claims (to the extent such

Claims are Allowed), provided that if no such election is made (or if more than one option is selected), such Holder will be deemed to have elected the Up-front Cash Option on account of such Claims. Any monetary defaults under an assumed executory contract or unexpired lease set forth in the Plan Supplement shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, exclusively by payment of the cure amount set forth in the Plan Supplement. In addition, all contracts related to the Debtors' interests in Windwood Holdings, LLC, including, but not limited to, that certain Limited Liability Company Agreement of GSCP/Windwood, LLC dated February 27, 2007 by and among GSCP/Windwood, LLC, GSCP (NJ), L.P., GSC Group, Inc., Windwood Holdings LLC and Keith W. Abell and that certain Interests Agreement dated February 2007 by and among GSC Active Partners Holdings, L.P., GSC Group, Inc. and Keith W. Abell shall not be deemed to be rejected.

61. Authorization to Take Acts Necessary to Implement Plan. Pursuant to section 1142(b) of the Bankruptcy Code, section 303 of the Delaware General Corporation Law and any comparable provision of the business corporation laws of any other state, each of the Debtors, the Chapter 11 Trustee, the Reorganized Debtors and the Liquidating Trust is authorized and empowered to take such actions and to perform such acts as may be necessary, desirable or appropriate to comply with or implement the Plan and any matters under the Plan, and all documents, instruments and agreements related thereto, including but not limited to those contained in the Plan Supplement, and all annexes, exhibits, and schedules appended thereto, and the obligations thereunder shall constitute legal, valid, binding and authorized obligations of each of the respective parties thereto, enforceable in accordance with their terms without the need for any further court, shareholder, partner, or other approval. On or after the date hereof, without need of further Court or other approvals, each of the Debtors and Reorganized Debtors, as

applicable, is authorized to transfer any interests with respect to any of the Debtors and form any related entities, and all other actions related thereto (including as set forth in the Plan Supplement) are hereby authorized. Each of the Debtors, the Chapter 11 Trustee, the Reorganized Debtors and the Liquidating Trust, hereby is authorized and empowered to take such actions, to perform all acts, to make, execute, file and deliver all instruments and documents, and to pay all fees and expenses as set forth in the documents relating to the Plan, including but not limited to those contained in the Plan Supplement, and that may be required or necessary for its performance thereunder without the need for any shareholders' or board of directors' approval. On the Effective Date, the officers and directors of the Reorganized Debtors and the Liquidating Trust are authorized and empowered to issue, execute, file and deliver the agreements, documents, securities and instruments contemplated by the Plan, including, but not limited to, those contained in the Plan Supplement, in the name of and on behalf of the Reorganized Debtors and the Liquidating Trust. The Chapter 11 Trustee, the Debtors and Reorganized GSC Group and the officers and directors thereof are authorized to take any such actions without further corporate action or action of the directors or stockholders of the Debtors or the Reorganized GSC Group.

62. Execution By Third Parties. Each and every federal, state and local governmental agency or department is hereby directed to accept, and lessors and holders of liens are directed to execute, any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Plan including, without limitation, documents and instruments for recording in county and state offices where the Certificate of Incorporation and Bylaws or any other agreement, document or instrument may need to be filed in order to effectuate the Plan.

63. Governmental Approvals Not Required. This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules or regulations of any State or any other governmental authority with respect to the implementation or consummation of the Plan and any documents, instruments or agreements, and any amendments or modifications thereto, and any other acts referred to in or contemplated by the Plan, the Disclosure Statement, the Plan Supplement and any documents, instruments or agreements contained therein, and any amendments or modifications of any of the foregoing.

64. Notice of Entry of Confirmation Order. Within 30 days following the date of entry of this Confirmation Order, BDCM shall serve notice of entry of this Confirmation Order, substantially in the form annexed hereto as Exhibit B (the “**Confirmation Notice**”), upon all parties that received notice of the Confirmation Hearing and shall cause publication of the Confirmation Notice once in the national edition of *USA Today*. The form of Confirmation Notice is hereby approved. Service of the Confirmation Notice as provided herein shall constitute good and sufficient notice pursuant to Bankruptcy Rules 2002(f)(7), 2002(k) and 3020(c) of entry of this Confirmation Order and, except as provided herein, no other or further notice need be given.

