



**ORDERED in the Southern District of Florida on June 5, 2017.**

A handwritten signature in black ink, appearing to read "Erik P. Kimball".

Erik P. Kimball, Judge  
United States Bankruptcy Court

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION

IN RE:

Chapter 11 Cases

MOSAIC MANAGEMENT GROUP, INC.,  
MOSAIC ALTERNATIVE ASSETS LTD., and  
PALADIN SETTLEMENTS, INC.,

Case No.: 16-20833-EPK  
(Jointly Administered)

Debtors.

**ORDER (I) APPROVING ON A FINAL BASIS THE DISCLOSURE STATEMENT  
PURSUANT TO § 1125 OF THE BANKRUPTCY CODE AND (II) CONFIRMING THE  
PLAN PROPONENTS' JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11  
OF THE BANKRUPTCY CODE**

This matter came before the Court (the "Bankruptcy Court" or the "Court")<sup>1</sup> on May 31, 2017 at 2:00 p.m. to consider final approval of the *Disclosure Statement for the Plan Proponents' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* (the "Disclosure Statement") [ECF No. 489] and confirmation of the *Plan Proponents' Joint Plan of*

<sup>1</sup> Capitalized terms that are not otherwise defined herein shall have the meaning ascribed to such terms in the Plan.

*Reorganization Under Chapter 11 of the Bankruptcy Code* (as modified by this Order, the “Plan”) [ECF No. 488], filed by Mosaic Management Group, Inc., Mosaic Alternative Assets Ltd., and Paladin Settlements, Inc. (collectively, the “Debtors” or “Debtors-in-Possession”), the Official Committee of Unsecured Creditors (the “Unsecured Committee”), and the Official Committee of Investor Creditors (the “Investor Committee,” together with the Debtors and the Unsecured Committee, the “Plan Proponents”).

The Court, having entered, after due notice and a hearing, the *Order (I) Conditionally Approving the Disclosure Statement; (II) Approving the Committees’ Solicitation Letter in Support of the Plan; (III) Approving Forms of Ballots; (IV) Scheduling a Consolidated Hearing on the Final Approval of the Disclosure Statement and Confirmation of the Plan; (V) Establishing and Consolidating the Deadlines to File Objections to the Disclosure Statement and Objections to Confirmation of the Plan; (VI) Approving the Solicitation and Notice Materials; (VII) Establishing Solicitation and Voting Procedures; and (VIII) Establishing Procedures for Allowing and Estimating Certain Claims for Voting Purposes* (the “Conditional Approval Order”) [ECF No. 509] conditionally approving the Disclosure Statement as containing “adequate information” regarding the Plan in accordance with 11 U.S.C. § 1125(a), approving the solicitation, tabulation, and estimation procedures, as well as approving in final form and content the (i) ballots for holders of Class 3 General Unsecured Claims and Class 4 Landau Investor Claims to vote for or against the Plan, and (ii) the solicitation letter prepared by the Unsecured Committee and the Investor Committee (collectively, the “Committees”); having found that the Plan and Solicitation Package (as defined below) was duly transmitted to holders of Claims entitled to vote thereon as provided in the Conditional Approval Order; and having determined that due notice of (i) entry of the Conditional Approval Order, (ii) the Confirmation

Hearing (as defined below), and (iii) the deadline for voting on, and/or objecting to the Plan was provided to holders of Claims and Equity Interests in the Debtors and other parties in interest in accordance with the Conditional Approval Order, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the Local Bankruptcy Rules for the Southern District of Florida (the “Local Rules”); having found that such notice is sufficient under the circumstances and no other further notice being required; having determined that no objections (“Objections”) to the Plan or final approval of the Disclosure Statement was raised or filed; having considered the (i) *Memorandum of Law in Support of Confirmation of the Plan Proponents’ Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* (the “Confirmation Brief”) [ECF No. 833], (ii) *Declaration of Andrew Murphy in Support of Confirmation of the Plan Proponents’ Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* (the “Murphy Declaration”) [ECF No. 835], (iii) *Debtors’ Certificate of Proponents of Plan on Acceptance of Plan, Report on Amount to Be Deposited, Certificate of Amount Deposited and Payment of Fees* [ECF No. 879] (the “Ballot Report” or the “Debtors’ Certificate”), (iv) the *Declaration of Tinamarie Feil of the BMC Group Regarding the Solicitation of Votes with Respect to the Plan* (the “BMC Declaration”) [ECF No. 837], and (v) the *Declaration of Alan Barbee of GlassRatner Advisory & Capital Group, LLC in Support of Confirmation of the Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [ECF No. 834] (the “Barbee Declaration,” together with the Murphy Declaration, the BMC Declaration, and the Debtors’ Certificate, the “Declarations”); having held the hearing to consider final approval of the Disclosure Statement and confirmation of the Plan on May 31, 2017 (the “Confirmation Hearing”); having reviewed and considered the Disclosure Statement, Plan, Conditional Approval Order, Confirmation Brief, Declarations, and all related documents;

having determined that the appearance of all interested parties was duly noted in the record of the Confirmation Hearing, including the Declarations filed and any testimony therein and the exhibits admitted into evidence; having considered and approved certain modifications to the Plan announced on the record at the Confirmation Hearing and incorporated herein, and upon all of the proceedings had before the Court and upon the entire record of the Confirmation Hearing; having determined based upon all of the foregoing that the Disclosure Statement should be approved on a final basis and the Plan should be confirmed, as reflected by the Court's rulings made herein and on the record of the Confirmation Hearing; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY FOUND, DETERMINED, ORDERED, ADJUDGED, AND DECREED,  
AS FOLLOWS:

### **FINDINGS OF FACT**

1. Findings and Conclusions. The findings and conclusions set forth herein and on the record of the Confirmation Hearing constitute the Bankruptcy Court's findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. The Court incorporates by reference all findings of fact and conclusions of law set forth on the record at the Confirmation Hearing as if set forth fully herein. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitutes findings of fact, they are adopted as such.

2. Exclusive Jurisdiction; Venue; Core Proceeding. The Court has jurisdiction over the Chapter 11 Cases (as defined below), final approval of the Disclosure Statement, and confirmation of the Plan pursuant to 11 U.S.C. §§ 105, 1121 through 1129 and 28 U.S.C. § 157

and 1334. Final approval of the Disclosure Statement and confirmation of the Plan are core proceedings pursuant to 28 U.S.C. § 157(b), and the Court has jurisdiction to enter a final order consistent with Article III of the United States Constitution with respect thereto. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409(a). The Debtors and the Committees are proper plan proponents under § 1121(a) and (c) of the Bankruptcy Code.

3. Commencement and Joint Administration of the Debtors' Chapter 11 Cases. On August 4, 2016, each of the Debtors filed a petition for bankruptcy relief under Chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases"). By prior order of the Court, the Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015. The Debtors have operated their businesses and managed their properties as debtors in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

4. Appointment of the Committees. On August 23, 2016 and December 14, 2016, respectively, the Office of the U.S. Trustee appointed the Unsecured Committee and the Investor Committee pursuant to § 1102(a) and (b) of the Bankruptcy Code.

5. Judicial Notice. The Court takes judicial notice of the docket of the Chapter 11 Cases maintained by the Clerk of the Court and/or its duly appointed agent, including, without limitation, all pleadings and other documents filed, all Orders entered, and all evidence and arguments made, proffered, or adduced at the hearings held before the Court during the pendency of the Chapter 11 Cases.

6. Plan Proposed In Good Faith. The Plan Proponents have proposed the Plan in good faith. The documents necessary to implement the Plan have been negotiated in good faith and at arms' length.

7. Adequacy of the Disclosure Statement. The Disclosure Statement contains “adequate information” as such term is defined in § 1125(a)(1) of the Bankruptcy Code, with respect to the Plan Proponents, the Debtors, the Plan, and the transactions contemplated therein, and is approved on a final basis.

8. Resolution of Any Informal Objections. No party in interest has filed an objection to the confirmation of the Plan or to the approval of the Disclosure Statement. As presented at the Confirmation Hearing, the consensual resolution of certain informal objections, including through modifications to the Plan as described below, satisfies all applicable requirements of the Bankruptcy Code and the Bankruptcy Rules and is in the best interests of the Debtors and hereby approved. All objections, informal or otherwise, that were not resolved by agreement at the Confirmation Hearing are hereby overruled.