65. Notice of Effective Date. Within ten business days after the occurrence of the Effective Date, BDCM shall provide notice of the occurrence of the Effective Date of the Plan substantially in the form annexed hereto as Exhibit C (the “**Effective Date Notice**”) to all parties that BDCM provided notice to of the Confirmation Hearing. The form of Effective Date Notice is hereby approved. Service of the Effective Date Notice as provided herein shall be good and sufficient notice of the occurrence of the Effective Date under Bankruptcy Rule 2002.

66. References to Plan Provisions. The failure specifically to include or reference any particular provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the Plan be confirmed in its entirety.

67. Confirmation Order Controlling. If there is any direct conflict between the Plan and this Confirmation Order, the terms of this Confirmation Order shall control.

68. Reversal. If any or all of the provisions of this Confirmation Order are hereafter reversed, modified or vacated by subsequent order of this Court or any other court, such reversal, modification or vacatur shall not affect the validity of the acts or obligations incurred or undertaken under or in connection with the Plan prior to BDCM's, the Chapter 11 Trustee's, or the Liquidating Trustee's receipt of written notice of any such order. Notwithstanding any such reversal, modification or vacatur of this Confirmation Order, any such act or obligation incurred or undertaken pursuant to, and in reliance on, this Confirmation Order prior to the effective date of such reversal, modification or vacatur shall be governed in all respects by the provisions of this Confirmation Order, the Plan and any related documents or any amendments or modifications thereto.

69. Applicable Non-Bankruptcy Law. Pursuant to sections 1123(a) and 1142(a) of the Bankruptcy Code, the provisions of this Confirmation Order, the Plan and the Plan Documents or any amendments or modifications thereto shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

70. Estate Assets. On the Effective Date, pursuant to Section 5.4 of the Plan, the Management Contracts, the list of agreements (as set forth in Exhibit A of the Plan Supplement) that will vest with the Reorganized Debtors pursuant to the Plan, and the Residual Plan Cash

shall remain the assets of Reorganized GSC Group and the Residual Estate Assets shall be transferred to the Liquidating Trust free and clear of all Claims and interests, including, without limitation, liens, escrows, charges, pledges, encumbrances and/or security interests of any kind, except to the extent that any such Claims have been expressly assumed by the Liquidating Trust under the Plan. Notwithstanding anything to the contrary in the Plan or otherwise, any equipment or other assets of any kind purchased by the Designated Purchaser pursuant to the Purchase Agreements and which the Designated Purchaser allowed the Debtors to use or access following consummation of the Purchase Agreements shall remain property of the Designated Purchaser.

71. Limitation on Release and Exculpation Provisions.

(a) Notwithstanding any other provision in the Plan or any order or opinion issued by the Court related thereto, including but not limited to Sections 10.5, 10.6 and 10.7 of the Plan, nothing contained in the Plan, in this Confirmation Order, or in any other order or opinion of this Court related to the Plan or this Confirmation Order shall alter, conflict with, or in any manner derogate from the provisions of the Sale Order. Without in any way limiting the generality of the foregoing, the rights, remedies, causes of action and claims of the Agent, the Prepetition Lenders and their Affiliates inter se in the State Court Proceeding or otherwise are preserved and shall not be released, enjoined or limited in any respect by the Plan or this Confirmation Order. Furthermore, notwithstanding any other provision in the Plan, this Confirmation Order, or any other order or opinion of this Court related to the Plan or this Confirmation Order, including but not limited to Sections 10.5, 10.6 and 10.7 of the Plan, nothing in the Plan, this Confirmation Order or any other order or opinion issued by the Court related to the Plan or this Confirmation Order shall constitute a finding by this Court of any kind regarding (i) any Prepetition Lender or



its Representatives with respect to its or its Representatives' respective rights, remedies, causes of action and claims vis-à-vis any other Prepetition Lender or its Representatives under the Prepetition Credit Agreement or the Prepetition Loan Documents or any other party to the State Court Proceeding or (ii) any action or transaction that is the subject of the State Court Proceeding. Nothing in the Plan shall limit the efficacy of Paragraph K of the Sale Order in these chapter 11 proceedings, the State Court Proceeding, or any other proceeding.

(b) Nothing in the Plan or this Confirmation Order, including, but not limited to, Article XI of the Plan, shall discharge, release, or preclude: (i) any liability to a Governmental Unit that is not a Claim; (ii) any Claim of a Governmental Unit arising on or after the Confirmation Date; (iii) any liability to a Governmental Unit on the part of any Person or Entity other than the Debtors or Reorganized Debtors; (iv) any valid right of setoff or recoupment by a Governmental Unit; (v) any liability of the Debtors or Reorganized Debtors under environmental law to any governmental unit as the owner or operator of property that such entity owns or operates after the Confirmation Date; or (vi) any criminal liability. Nothing in the Plan or this Confirmation Order shall enjoin or otherwise bar any Governmental Unit from asserting or enforcing, outside the Bankruptcy Court, any liability described in the preceding sentence. The discharge and injunction provisions contained in the Plan and this Confirmation Order are not intended and shall not be construed to bar any Governmental Unit from, after the Confirmation Date, pursuing any police or regulatory action. Nothing contained in the Plan or this Confirmation Order shall be deemed to determine the tax liability of any person or entity, including but not limited to the Debtors and the Liquidating Trust, nor shall the Plan or this Confirmation Order be deemed to have determined the federal tax treatment of any item, distribution, or entity, including the federal tax consequences of the Plan.

(c) Notwithstanding anything contained herein or in the Plan or Plan Documents to the contrary, the entry of this Confirmation Order (1) shall not be deemed to be or interpreted as a release of or an injunction with respect to any Interest of the Police and Fire Retirement System of the City of Detroit (the “**Retirement System**”) in or against any non-Debtor (a) named in that certain arbitration proceeding pending before FINRA under Arbitration No. 10-02424 (the “**Arbitration**”) or (b) with which the Retirement System has invested money, and (2) shall not otherwise bar or prejudice the ability of the Retirement System to assert any Claim or Interest against any person that was responsible for actions giving rise to the Arbitration. For the avoidance of doubt, the entry of this Confirmation Order approving the Plan and the entry into and performance of the transactions contemplated by the Plan and Plan Documents shall not be deemed to be or interpreted so as to impair the ability of the Retirement System to obtain recovery against a Private Equity Fund and Management Liability Policy Issued by Lexington Insurance Company and certain Excess Private Equity Fund and Management Liability Policies issued by Twin City Fire Insurance Company, Federal Insurance Company, U.S. Specialty Insurance Company and Liberty Mutual Insurance Company (collectively, the “**Policies**”).

72. Effectiveness of Order. Notwithstanding Bankruptcy Rules 3020(e), 6004(h), or any other provision of the Bankruptcy Code or the Bankruptcy Rules, this Confirmation Order shall be effective immediately upon its entry. This Order is and shall be deemed to be a separate order with respect to each of the Debtors for all purposes.

73. Service of Documents. All notices, requests and demands to or upon the Reorganized Debtors to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered (or, in the case of notice by facsimile transmission, when received and telephonically confirmed) addressed to

GSC Group, Inc., One Sound Shore Drive, Suite 200, Greenwich, Connecticut, 06830,  
(203) 552-0888, Attn: Samuel Goldfarb.