9. Notice; Solicitation; and Transmittal of Solicitation Materials. On April 28, 2017, the Court entered the Conditional Approval Order, which, among other things, conditionally approved the Disclosure Statement and found that it contained “adequate information” within the meaning of § 1125 of the Bankruptcy Code, and established procedures for the estimation of Claims and the Debtors’ solicitation and tabulation of votes on the Plan. The (a) Conditional Approval Order; (b) Disclosure Statement; (c) Plan; (d) Class 3 and Class 4 ballots for voting on the Plan; (e) the Committees’ solicitation letter; and (f) the non-voting notice (collectively, the “Solicitation Package”), were served in compliance with the Bankruptcy Code, the Bankruptcy Rules, and the Conditional Approval Order (the “Solicitation”).

10. As described in the Conditional Approval Order, and as set forth in the BMC Declaration and the affidavits of mailing of the BMC Group, (i) the service of the Solicitation Packages was adequate and sufficient under the circumstances of these Chapter 11 Cases, and

(ii) adequate and sufficient notice of the Confirmation Hearing and other requirements, deadlines, hearings, and matters described in the Conditional Approval Order was timely provided in compliance with the requirements of the Conditional Approval Order, Bankruptcy Rules, Local Rules, and provided due process to all parties in interest.

11. There was adequate and sufficient notice of: (i) the Plan and the Disclosure Statement; (ii) the deadline to file and serve objections to the confirmation of the Plan and to the adequacy of the Disclosure Statement; (iii) the deadline for voting on the Plan; and (iv) the hearing date on the approval of the Disclosure Statement and confirmation of the Plan. The Debtors have afforded all parties in interest with an adequate opportunity to be heard regarding the Disclosure Statement and the Plan. The Plan and Disclosure Statement were served upon all creditors, all equity security holders and all other parties in interest. No further notice is required.

12. Good Faith Solicitation of Votes. The Plan Proponents and their directors, officers, members, agents, advisors, and professionals have acted in “good faith” within the meaning of § 1125(e) of the Bankruptcy Code in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules with respect to all their respective activities relating to the solicitation of acceptances or rejections of the Plan and their participation in the activities described in § 1125 of the Bankruptcy Code.

13. Voting. Votes on the Plan were solicited after disclosure of “adequate information” as defined in § 1125 of the Bankruptcy Code. As evidenced by the BMC Declaration and the Debtors’ Certificate, votes to accept or reject the Plan have been solicited and tabulated fairly, in good faith, and in a manner consistent with the Conditional Approval Order, the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

14. Plan Modifications. Subsequent to Solicitation, the Plan Proponents have made certain non-material modifications to the Plan (the “Plan Modifications”). Notice regarding the substance of the Plan Modifications and the disclosure of the Plan Modifications on the record at the Confirmation Hearing and contained herein constitutes due and sufficient notice of the Plan Modifications. The Plan, as modified by any Plan Modifications, constitutes the “Plan.”

15. Deemed Acceptance of the Plan as Modified. The modifications to the Plan reflected by the Plan Modifications are either (i) immaterial or do not adversely affect the treatment of any Claim against or Equity Interest in the Debtors under the Plan, or (ii) consensual because the adversely affected parties have consented to the Plan Modifications. All Plan Modifications are consistent with all the provisions of the Bankruptcy Code, including, without limitation, §§ 1122, 1123, 1125 and 1127 and Bankruptcy Rule 3019, and all holders of Claims who voted to accept the Plan and who are conclusively presumed to have accepted the Plan are deemed to have accepted the Plan as modified by the Plan Modifications. No holder of a Claim shall be permitted to change its vote as a consequence of the Plan Modifications. The Plan Modifications neither require additional disclosure under § 1125 of the Bankruptcy Code, nor re-solicitation of votes on the Plan under § 1126 of the Bankruptcy Code.

16. Classification of Claims. In addition to Administrative Expense Claims (including Professional Claims), Priority Tax Claims, and DIP Claims, each of which Claims need not be classified, the Plan Designates five (5) classes of Claims and Equity Interests. The Claims and Equity Interests placed in each Class are substantially similar to other Claims and Equity Interests, as the case may be, in each such Class and, accordingly, the Plan satisfies section 1122(a) of the Bankruptcy Code. Valid business, factual, and legal reasons exist for separately



classifying the various Classes of Claims and Equity Interests created under the Plan, and such classification does not unfairly discriminate between Claims and Equity Interests.

17. Implementation of the Plan. The Plan and the various documents and agreements referred to therein or set forth in the Disclosure Statement, and the Exhibits to the Plan and Disclosure Statement, provide adequate and proper means for the Plan's implementation, including, without limitation:

- (a) The compromise and settlement of Claims and Equity Interests and the compromise of certain controversies, including, without limitations, certain controversies as to the legal and beneficial ownership of the Policies;
- (b) The continuation of the Reorganized Debtors' ownership of the Reorganized Debtor Assets and authorization to implement any necessary restructuring transactions in connection therewith;
- (c) The creation and implementation of the Investment Trust consistent with the Investment Trust Agreement; and
- (d) The appointment of the Investment Trustee.

18. Effect of Plan Documents. All documents necessary to implement the Plan, including all other relevant and necessary documents have been negotiated in good faith and at arms-length and shall, upon completion of documentation and execution, be valid, binding, and enforceable agreements and not be in conflict with any federal or state law.

19. Assumption and Rejection. The Debtors and the Plan Proponents have exercised reasonable business judgment in determining whether to assume or reject executory contracts and unexpired leases pursuant to Article XII of the Plan. Moreover, the Debtors have appropriately cured, or provided adequate assurance that the Debtors or their successors and

assigns, as applicable, will cure, defaults (if any) under or relating to each of the executory contracts and unexpired leases that are being assumed by the Debtors pursuant to the Plan. All cure amounts will be determined in accordance with the underlying agreements and applicable bankruptcy and non-bankruptcy law.

20. Directors and Officers. The identity and affiliations of the persons proposed to serve as the initial directors and officers of the Reorganized Debtors after confirmation of the Plan have been fully disclosed to the extent such information is available, and the appointment to, or continuance in, such offices of such persons is consistent with the interests of holders of Claims against and Equity Interests in the Reorganized Debtors and with public policy. The identity of the Investment Trustee has been fully disclosed in the Plan.

21. Best Interest Test. Each holder of an impaired Claim or Equity Interest has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Equity Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

22. Classes Voting to Accept the Plan. Holders of Claims in Class 3 (General Unsecured Claims) and Class 4 (Landau Investor Claims) have voted to accept the Plan by the requisite majorities, determined without including any acceptance of the Plan by any insider.

23. Feasibility. The record of the Confirmation Hearing establishes that the Plan is feasible, that there is a reasonable prospect that the Reorganized Debtors or the Investment Trust, as the case may be, will meet their respective financial obligations under the Plan, and that confirmation of the Plan is unlikely to be followed by the liquidation or the need for further reorganization of the Debtors.

24. No Individual Debtors. Each of the Debtors is a business or commercial corporation or trust, and is not an individual.

25. No Purpose to Avoid Taxes or Securities Laws. The Plan does not have the principal purpose of avoiding taxes or avoiding the application of § 5 of the Securities Act of 1933.

26. No Small Business Cases. None of these Chapter 11 Cases is a “small business case” as that term is defined in the Bankruptcy Code.

27. Exit Financing. The Debtors have established that the Exit Facility is the best financing alternative available to the Debtors. The Exit Facility has been negotiated in good faith and on an arms’ length basis and each party thereto may rely upon the provisions of this Order in closing the Exit Facility. The availability of the Exit Facility is necessary to the consummation of the Plan and the operation of the Investment Trust established thereunder, and constitutes reasonably equivalent value and fair consideration. The terms and conditions of the Exit Facility and the Exit Facility Documents, as consistent with the Exit Facility Term Sheet and as described to the Court at the Confirmation Hearing, reflect the Debtors’ exercise of prudent business judgment consistent with their fiduciary duties, are supported by reasonably equivalent value and fair consideration and are in the best interest of the Debtors’ Estates and their creditors. . The execution, delivery, or performance by the Debtors, or the Investment Trustee, as the case may be, of any documents in connection with the Exit Facility, will not conflict with the Plan.