74. The Record. The record of the Confirmation Hearing is closed. The findings of fact and conclusions of law of this Court set forth herein and at the Confirmation Hearing shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, as made applicable herein by Bankruptcy Rule 9014, and the findings of fact and conclusions of law of this Court at the Confirmation Hearing are incorporated herein by reference. To the extent that any of the foregoing findings of fact constitute conclusions of law, they are adopted as such. To the extent any that any of the foregoing conclusions of law constitute findings of fact, they are adopted as such.

75. Retention of Jurisdiction. Notwithstanding the entry of this Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the this Court shall retain exclusive jurisdiction over all matters arising out of, or related to, these chapter 11 cases and the Plan pursuant to Article XI of the Plan.

76. Successor and Assigns. The rights, benefits, and obligations of any Entity 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, beneficiaries, or guardian, if any, of each Entity.

Dated: New York, New York  
February 17, 2012

/s/ Arthur J. Gonzalez

---

HONORABLE ARTHUR J. GONZALEZ  
CHIEF UNITED STATES BANKRUPTCY JUDGE

**Exhibit A**

**Plan**

**Exhibit B**

**Confirmation Notice**

Patrick J. Nash, Jr. (admitted *pro hac vice*)  
Paul Wierbicki (admitted *pro hac vice*)  
KIRKLAND & ELLIS LLP  
300 North LaSalle Street  
Chicago, Illinois 60654  
Telephone: (312) 862-2000  
Facsimile: (312) 862-2200

Counsel to Black Diamond Capital Management, L.L.C.

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----	x
	: Chapter 11
	:
In re:	: Case No. 10-14653 (AJG)
	:
GSC GROUP, INC., et al.,	: (Jointly Administered)
Debtors. <sup>1</sup>	:
-----	x

**NOTICE OF ENTRY OF ORDER CONFIRMING BLACK  
DIAMOND CAPITAL MANAGEMENT, L.L.C.'S FOURTH AMENDED JOINT  
CHAPTER 11 PLAN FOR GSC GROUP, INC. AND ITS AFFILIATED DEBTORS**

PLEASE TAKE NOTICE that on [ ], 2012, an order [Docket No. \_\_\_\_] (the “**Confirmation Order**”)<sup>2</sup> confirming *Black Diamond Capital Management, L.L.C.’s Fourth Amended Joint Chapter 11 Plan for GSC Group, Inc. and Its Affiliated Debtors* [Docket No. \_\_\_\_] (as may be amended, the “**Plan**”), signed by the Honorable Arthur J. Gonzalez, Chief United States Bankruptcy Judge, was entered and duly docketed by the Office of the Clerk of the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) in the above-captioned cases. The Confirmation Order is on file with the Clerk of the Bankruptcy Court and may be inspected during normal business hours at the Office of the Clerk of the Bankruptcy Court, One Bowling Green, New York, NY 10004-1408. Copies of the Confirmation Order can also be obtained from the Debtors’ bankruptcy website, <http://dm.epiq11.com/GSC/>, or by contacting Epiq Bankruptcy Solutions, LLC, at 757 Third Avenue, 3rd Floor, New York, New York 10017 or by telephone at (877) 797-6086 (toll free).

PLEASE TAKE FURTHER NOTICE that, except for: (a) professionals requesting compensation or reimbursement for Professional Fees; (b) UST Fees; and (c) Holders of

<sup>1</sup> The Debtors along with the last four digits of each Debtor’s federal tax identification number are GSC Group, Inc. (6382), GSCP, LLC (6520), GSC Active Partners, Inc. (4896), GSCP (NJ), Inc. (3944), GSCP (NJ) Holdings, L.P. (0940), GSCP (NJ), L.P. (0785), and GSC Secondary Interest Fund, LLC (6477).

<sup>2</sup> Capitalized terms used but not defined herein shall have the meaning set forth in the Confirmation Order.