### **CONCLUSIONS OF LAW**

28. Burden of Proof. The Plan Proponents have met their burden of proving the elements of §§ 1125 and 1129(a) and (b) of the Bankruptcy Code by a preponderance of the evidence.

29. Bankruptcy Rule 3016(a). In accordance with Bankruptcy Rule 3016(a), the Plan is dated and identifies the Plan Proponents as the proponents of the Plan.

30. Plan Compliance with the Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code, thereby satisfying § 1129(a)(1) of the Bankruptcy Code. More particularly:

(a) Proper Classification (11 U.S.C. §§ 1122 and 1123(a)(1)). In addition to Administrative Claims (including Professional Claims), DIP Claims, and Priority Tax Claims, which need not be classified, Article IV of the Plan designates the following four (4) classes of Claims and one class of Equity Interests: Class 1 (Priority Claims); Class 2 (Secured Claims), Class 3 (General Unsecured Claims), Class 4 (Landau Investor Claims); and Class 5 (Equity Interests). Each of the Claims or Equity Interests, as the case may be, in each particular Class is substantially similar to the other Claims or Equity Interests within such Class. Valid business, legal and factual reasons exist for separately classifying the various Claims and Equity Interests pursuant to the Plan, and such Classes do not unfairly discriminate between holders of Claims and Equity Interests. The Plan therefore satisfies §§ 1122 and 1123(a)(1) of the Bankruptcy Code.

(b) Specified Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Article IV of the Plan specifies that holders of Claims in Class 1 (Priority Claims) and Class 2 (Secured Claims) and the holders of Equity Interests in Class 5 are unimpaired under the Plan, thereby complying with § 1123(a)(2) of the Bankruptcy Code. The Plan therefore satisfies § 1123(a)(2) of the Bankruptcy Code.

- (c) Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Article IV of the Plan designates holders of Claims in Class 3 (General Unsecured Claims) and Class 4 (Landau Investor Claims) as impaired, and Article V of the Plan specifies the treatment of Claims in such Classes, thereby complying with § 1123(a)(3) of the Bankruptcy Code. The Plan therefore satisfies § 1123(a)(3) of the Bankruptcy Code.
- (d) No Discrimination (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment for each Claim or Equity Interest in each respective Class unless the holder of a particular Claim or Equity Interest has agreed to a less favorable treatment on account of such Claim or Equity Interest, thereby satisfying § 1123(a)(4) of the Bankruptcy Code. The Plan therefore satisfies § 1123(a)(4) of the Bankruptcy Code.
- (e) Implementation of the Plan (11 U.S.C. § 1123(a)(5)). The Plan provides adequate and proper means for the implementation of the Plan as required by § 1123(a)(5) of the Bankruptcy Code. The Plan therefore satisfies § 1123(a)(5) of the Bankruptcy Code.
- (f) Non-Voting Equity Securities/Allocation of Voting Power (11 U.S.C. § 1123(a)(6)). Article V.13. of the Plan governing the amendment of the Debtors' or the Reorganized Debtors', as the case may be, governance documents complies with § 11(a)(6).
- (g) Selection of Officers, Directors, or Trustees – 11 U.S.C. § 1123(a)(7). The identity and affiliation of any individuals proposed to serve, after confirmation of the Plan, have been disclosed. Namely, the Investment Trustee—Margaret

Smith—has been disclosed in the Plan and the Investment Trust Agreement which was incorporated into the Plan has been served on all interested parties during solicitation. Accordingly, the selection of the Investment Trustee is consistent with the interests of creditors, equity security holders, and public policy. As such, the Plan satisfies § 1123(a)(7) of the Bankruptcy Code.

- (h) Assumption and Rejection of Executory Contracts and Unexpired Leases – 11 U.S.C. § 1123(b)(2). Article XII of the Plan governing the assumption and rejection of executory contracts and unexpired leases satisfies the requirements of § 365(b) of the Bankruptcy Code and, accordingly, the requirements of § 1123(b)(2) of the Bankruptcy Code.
- (i) Modification of Rights – 11 U.S.C. § 1123(b)(5). In accordance and in compliance with § 1123(b)(5) of the Bankruptcy Code, the Plan properly modifies the rights of holders of Claims in Class 3 (General Unsecured Claims) and Class 4 (Landau Investor Claims). The Plan also leaves unaffected the rights of holders of Claims in Class 1 (Priority Claims), Class 2 (Secured Claims), and Class 5 (Equity Interests).
- (j) Additional Plan Provisions – 11 U.S.C. § 1123(b)(6). The provisions of the Plan are appropriate and not inconsistent with the applicable provisions of the Bankruptcy Code, thereby satisfying § 1123(b) of the Bankruptcy Code.
- (k) Debtors Are Not Individuals – 11 U.S.C. § 1123(c). Section 1123(c) of the Bankruptcy Code is inapplicable to these Chapter 11 Cases.

31. Impairment/Unimpairment of Classes of Claims and Equity Interests (11 U.S.C. § 1123(b)(1)). As contemplated by § 1123(b)(1) of the Bankruptcy Code, Classes 3 and 4 of the

Plan are impaired by the Plan, and Classes 1, 2, and 5 are unimpaired. Accordingly, the Plan satisfies § 1123(b)(1) of the Bankruptcy Code.

32. Compliance with the Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Plan Proponents have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, including having complied with § 1125 of the Bankruptcy Code with respect to the Disclosure Statement and the Plan.

33. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors and the Committees are the proponents of the Plan. The Plan Proponents have proposed the Plan (including all documents necessary to effectuate the Plan) in good faith and not by any means forbidden by law, thereby complying with § 1129(a)(3) of the Bankruptcy Code. The Plan Proponents' good faith is evident from the record of these Chapter 11 Cases, including the Declarations and the record of the hearing to approve conditionally the Disclosure Statement, the entry of the Conditional Approval Order, the record of the Confirmation Hearing, and other proceedings held in these Chapter 11 Cases. The Plan and the resolution of controversies therein are based upon extensive, arms-length and good faith negotiations between and among the Debtors, the Committees, Creditors and parties-in-interest, and represent the culmination of months of intensive negotiations and discussions among all parties-in-interest and are each necessary to the Estates' successful chapter 11 reorganization process.

34. The Plan was proposed with the legitimate and honest purpose of maximizing the value of the Debtors' estates and creating a successful distribution framework through the Investment Trust. The Plan accomplishes maximization of the Debtors' Estates and equitable distribution of the Debtors' assets by providing the means through which the Debtors may effectuate distributions to the Creditors. The impaired classes of Claims entitled to vote to accept

or reject the Plan (Class 3 and Class 4) have voted overwhelmingly to accept the Plan and all of the Debtors' significant creditors support the Plan. The U.S. Trustee has consented to the Plan on the terms set forth therein and in the Plan Modifications. Further, the indemnification, exculpation and injunction provisions of the Plan have been negotiated in good faith and at arms-length with, among other persons, representatives of the Debtors, parties in interest, and their respective advisors, and are consistent with §§ 105, 1122, 1123(b)(3)(A), 1123(b)(6), 1129, and 1142 of the Bankruptcy Code, and are each necessary to the Debtors' successful liquidation in chapter 11. Accordingly, the Plan and the related documents have been filed in good faith and the Plan Proponents have satisfied their obligations under § 1129(a)(3) of the Bankruptcy Code.

35. Payment for Services or Cost and Expenses (11 U.S.C. § 1129(a)(4)). Any payment made or to be made by the Debtors for services or for costs and expenses incurred prior to the Effective Date in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable, thereby satisfying § 1129(a)(4) of the Bankruptcy Code.

36. Directors, Officers, and Insiders (11 U.S.C. § 1129(a)(5)). The Plan Proponents have complied with § 1129(a)(5) of the Bankruptcy Code. The identity and affiliation of any individuals proposed to serve, after confirmation of the Plan have been disclosed, as the name of the Investment Trustee has been disclosed in the Plan and in the Investment Trust incorporated into the Plan. As such, the Plan satisfies § 1129(a)(5) of the Bankruptcy Code.

37. No Rate Changes (11 U.S.C. § 1129(a)(6)). No governmental regulatory commission has jurisdiction, after confirmation of the Plan, over the rates of the Debtors. Thus, § 1129(a)(6) of the Bankruptcy Code is not applicable in these Chapter 11 Cases.



38. Best Interests of Creditors (11 U.S.C. § 1129(a)(7)). As demonstrated by the Declarations, the best interests test is satisfied as to each holder of a Claim in an unimpaired Class of Claims, which includes Class 1 (Priority Claims), Class 2 (Secured Claims), and Class 5 (Equity Interests) as the creditors and/or holders of equity interests in the Debtors are unimpaired and, therefore, such creditors are deemed to have accepted the Plan. As further demonstrated by the Declarations, and the Liquidation Analysis attached to the Disclosure Statement as Exhibit 4, the best interests test is also satisfied as to each holder of a claim in Class 3 (General Unsecured Claims) and in Class 4 (Landau Investor Claims) because each holder in such Class has either, voted to accept the Plan, or will receive at least as much as it would receive in a liquidation under chapter 7. Further, as set forth in the Liquidation Analysis attached to the Disclosure Statement as Exhibit 4, a liquidation of Debtors under chapter 7 of the Bankruptcy Code would not yield a greater recovery for any holders of Claims against Debtors, nor for any Equity Interest. As such § 1129(a)(7) of the Bankruptcy Code has been satisfied.

39. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)). Class 1 (Priority Claims), Class 2 (Secured Claims), and Class 5 (Equity Interests) are unimpaired under the Plan and are, therefore, conclusively deemed to have accepted the Plan pursuant to § 1126(f) of the Bankruptcy Code. Class 3 (General Unsecured Claims) and Class 4 (Landau Investor Claims), which are the impaired Classes of Claims eligible to vote, have affirmatively voted almost universally to accept the Plan in accordance with § 1126(c) and (d) of the Bankruptcy Code. As such, § 1129(a)(8) is satisfied with respect to these Classes of Claims.

40. Treatment of Administrative Expense Claims and Priority Tax Claims (11 U.S.C. § 1129(a)(9)). The treatment of Administrative Claims and Priority Tax Claims pursuant to

Article III of the Plan satisfies the requirements of §§ 1129(a)(9)(A), (B), (C) and (D) of the Bankruptcy Code.

41. Acceptance by Impaired Classes (11 U.S.C. § 1129(a)(10)). Class 3 and Class 4, which are impaired under the Plan, have voted to accept the Plan by the requisite majorities, determined without including any acceptance of the Plan by any insider, thereby satisfying the requirements of § 1129(a)(10) of the Bankruptcy Code.

42. Feasibility (11 U.S.C. § 1129 (a)(11)). The information in the Disclosure Statement and the evidence proffered or adduced at the Confirmation Hearing, in the Murphy Declaration, and in the Barbee Declaration (i) is persuasive and credible; (ii) has not been controverted by other evidence; and (iii) establishes that the Plan is feasible, there is a reasonable likelihood that the Debtors or Investment Trust, as the case may be, will meet their financial obligations under, and that confirmation of the Plan is unlikely to be followed by any additional liquidation or need for further financial reorganization of the Debtors in light of the establishment and creation of the Investment Trust. Therefore, the requirements of § 1129(a)(11) of the Bankruptcy Code are satisfied.

43. Payment of Fees (11 U.S.C. § 1129(a)(12)). As required pursuant to Article III.4. of the Plan, all fees payable under § 1930 of title 28 of the United States Code have been or will be paid on or after the Effective Date, thereby satisfying the requirements of § 1129(a)(12) of the Bankruptcy Code. The statutory fees paid by each Debtor to the U.S. Trustee and any fees paid by any Debtor to the Clerk of the Bankruptcy Court from the Petition Date through the Effective Date shall not be affected by the procedural substantive consolidation under the Plan.

44. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). The Debtors have no obligations with respect to retiree benefits. Accordingly, § 1129(a)(13) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

45. Domestic Support Obligations (11 U.S.C. § 1129(a)(14)). The Debtors are not required by a judicial or administrative order, or by statute, to pay a domestic support obligation. Accordingly, § 1129(a)(14) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

46. Debtors Are Not Individuals (11 U.S.C. § 1129(a)(15)). The Debtors are not individuals, and accordingly, § 1129(a)(15) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

47. No Applicable Non-bankruptcy Law Regarding Transfers (11 U.S.C. § 1129(a)(16)). The Debtors are moneyed, business, or commercial corporations, and/or partnerships, as the case may be, and, accordingly, § 1129(a)(16) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

48. No Unfair Discrimination; Fair and Equitable (11 U.S.C. § 1129(b)). Each of the Classes impaired under the Plan have voted to accept the Plan. The Plan does not discriminate unfairly and is fair and equitable with respect to each Class of Claims that is impaired under the Plan.

49. Only One Plan (11 U.S.C. § 1129(c)). The Plan is the only plan filed in these cases, and accordingly, § 1129(c) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

50. Principal Purpose of the Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of § 5 of the Securities Act of 1933, thereby satisfying the requirements of § 1129(d) of the Bankruptcy Code.

51. Small Business Case (11 U.S.C. § 1129(e)). None of the Chapter 11 Cases are “small business case[s],” as that term is defined in the Bankruptcy Code, and, accordingly, § 1129(e) of the Bankruptcy Code is inapplicable.

52. Good-Faith Solicitation (11 U.S.C. § 1125(e)). Based on the record before the Court in these Chapter 11 Cases, the BMC Declaration, and the Ballot Report, the Plan Proponents have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including without limitation, §§ 1125(a) and (e) of the Bankruptcy Code, and any applicable non-bankruptcy law, rule or regulation governing the adequacy of disclosure in connection with such solicitation.

53. Satisfaction of Confirmation Requirements. Based upon the foregoing the Plan satisfies the requirements for confirmation set forth in § 1129 of the Bankruptcy Code.

54. Good Faith of the Plan Proponents. The Plan Proponents, and all of their respective current directors, managers, officers, members, equity holders, employees, agents, financial advisors, partners, attorneys, other professional advisors and representatives (i) have acted in good faith in negotiating, formulating, and proposing the Plan and agreements, compromises, settlements, transactions and transfers contemplated thereby, and (ii) will be acting in good faith in proceeding to (a) consummate the Plan and the agreements, compromises, settlements, transactions, and transfers contemplated thereby and (b) take the actions authorized and directed or contemplated by this Order.

55. Transfers by Debtors. All transfers of property and assets of the Debtors’ estates to the Investment Trust, shall be free and clear of all claims, liens, encumbrances charges, and other interests, except as otherwise provided in the Plan or this Order, other than the liens and rights held by ASM.

56. Exit Financing.

- (a) On the Effective Date of the Plan, subject to the satisfaction and/or waiver of all conditions precedent to effectiveness herein and in the Exit Facility Documents, the Allowed DIP Claims shall be assumed and restated by the Exit Facility. Unless otherwise provided in the Exit Facility Documents, all Liens and security interests shall be secured by a first lien on the Investment Trust assets granted to secure the DIP Facility and shall remain in full force and effect after the Effective Date.
- (b) On the Effective Date, in accordance with, and subject to, the terms and conditions of the Exit Facility Documents, the Investment Trust will enter into the Exit Facility without the need for any further corporate action and without further action by the Holders of Claims or Equity Interests. Consistent with Article 3.5 of the Plan, DIP Facility will be assumed, extended and restated with the proceeds of the Exit Facility, with terms and conditions to be negotiated that will be acceptable to the Plan Proponents and the Investment Trust. The proceeds issued or deemed issued under the Exit Facility shall be used to (i) fund Distributions under the Plan, (ii) pay the Professional Claims and the Post Confirmation Administrative Claims in full in accordance with Article III of the Plan, (iii) fund other Distributions, costs, and expenses contemplated by the Plan, and (iv) fund general working capital and for general corporate purposes of the Investment Trust, subject to the terms of the Exit Facility Documents.
- (c) On the Effective Date, the Exit Facility Documents shall be executed and delivered substantially on the terms and conditions set forth in the Exit Facility

Term Sheet, with such modifications to which the Debtors, the Committees, and the Investment Trust may agree. All Liens and security interests granted pursuant to the Exit Facility Documents shall be (i) valid, binding, perfected, and enforceable first priority Liens and security interests in the personal and real property described in the Exit Facility Documents non- bankruptcy law and (ii) not subject to avoidance, re-characterization, reclassification, or subordination under any applicable law. The Investment Trust and the Exit Lender are authorized to make all filings and recordings, and to obtain all approvals and consents necessary to establish, attach and perfect such Liens and security interests under any applicable law, 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 interest to third parties, including the execution of collateral assignments reflecting the Liens on each Policy.