Administrative Claims who were required to file proofs of such Administrative Claims incurred on or before August 31, 2011 in accordance with the Initial Administrative Claims Bar Date Order, requests for payment of Administrative Claims must be made and billed **no later than 90 days after the Effective Date. Holders of Administrative Claims who are required to file a request for payment of such Claims and who do not file such requests by the Plan Administrative Claims Bar Date shall be forever barred from asserting such Claims against the Debtors, the Reorganized Debtors, the Liquidating Trust or their property, and the Holder thereof shall be enjoined from commencing or continuing any action to collect, offset or otherwise recover such Administrative Claim.**

**PLEASE TAKE FURTHER NOTICE** that all executory contracts and unexpired leases that have not been assumed, assumed and assigned, or rejected prior to the Effective Date will be deemed rejected as of the Effective Date; *provided, however*, that any executory contract or unexpired lease that the Debtors have moved to assume or assume and assign prior to the Confirmation Date, or specifically identified in the Plan Supplement as a contract to be assumed and assigned, shall not be deemed rejected.

**PLEASE TAKE FURTHER NOTICE** that all proofs of claim with respect to Claims arising from the rejection of executory contracts or unexpired leases as of the Confirmation Date, if any, must be Filed **within 14 days after the Confirmation Date.** Any Claim arising from the rejection of an executory contract or unexpired lease for which proof of such Claim is not Filed within such time period shall forever be barred from assertion against the Debtors, the Estates and their property, the Liquidating Trust or the Reorganized Debtors unless otherwise ordered by the Bankruptcy Court. **Any Holder of General Unsecured Claims arising on account of executory contracts or unexpired leases that are rejected pursuant to Section 6.2 of the Plan shall have until seven days after the Confirmation Date to elect to receive a distribution under the Up-front Cash Option, the Combination Cash Option, or the Equity Option on account of such Claims (to the extent such Claims are Allowed), provided that if no such election is made (or if more than one option is selected), such Holder will be deemed to have elected the Up-front Cash Option on account of such Claims.**

**PLEASE TAKE FURTHER NOTICE** that the Chapter 11 Trustee and each Professional requesting compensation pursuant to sections 330, 331 or 503(b) of the Bankruptcy Code for services rendered in connection with the Chapter 11 Cases prior to the Effective Date shall File an application for allowance of final compensation and reimbursement of expenses in the Chapter 11 Cases on or before the 60th day following the Effective Date.

New York, New York

Dated: \_\_\_\_\_, 2012

/s/

---

Patrick J. Nash, Jr. (admitted *pro hac vice*)

Paul Wierbicki (admitted *pro hac vice*)

KIRKLAND & ELLIS LLP

300 North LaSalle Street

Chicago, Illinois 60654

Telephone: (312) 862-2000

Facsimile: (312) 862-2200

Counsel to Black Diamond Capital Management, L.L.C.



**Exhibit C**

**Effective Date Notice**

Patrick J. Nash, Jr. (admitted *pro hac vice*)  
Paul Wierbicki (admitted *pro hac vice*)  
KIRKLAND & ELLIS LLP  
300 North LaSalle Street  
Chicago, Illinois 60654  
Telephone: (312) 862-2000  
Facsimile: (312) 862-2200

Counsel to Black Diamond Capital Management, L.L.C.

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----	x
	: Chapter 11
	:
In re:	: Case No. 10-14653 (AJG)
	:
GSC GROUP, INC., et al.,	: (Jointly Administered)
Debtors. <sup>1</sup>	:
-----	x

**NOTICE OF EFFECTIVE DATE OF BLACK  
DIAMOND CAPITAL MANAGEMENT, L.L.C.'S FOURTH AMENDED JOINT  
CHAPTER 11 PLAN FOR GSC GROUP, INC. AND ITS AFFILIATED DEBTORS**

**PLEASE TAKE NOTICE** that in accordance with the Findings of Fact, Conclusions of Law and Order Confirming Black Diamond Capital Management, L.L.C.'s Fourth Amended Joint Chapter 11 Plan for GSC Group, Inc. and Its Affiliated Debtors [Docket No. \_\_\_\_] (the "**Confirmation Order**"), and pursuant to Section 9.2 of Black Diamond Capital Management, L.L.C.'s Fourth Amended Joint Chapter 11 Plan for GSC Group, Inc. and Its Affiliated Debtors as confirmed by the United States Bankruptcy Court for the Southern District of New York and as the same name may be amended in accordance with the provisions thereof, the "**Plan**"), notice is hereby given that (a) all conditions precedent to the Effective Date of the Plan have been satisfied or waived and (b) the Effective Date is and shall be [ ], 2012.