- (d) Investment Trustee shall be authorized to execute, deliver, and enter into and perform under the Exit Facility Documents without the need for any further corporate or limited liability company action and without further action by the Holders of Claims or Equity Interests.

57. Vesting of Assets. Upon the Effective Date of the Plan, pursuant to § 1141(b) and (c) of the Bankruptcy Code, all Investment Trust Assets shall vest in the Investment Trust free and clear of all claims liens, encumbrances and charges and other interest except the liens and security interest granted to secure DIP Facility, and Reorganized Debtor Assets shall vest in the Reorganized Debtors, free and clear of all claims, liens, encumbrances, charges, and other interests, except as provided in the Plan or the Confirmation Order. For the avoidance of doubt,

the Investment Trust Assets include all domain names and websites currently owned or licensed by the Debtors, which shall vest in the Investment Trust on the Effective Date. From and after the Effective Date, the Reorganized Debtors may operate the Debtors' business and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending case under any chapter or provision of the Bankruptcy Code. Except as otherwise provided in the Plan, on the Effective Date, title to all assets and properties and interests in property dealt with by the Plan shall vest in the Investment Trust or the Reorganized Debtors, as provided in the Plan, free and clear of all Claims, Equity Interests, Liens, encumbrances, charges, and other interests, except for the liens and security interest granted to secure the DIP Facility which shall be assigned, extended and restated by the Exit Facility Documents, and the Confirmation Order shall be a judicial determination of discharge of the liabilities of the Debtors arising prior to the Effective Date, except as may be otherwise provided in the Plan.

58. Injunction and Exculpation. The Court has jurisdiction under §§ 1334(a) and (b) of title 28 of the United States Code to approve the injunction and exculpation set forth in Article XV of the Plan (as modified by the Plan Modifications), because, *inter alia*, these provisions are an integral part of the Debtors' Plan. Moreover, the approval of the injunctions and exculpations set forth in Article XV of the Plan are core matters under 28 U.S.C. § 157 because, *inter alia*, these provisions arise in the context of confirmation of the Plan and are integral parts of the Plan. The injunction and exculpation clauses of Article XV do not relieve any party of, among other things, liability for an act or omission to the extent such act or omission is determined by a final order by a court of competent jurisdiction to have constituted willful misconduct or gross negligence or the other exceptions set forth therein. Based upon the record of these Chapter 11

Cases and the evidence proffered or adduced in support of confirmation of the Plan, the Court finds that the injunction and exculpation set forth in Article XV of the Plan (as modified by the Plan Modifications) are consistent with the Bankruptcy Code and applicable law. Pursuant to § 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019(a), the exculpations and injunctions set forth in Article XV of the Plan and implemented by this Order are fair, equitable, reasonable, and in the best interests of the Debtors and their estates, creditors and equity holders. The failure to include such provisions would seriously impair the Debtors' ability to confirm a consensual Plan in these Chapter 11 Cases. Accordingly, the Court finds that the exculpations and injunctions set forth in Article XV of the Plan are consistent with the Bankruptcy Code and applicable law.

59. Preservation of Causes of Action. It is in the best interests of the Debtors and their creditors and holders of Equity Interests that the Debtors preserve the Causes of Action as set forth in Articles VIII.12. of the Plan.

60. Ownership of the Policies Upon the Effective Date. Upon the Effective Date, all legal and beneficial ownership of the Policies shall be transferred to and owned by the Investment Trust as Investment Trust Assets.

61. Investment Trust is Not a Successor to the Debtors. Except with respect to the payment of Claims expressly provided for in the Plan and the rights provided to the Investment Trust (or Investment Trustee) in the Plan, including, but not limited to, the Causes of Action, the Investment Trust shall not be the successor to the Debtors and their Estates. Except with respect to the rights of the Investment Trust expressly provided for in the Plan (including, but not limited to, the investigation and pursuit of the Causes of Action as a representative of the Estates under Section 1123(b)(3)(B) of the Bankruptcy Code), the Investment Trust and this Order, (i) the



Investment Trust shall not assume, incur or be responsible for any claims or liabilities of the Debtors or any of their affiliates except for the DIP Facility and Exit Facility, and (ii) the Investment Trust shall not be successors or successors in interest of the Debtors nor incur any successor or transferee liability of any kind, nature or character, including, without limitation, in relation to, except for the DIP Facility and Exit Facility, (a) any and all liabilities arising or resulting from or relating to the transactions contemplated by the Plan, (b) any and all Claims, Liens, liabilities, encumbrances, charges and other interests arising from or relating to any conduct, liabilities, or obligations of the Debtors, and (c) any and all Claims, Liens, liabilities, encumbrances, charges and other interests and any and all right, title, and interests related thereto, of governmental entities relating to any tax or similar liabilities.

**ACCORDINGLY, IT IS HEREBY ORDERED:**

62. Adequate Information and Approval of the Disclosure Statement. The Disclosure Statement (i) contains “adequate information” (as such term is defined in § 1125(a)(1)) with respect to the Debtors, the Plan Proponents, the Plan and the transactions contemplated therein, and (ii) is approved.

63. Plan Modifications. The Plan Modifications comply with the provisions of § 1127 of the Bankruptcy Code and as such are approved.

64. Confirmation. All requirements for confirmation of the Plan have been satisfied. Accordingly, the Plan in its entirety (as modified by the Plan Modifications) is **CONFIRMED** pursuant to § 1129 of the Bankruptcy Code. The Plan and all exhibits thereto, each as may be modified, are incorporated by reference into, and are an integral part of, this Order.

65. Objections. All objections to confirmation of the Plan or approval of the Disclosure Statement that have not been withdrawn, waived, or settled, and all reservations of

rights pertaining to confirmation of the Plan or approval of the Disclosure Statement included therein, are overruled on the merits for the reasons stated on the record of the Confirmation Hearing.

66. Findings of Fact and Conclusions of Law. The findings of fact and the conclusions of law stated in this Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to the proceeding by Bankruptcy Rule 9014. To the extent any finding of fact shall be determined to be a conclusion of law, it shall be so deemed, and to the extent any conclusion of law shall be determined to be a finding of fact, it shall be so deemed.

67. Plan Documents. The Plan, and any amendments, modifications, and supplements thereto, and any other documents and agreements provided by the Debtors or Plan Proponents in support of confirmation of the Plan (including all exhibits and attachments thereto and documents referred to therein) (collectively, the “Plan Documents”), and the execution, delivery, and performance thereof by the Debtors, Plan Proponents or Investment Trustee, as the case may be, are authorized and approved when they are finalized, executed and delivered, and are integral to, part of and are incorporated by reference into the Plan. Without further order or authorization from the Court, the Investment Trustee is authorized and empowered to execute any document necessary to effectuate the terms of the Plan and this Order, including, but limited to, any document relating to the Exit Facility or Exit Facility Documents, the Servicing Agreement, and the Investment Trust Agreement and any documents relating thereto. Without further order or authorization of the Court, the Investment Trustee is authorized and empowered to make all modifications to all Plan Documents that are consistent with the Plan. Execution versions of the documents comprising the Plan Documents shall constitute legal, valid, binding, and with respect

to authorized obligations, shall create, as of the Effective Date, all liens and security interests purported to be created thereby.

68. Solicitation and Notice. Notice of the Confirmation Hearing complied with the terms of the Conditional Approval Order, was appropriate and satisfactory based on the circumstances of these Chapter 11 Cases, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. The solicitation of votes on the Plan and the Solicitation Packages complied with the solicitation procedures in the Conditional Approval Order, was appropriate and satisfactory based upon the circumstances of these Chapter 11 Cases, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. Notice of the Plan, and all related documents, was appropriate and satisfactory based upon the circumstances of these Chapter 11 Cases, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

69. Omission of Reference to Particular Plan Provisions. The failure to specifically describe or include any particular provision of the Plan in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Plan be approved and confirmed in its entirety.

70. Plan Classification Controlling. The classifications 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 classification set forth on the Ballots tendered or returned by the Debtors' creditors in connection with voting on the Plan were set forth on the Ballots solely for purposes of voting to accept or reject the Plan.

71. Binding Effect. Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, upon entry of this Confirmation Order and subject to the occurrence of the

Effective Date, the provisions of the Plan shall bind (i) any holder of a Claim against or Equity Interest in the Debtors and their respective successors and assigns, whether or not such Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan, (ii) any and all non-debtor parties to assumed executory contracts and unexpired leases with the Debtors, (iii) those parties who provided objections (whether formal, informal, or otherwise) to the Plan, (iv) every other party in interest in these Chapter 11 Cases, and (v) all parties receiving property under the Plan, and their respective heirs, executors, administrators, successors, or assigns.

72. Investment Trust Agreement; Ratification of the Investment Trustee and the Investment Trust Board. The Investment Trust Agreement is hereby approved in all respects. The Investment Trustee is hereby directed to execute the Investment Trust Agreement. The selection of Margaret J. Smith of GlassRatner Advisory & Capital Group is hereby approved and ratified. The selected members of the Investment Trust Board are hereby approved and ratified. Upon the Effective Date, the Investment Trust Assets of each Debtor shall vest in, and be transferred to the Investment Trust, under the control of the Investment Trustee who shall be appointed as and be deemed a representative of the Estate pursuant to and in accordance with the terms of the Plan and Section 1123(b)(3)(B) of the Bankruptcy Code. The Investment Trustee shall act in a fiduciary capacity for the Investment Trust and its beneficiaries under the Plan and shall have only those rights, powers and duties conferred to her by the Plan, as well as the rights and powers of a trustee under Sections 542 through 552 of the Bankruptcy Code and the duties of a trustee under Sections 704(a)(1), (2), (7) and (9) of the Bankruptcy Code. The Investment Trustee shall maintain a Collected Cash Account for the Trust in accordance with the terms of the Plan. In addition, the Investment Trustee shall be authorized to retain Post-Confirmation Professionals in

the exercise of her business judgment to represent the Investment Trustee and the Trust in performing and implementing the Plan and the Trustee's duties under the Plan, including to pursue Litigation Claims and in respect of any issue, proceeding, claim or cause of action, provided however, that the Trustee shall not retain any professionals without first obtaining Bankruptcy Court approval after notice and a hearing. The Trustee shall file quarterly operating reports with the Bankruptcy Court that provide a full accounting of all receipts, disbursements, and other inflows and outflows of funds into the Investment Trust and the Collected Cash Accounts. The Investment Trustee shall post a bond in favor of the Investment Trust in an amount of to be determined in consultation with the Investment Trust Board from time to time. The cost of the bond is payable from the Investment Trust Assets. The Investment Trustee may resign at any time, after the filing of an applicable motion with the Bankruptcy Court which shall also request the appointment of a successor or replacement Investment Trustee. The Investment Trustee shall be compensated as provided in the Investment Trust Agreement. Such compensation shall constitute a Post-Confirmation Administrative Claim and shall be paid from Cash, subject to the oversight of the Investment Trust Board. Absent objection from the Investment Trust Board to the Post-Confirmation Administrative Claims, the Investment Trustee and the Post-Confirmation Professionals shall be paid 90% of their fees and 100% of their costs monthly, but shall file fee applications no less frequently than every 180 days seeking approval of fees and expenses to be awarded by the Bankruptcy Court, including approval of the amounts paid monthly.

73. Post-Confirmation Disbursements by Debtors or Reorganized Debtors.

Notwithstanding paragraph 71, the Investment Trustee is authorized to leave the following sums with the Debtors to be paid Post-Confirmation by the Reorganized Debtors :

- (a) The sum of \$141,064.84 in premiums received by the Debtors post-petition, all of which shall be promptly refunded to the Investors who paid them;
- (b) The sum of \$29,160, which shall be utilized to pay employee leasing and payroll expenses through June 30, 2017;
- (c) The sum of \$15,640 shall be utilized to pay for Premium Optimization services at the request of the Investment Trustee;
- (d) The sum of \$40,365 shall be utilized to pay final Debtor expenses;
- (e) All sums necessary to satisfy any obligations to the Office of the United States Trustee, as set forth in paragraph 94 below; and
- (f) Any sums remaining after payment of the foregoing obligations shall be promptly remitted to the Investment Trust.

74. Distribution on Class 4 Claims. The Investment Trustee is authorized, without further order of this Court, to make Distributions to Holders of Allowed Class 4 Claims pursuant to the Plan. Any Landau Investor who has not filed a Claim or who does not otherwise have an Allowed Class 4 Claim will not receive any Distributions from the Investment Trust under the Plan. As stated on the record at the Confirmation Hearing, Distributions to holders of Allowed Class 4 Claims will not be reduced or offset by Pre-Petition Default Amounts; *provided, however*, that nothing in this Order shall impair the Investment Trustee's right to set off any Pre-Petition Default Amounts against any Distribution to holders of Allowed Class 3 Claims.

75. Surrender and Cancellation of Notes. Pursuant to Article VII.9. of the Plan, on the Effective Date, all investment contracts, notes, instruments, certificates, and other documents evidencing Claims will be cancelled and the obligations of the Debtors discharged in accordance

with § 1141(d)(1) of the Bankruptcy Code, except for the DIP Facility which shall be assumed, extended and restated by the Exit Facility Documents.

76. Substantive Consolidation for Voting and Distributional Purposes Only. Entry of this Order shall constitute the approval, pursuant to § 105(a) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of the Debtors solely for the purposes of classification of Claims, voting on the Plan, confirmation of the Plan, and making Distributions under the Plan with respect to Allowed Claims against the Debtors as provided in Articles IV and VII of the Plan.

77. The Causes of Action. On the Effective Date, the Debtors shall be deemed to have automatically transferred to the Investment Trust all of their right, title, and interest in and to all of the Causes of Action, and in accordance with § 1141 of the Bankruptcy Code, all such Causes of Action should automatically vest in the Investment Trust free and clear of all Claims, Liens, liabilities, encumbrances, charges and other interests subject only to the distributions to be made on Allowed Claims of the holders of Allowed Class 3 Claims as set forth in the Plan. In connection with the vesting and transfer of the Causes of Action, including rights and causes of action, any attorney-client, work-product protection or other privilege or immunity attaching to any documents or communications (whether written or oral) transferred to the Investment Trust shall vest in the Investment Trust. The Debtors and Plan Proponents are authorized to take all necessary actions to effectuate the transfer of such privileges, protections and immunities.

78. Pending Adversary Proceedings. Adversary proceeding styled *A New Vision in Education Services v. Mosaic Management Group, Inc.* and pending as Case No. 16-01594-EPK is hereby dismissed with prejudice. Mosaic Investment Trust is substituted in as party plaintiff in

the Adversary proceeding styled *Mosaic Management Group, Inc., et.al. v. 1700 Associates Group, LLC, Mosaic Settlement Group, Inc.* and pending as Case No. 16-01461-EPK.

79. Distributions. All Distributions under the Plan shall be made in accordance with the Plan and such other methods of distribution that are approved by this Court.

80. Disputed Claims. The provisions of Article XIII of the Plan, including, without limitation, the provisions governing procedures for resolving Disputed Claims, are found to be fair and reasonable and are approved.

81. Treatment is in Full Satisfaction. All Distributions under the Plan shall be made in accordance with the Plan. The treatment set forth in the Plan is in full satisfaction of the legal, contractual and equitable rights (including any liens) that each entity holding a Claim or Equity Interest may have in or against the Debtors, the Estates, or their respective property. This treatment supersedes and replaces any agreements or rights those entities may have in or against the Debtors, the Estates, or their respective property.

82. Approval of Rejection of Executory Contracts and Unexpired Leases (11 U.S.C. § 1123(b)(2)). Pursuant to Article XII of the Plan, and except as provided in Article XII.3. of the Plan, all executory contracts, including every Investment Contract, and unexpired leases to which any Debtor is a party shall be deemed rejected in accordance with the provisions and requirements of §§ 365 and 1123(b)(2) of the Bankruptcy Code as of the Effective Date, unless any such executory contract or unexpired lease: (i) has been previously assumed pursuant to a Final Order of the Bankruptcy Court; or (ii) is the subject of a motion to assume or reject that is pending as of Confirmation. This Order shall constitute an order of the Bankruptcy Court approving such rejections pursuant to §§ 365 and 1123(b)(2) of the Bankruptcy Code as of the



Effective Date. Any and all rejection damage claims shall be calculated in accordance with Article XII.2. of the Plan and this Court's Order dated April 28, 2017, ECF No. 508.