**PLEASE TAKE FURTHER NOTICE** that, except for: (a) professionals requesting compensation or reimbursement for Professional Fees; (b) UST Fees; and (c) Holders of Administrative Claims who were required to file proofs of such Administrative Claims incurred on or before August 31, 2011 in accordance with the Initial Administrative Claims Bar Date Order, requests for payment of Administrative Claims must be made and billed **no later than 90 days after the Effective Date. Holders of Administrative Claims who are required to file**

<sup>1</sup> The Debtors along with the last four digits of each Debtor's federal tax identification number are GSC Group, Inc. (6382), GSCP, LLC (6520), GSC Active Partners, Inc. (4896), GSCP (NJ), Inc. (3944), GSCP (NJ) Holdings, L.P. (0940), GSCP (NJ), L.P. (0785), and GSC Secondary Interest Fund, LLC (6477).

a request for payment of such Claims and who do not file such requests by the Plan Administrative Claims Bar Date shall be forever barred from asserting such Claims against the Debtors, the Reorganized Debtors, the Liquidating Trust or their property, and the Holder thereof shall be enjoined from commencing or continuing any action to collect, offset or otherwise recover such Administrative Claim.

**PLEASE TAKE FURTHER NOTICE** that all executory contracts and unexpired leases that have not been assumed, assumed and assigned, or rejected prior to the Effective Date will be deemed rejected as of the Effective Date; *provided, however*, that any executory contract or unexpired lease that the Debtors have moved to assume or assume and assign prior to the Confirmation Date, or specifically identified in the Plan Supplement as a contract to be assumed and assigned, shall not be deemed rejected.

**PLEASE TAKE FURTHER NOTICE** that all proofs of claim with respect to Claims arising from the rejection of executory contracts or unexpired leases as of the Confirmation Date, if any, must be Filed **within 14 days after the Confirmation Date**. Any Claim arising from the rejection of an executory contract or unexpired lease for which proof of such Claim is not Filed within such time period shall forever be barred from assertion against the Debtors, the Estates and their property, the Liquidating Trust or the Reorganized Debtors unless otherwise ordered by the Bankruptcy Court. **Any Holder of General Unsecured Claims arising on account of executory contracts or unexpired leases that are rejected pursuant to Section 6.2 of the Plan shall have until seven days after the Confirmation Date to elect to receive a distribution under the Up-front Cash Option, the Combination Cash Option, or the Equity Option on account of such Claims (to the extent such Claims are Allowed), provided that if no such election is made (or if more than one option is selected), such Holder will be deemed to have elected the Up-front Cash Option on account of such Claims.**

**PLEASE TAKE FURTHER NOTICE** that except as otherwise provided by a Bankruptcy Court order for a specific Professional, requests for Professional Fees must be filed no later than 60 days after the date hereof. All such applications for final allowance of compensation and reimbursement of expenses will be subject to the authorization and approval of the Bankruptcy Court. Professionals requesting compensation or reimbursement of expenses that do not file such requests by the application bar date shall be forever barred from asserting such claims against the Debtors, Reorganized GSC Group, the Liquidating Trust or their assigns or their property.

New York, New York

Dated: \_\_\_\_\_, 2012

/s/

Patrick J. Nash, Jr. (admitted *pro hac vice*)

Paul Wierbicki (admitted *pro hac vice*)

KIRKLAND & ELLIS LLP

300 North LaSalle Street

Chicago, Illinois 60654

Telephone: (312) 862-2000

Facsimile: (312) 862-2200

Counsel to Black Diamond Capital Management, L.L.C.