83. Waiver of Claims Based on Rejection of Executory Contracts. **In full and final satisfaction, settlement, release, and discharge of, and in exchange for, treatment as a Class 3 Allowed Claim and/or a Class 4 Allowed Claim, each Holder of a Class 3 Allowed Claim and/or Class 4 Allowed Claim (whether or not such Holder votes on the Plan), upon Confirmation of the Plan, shall be deemed to fully, completely, unconditionally, irrevocably, and forever release the Debtors, the Estates, the Reorganized Debtors, and the Investment Trust of and from any Claim, Causes of Action, debts, obligations, rights, suits, damages, actions, remedies, and liabilities whatsoever, whether known or unknown, resulting from or relating to the rejection of any executory contract, including any Investment Contract, pursuant to the terms of the Plan.**

84. Assumption and Assignment of the Policies. Notwithstanding anything in the Plan or this Order to this contrary, unless specifically rejected by separate motion of the Debtors and approved by order of the Bankruptcy Court, all of the Policies, insurance policies, and any agreements, documents or instruments relating thereto (exclusive of Investment Contracts, which will be rejected pursuant to Article X.1.), are treated as executory contracts under the Plan and will be assumed by the Debtors and assigned to the Investment Trust, effective as of Effective Date. Non-debtor Mosaic Settlement Group ("MSG") shall assign to the Investment Trust as of the Effective Date the following policies purchased Pre-Petition on behalf of the Debtors: (a) ReliaStar Life Insurance Co. Life Insurance Policy on Susan Ruth #SC2490740X, and (b) Genworth Life and Annuity Insurance Company Life Insurance Policy on Dennis Wiedeman #2986095.

85. Discharge of Claims. The rights afforded in the Plan and the payments and Distributions to be made thereunder shall discharge all existing debts and Claims, of any kind, nature, or description whatsoever against or in the Debtors or any of their assets or properties to the fullest extent permitted by § 1141 of the Bankruptcy Code. Except as provided herein and in the Plan, upon the Effective Date, all existing Claims against the Debtors shall be discharged and terminated, and all Holders of Claims and Equity Interests shall be precluded and enjoined from asserting against the Reorganized Debtors or the Investment Trust, their respective successors or assignees, or any of their respective assets or properties, any other or further Claim or Equity Interest based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such Holder has filed a proof of claim or proof of equity interest, and whether or not the facts or legal bases therefore were known or existed prior to the Effective Date. Upon the Effective Date, all such persons shall be forever precluded and enjoined, pursuant to § 524 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim against or Equity Interest in the Debtors, the Reorganized Debtors, or the Investment Trust. Nothing herein should be interpreted as a discharge of the Debtors' or Reorganized Debtors' rights or obligations under the Plan or of the obligations under the DIP Facility.

86. Injunction. **Pursuant to Article XV.4. of the Plan, except for the DIP Lender and as otherwise expressly provided in the Plan, all Persons or Entities who have held, hold or may hold Claims or Equity Interests and all Persons who have held, hold or may hold claims or causes of action that have been subject to exculpation pursuant to Article XV.7. of the Plan ("Exculpation"), and all other parties in interest, along with their respective present or former employees, agents, officers, managers, directors, principals and**

Affiliates, are permanently enjoined, from and after the Effective Date, from (a) commencing, conducting or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or Equity Interest, or such exculpated claim or cause of action, against the Debtors, the Reorganized Debtors, the Investment Trust, or the Exculpated Parties or any of their respective property or assets or any interest therein, (b) the enforcement, attachment, levying, collection or recovery by any manner or means of any judgment, award, decree or order against the Debtors, the Reorganized Debtors, Investment Trust, or the Exculpated Parties or any of their respective property or assets or any interest therein, (c) creating, perfecting, or enforcing any Lien or encumbrance of any kind against the Debtors, the Reorganized Debtors, the Investment Trust, or the Exculpated Parties or any of their respective property or assets or any interest therein, or (d) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtors, the Reorganized Debtors, Investment Trust, or the Exculpated Parties or against any of their respective property or assets, or any interest therein, with respect to any such Claim or Equity Interest, or such released or exculpated claim or cause of action. Such injunction shall be included in the Confirmation Order and shall extend to any successors of the Debtors, the Reorganized Debtors, Investment Trust, and the Exculpated Parties and their respective properties and interest in properties except for the DIP Lender.

87. Injunction Against Interference With Plan. Upon the entry of this Order, all holders of Claims and Equity Interests and other parties in interest, along with their respective present or former employees, agents, officers, managers, directors, principals

**and affiliates shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.**

88. Terms of Injunction. Unless otherwise provided in this Order, all injunctions or stays arising under or entered during the Chapter 11 Cases under § 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, other than injunctions issued pursuant to the Plan (including injunctions under Article XV.6. of the Plan (“Injunction”)), shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

89. Exculpation. **Notwithstanding anything in the Plan or herein to the contrary, as of the Effective Date, the Exculpated Parties shall neither have nor incur any liability for any claim, cause of action or other assertion of liability for any act taken or omitted to be taken since the Petition Date in connection with, related to, or otherwise arising out of, the Chapter 11 Cases, the formulation, negotiation, preparation, dissemination, implementation, confirmation, consummation, or administration of the Plan, property to be distributed under the Plan, or any other act or omission in connection with the Chapter 11 Cases, the Plan, the Disclosure Statement or, in each case, any contract, instrument, document or other agreement related thereto, including; provided, however, that the foregoing shall not affect the liability of any person that otherwise would result from any such act or omission to the extent such act or omission is determined by a final order of a court of competent jurisdiction to have constituted willful misconduct or gross negligence; provided, further, that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning its duties pursuant to, or in connection with, the above referenced documents, actions or inactions.**

90. **Nothing in the foregoing Paragraph or in Article XV.7. of the Plan shall (i) be construed to release or exculpate any person from, or require indemnification of any Person against losses arising from, the fraud, malpractice, criminal conduct, intentional unauthorized misuse of confidential information that causes damages, or ultra vires acts of such Person, or (ii) limit the liability of the professionals of the Debtors, the Committees, or the Investment Trust, to their respective clients pursuant to Rule 4-1.8(h) of the Florida Rules of Professional Conduct (“Limiting Liability for Malpractice”).**

91. Notwithstanding any provision or interpretation to the contrary, nothing in the Plan or this Order, including the entry thereof, shall be deemed to constitute a release, waiver, impediment, relinquishment or bar, in whole or in part, of or to any recovery rights or any other claim, right or cause of action possessed by the Debtors prior to the Effective Date.

92. As set forth in Article VII.10. of the Plan, on the Effective Date, at the sole option of the Reorganized Debtors and free and clear of all Liens, Claims, interests and encumbrances, either (i) the Equity Interests shall re-vest in the current Holders of the Equity Interests in their current proportionate shares (if applicable), or (ii) all existing Equity Interests of the Debtors will be extinguished and terminate for all purposes whatsoever, and no right, title, claim or interest arising out of or in connection with the existing Equity Interests in the Debtors shall survive the Effective Date or be asserted against the Debtors, Reorganized Debtors, or otherwise, and the Reorganized Debtors will issue 100% of their equity interests to current Holders of the Equity Interests in their current proportionate shares (if applicable).

93. Authorization to Consummate Plan Transactions. The Plan Proponents and the Investment Trustee are all authorized to consummate the transactions contemplated in the Plan

and to enter into, execute and deliver all necessary documents, including those required in connection with the Plan.

94. Conditions to the Effective Date. The Plan shall not become effective unless and until the conditions set forth in Article XIV.1. of the Plan have been satisfied or waived pursuant to Article XIV.1(b).

95. The Debtors shall pay to the United States Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6) within ten (10) days of the entry of this Order for pre-confirmation periods, and simultaneously provide to the United States Trustee an appropriate affidavit indicating the cash disbursements for the relevant period. The reorganized Debtors shall further pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6) for post-confirmation periods within the time period set forth in 28 U.S.C. §1930(a)(6), based upon all post-confirmation disbursements made by the reorganized Debtors until the earlier of the closing of this case by the issuance of a Final Decree by the Court, or upon the entry of an Order by this Court dismissing this case or converting this case to another chapter under the United States Bankruptcy Code, and the party responsible for paying the post-confirmation United States Trustee fees shall provide to the United States Trustee upon the payment of each post-confirmation payment an appropriate affidavit indicating all the cash disbursements for the relevant period.

96. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of this Order and occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction over all matters arising out of, and related to, this Chapter 11 Case, this Order, and the Plan to the fullest extent permitted by law, including among other things,

jurisdiction over the subject matters set forth the Plan. Among other things, whether enumerated in the Plan or this Order, the Court retains jurisdiction for at least the following:

- (a) Enter orders approving the distributions by the Investment Trustee;
- (b) Ensure that distributions to Holders of Allowed Claims and Interests are accomplished pursuant to the provisions of the Plan;
- (c) Decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving the Debtor that may be pending in this Chapter 11 Case on the Effective Date;
- (d) Hear and determine matters concerning state, local or federal taxes in accordance with sections 346, 505 or 1146 of the Bankruptcy Code;
- (e) Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and the Confirmation Order;
- (f) Resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Plan or this Order;
- (g) Permit Investment Trustee, to the extent authorized pursuant to section 1127 of the Bankruptcy Code, to modify the Plan or any agreement or document created in connection with the Plan, or remedy any defect or omission or reconcile any inconsistency in the Plan or any agreement or document created in connection with the Plan;
- (h) Issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to enforce or implement the Plan or this Order;

(i) Enter and enforce such orders as are necessary or appropriate if this Order is for any reason modified, stayed, reversed, revoked or vacated, or distributions pursuant to the Plan are enjoined or stayed;

(j) Determine any other matters that may arise in connection with or relating to the Plan or this Order; and

(k) Enter a final decree closing this Chapter 11 Case.

97. On and after the Effective Date, the provisions of the Plan shall bind any Holder of a Claim against or Interest in the Debtors or the Investment Trust, and its successors and assigns, whether or not the Claim or Interest of such Holder is Impaired under the Plan and whether or not such Holder has accepted the Plan.

98. Effectuating Documents and Further Transactions. On or before the Effective Date, and without the need for any further order or authority, the Debtors shall file with the Court or execute, as appropriate, such agreements and other documents that are in form and substance satisfactory to the Plan Proponents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Plan Proponents are authorized, without the need for any further order or authority, to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and any notes or securities issued pursuant to the Plan. The Investment Trustee is authorized to execute all documents and enter into all agreements as may be necessary and appropriate in connection with the Plan.

99. Compliance with Tax Requirements. In connection with the Plan, the Debtors, the Investment Trust, and the Reorganized Debtors will comply with all withholding and



reporting requirements imposed by federal, state and local taxing authorities, and all Distributions under the Plan shall be subject to such withholding and reporting requirements.

100. Further Modifications to the Plan. Pursuant to Article XVII.1. of the Plan, the Plan may be altered, amended or modified by the Plan Proponents, before or after the Confirmation Date, as provided in § 1127 of the Bankruptcy Code; provided, however, that no such alterations, amendments or modifications that are material shall be made without the consent of the Investment Trustee, the Exit Lender, or the Plan Proponents, as the case may be; provided further, however that the Plan Proponents or the Investment Trustee may, with the approval of the Bankruptcy Court and without notice to Holders of Claims and Equity Interests, correct any nonmaterial defect, omission, or inconsistency herein in such manner and to such extent as may be necessary or desirable. A Holder of an Allowed Claim that has 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 of such Holder.

101. Exemption from Transfer Taxes. Pursuant to § 1146 of the Bankruptcy Code, the issuance, distribution, transfer or exchange of any equity security or notes, or the creation, making, assignment delivery or recording of any mortgage, deed of trust, instrument of transfer, pursuant to, in implementation of or as contemplated by the Plan or any Plan Document, or the vesting, re-vesting, transfer or sale of any property of, by or in the Debtors, their Estates, the Investment Trust, or Reorganized Debtors pursuant to, in implementation of or as contemplated by the Plan or any Plan Document, or any transaction arising out of, contemplated by or in any way related to the foregoing, including the execution of the Exit Facility Documents, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangible or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, sales and use Uniform

Commercial Code filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local governmental officials or agents shall, by the Confirmation Order, be directed to forego the collection of any such tax or governmental assessment and to accept for filing and recording any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

102. Exemption from Securities Laws. To the maximum extent provided by section 1145 of the Bankruptcy Code and applicable non-bankruptcy law, the issuance of the interests in the Investment Trust is exempt from registration under the Securities Act of 1933, as amended, and all rules and regulations promulgated thereunder and any other applicable non-bankruptcy law or regulation.

103. Notice of Effective Date. The entry of this Order shall constitute notice of the Effective Date of the Plan.

104. Substantial Consummation. On the Effective Date, the Plan shall be deemed to be substantially consummated under §§ 1101 and 1127 of the Bankruptcy Code.

105. Rights of RJD Insurance Under Prior Order. The conditions precedent to RJD Insurance Marketing, LLC (“RJD”) exercising its rights, including without limitation any right to purchase fractional interests in the Policies at fifty percent of fair market value, set forth in paragraph 6 of the Court’s *Order Authorizing Debtors to Obtain Post-Petition Financing* [ECF No. 245] (the “RJD Order”) or under any related note or credit agreement have not occurred. As a result, RJD cannot invoke or otherwise exercise any such options or rights, and this Order finally terminates any and all options and other rights set forth in paragraph 6 of the RJD Order.

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106. Reversal. If any of the provisions of this Order are hereafter reversed, modified or vacated by a subsequent order of the Bankruptcy 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 receipt of written notice of such order by the Debtors. Notwithstanding any such reversal, modification or vacatur of this Order, any such act or obligation incurred or undertaken pursuant to, and in reliance on, this Order prior to the effective date of such reversal, modification or vacatur shall be governed in all respects by the provisions of this Order, the Plan, all documents relating to the Plan and any amendments or modifications to any of the foregoing.

107. Conflicts Between Order and Plan. The provisions of the Plan and this Order shall be construed in a manner consistent with each other so as to effect the purpose of each; *provided, however*, that if there is determined to be any inconsistency between any Plan provision and any provision of this Order that cannot be so reconciled, then solely to the extent of such inconsistency, the provisions of this Order shall govern and any provision of this Order shall be deemed a modification of the Plan and shall control and take precedence. The provisions of this Order are integrated with each other and are non-severable and mutually dependent.

108. Dissolution of the Committees. The Committees shall be automatically dissolved on the Effective Date and, on the Effective Date, each member (including each officer, director, employee, or agent thereof) of the Committees and each professional retained by the Committees shall be released and discharged from all rights, duties, responsibilities, and obligations arising from, or related to, the Debtors, their membership on the Committees, the Plan, or the Chapter 11 Cases, except with respect to any matters concerning any Professional Claims held or asserted by any professional retained by the Committees.

109. Final Order; Waiver of Stay. This Order is a final order and the period in which an appeal must be filed shall commence upon the entry hereof. Any stay of this Order provided by any Bankruptcy Rule (including Bankruptcy Rule 3020(e)) is hereby waived, and this Order shall be effective and enforceable immediately upon its entry by the Court.

110. The Court will conduct a post-confirmation status conference on **August 23, 2017 at 2:00 p.m.**, at the United States Bankruptcy Court, 1515 North Flagler Drive, Room 801, Courtroom B, West Palm Beach, Florida 33401 to determine (i) whether the Debtors have complied with the provisions of this Order, and (ii) an appropriate deadline for the Investment Trustee to file the Final Report of Estate and Motion for Final Decree Closing Case in accordance with Local Rule 3022-1.

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**Submitted by:**

Kristopher E. Aungst, Esq.  
Florida Bar No. 0055348  
TRIPP SCOTT, P.A.  
110 Southeast Sixth Street  
Fifteenth Floor  
Fort Lauderdale, Florida 33301

*(Mr. Aungst shall serve a copy of the signed Order on all interested parties and file with the Court a certificate of service conforming with Local Rule 2002-1(F))*