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

In re:)	
)	Chapter 11
PFF Bancorp, Inc., et al.,¹)	
)	Case No. 08-13127 (KJC)
)	
Debtors.)	(Jointly Administered)

**DISCLOSURE STATEMENT FOR THE DEBTORS' JOINT PLAN
OF LIQUIDATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

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Dated: February 8, 2012
Wilmington, Delaware

¹ The Debtors are the following 5 entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): PFF Bancorp, Inc., a Delaware corporation (1623), Glencrest Investment Advisors, Inc., a Delaware corporation (1405), Diversified Builder Services, Inc., a California corporation (4416), PFF Real Estate Services, Inc., a California corporation (0728) and Glencrest Insurance Services, Inc., a California corporation (3118). The current mailing address of each of the Debtors is 2058 North Mills Avenue, #139, Claremont, California 91711.

THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS 5:00 PM APRIL 18, 2012 PREVAILING PACIFIC TIME. TO BE COUNTED, THE VOTING AND CLAIMS AGENT MUST ACTUALLY RECEIVE YOUR BALLOT ON OR BEFORE THE VOTING DEADLINE.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, THE PLAN AND ANY EXHIBITS ATTACHED HERETO IS SPECULATIVE, AND PERSONS SHOULD NOT RELY ON SUCH DOCUMENTS IN MAKING INVESTMENT DECISIONS WITH RESPECT TO (A) THE DEBTORS OR (B) ANY OTHER ENTITIES THAT MAY BE AFFECTED BY THE CHAPTER 11 CASES.

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT FOR THE DEBTORS' JOINT PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE TO HOLDERS OF CLAIMS AND EQUITY INTERESTS FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE PLAN. YOU SHOULD NOT RELY UPON OR USE THE INFORMATION IN THIS DISCLOSURE STATEMENT FOR ANY OTHER PURPOSE.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(B) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND IS NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THIS DISCLOSURE STATEMENT WAS NOT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE AUTHORITY AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN.

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THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN EVENTS IN THE DEBTORS' CHAPTER 11 CASES AND CERTAIN DOCUMENTS RELATED TO THE PLAN THAT ARE ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THE SUMMARIES DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

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THE DEBTORS ARE MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO. HOLDERS OF CLAIMS AND EQUITY INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THE DEBTORS FILED THIS DISCLOSURE STATEMENT. HOLDERS OF CLAIMS OR EQUITY INTERESTS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN MUST RELY ON THEIR OWN EVALUATION OF THE DEBTORS AND THEIR OWN ANALYSIS OF THE TERMS OF THE PLAN, INCLUDING, WITHOUT LIMITATION, ANY RISK FACTORS CITED HEREIN, IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN.

THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

PRIOR TO DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER OF A CLAIM OR INTEREST IN A VOTING CLASS SHOULD CONSIDER CAREFULLY ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN GREATER DETAIL HEREIN.

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EXHIBITS

- | | |
|------------------|--|
| Exhibit A | The Debtors' Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code |
| Exhibit B | Signed Disclosure Statement Order (with the Solicitation Procedures attached thereto as <u>Exhibit 1</u>) |
| Exhibit C | Liquidation Analysis |

I. SUMMARY²

Pursuant to section 1125 of the Bankruptcy Code, the Debtors submit this Disclosure Statement to holders of Claims and Equity Interests in connection with (a) the solicitation of votes to accept or reject the Plan, dated as of February 8, 2012 and (b) the Confirmation Hearing, which is scheduled for April 25, 2012 at 11:00 a.m. (prevailing Eastern Time).

The following summary is qualified in its entirety by the more detailed information and financial statements contained elsewhere in this Disclosure Statement.

A. The Chapter 11 Cases, the Sale of the Debtors' Assets

On December 5, 2008, the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code with the stated intent of liquidating their assets to maximize the value of their estates for the benefit of their creditors. The Debtors believed that the liquidation of their remaining assets pursuant to chapter 11 of the Bankruptcy Code, as opposed to chapter 7 of the Bankruptcy Code, would yield greater recovery to the Debtors' creditors. The Debtors further believed that filing these Chapter 11 Cases would allow the Debtors to quickly dispose of the assets of Debtor GIA and thereby maximize the recovery of their assets for the benefit of their creditors. Finally, these Chapter 11 Cases provided a centralized forum for the defense of several significant pending class actions against the Debtors.

Prior to the Bank Receivership, Bancorp was the holding company of PFF Bank. PFF Bank, as a federally chartered savings institution, and Bancorp, as a savings and loan holding company, were subject to oversight and regulation by the OTS, among various other federal and state authorities. PFF Bank also was regulated by the FDIC. Under the OTS' prompt corrective action regulations, the OTS is required to take certain, and is authorized to take other, supervisory actions against undercapitalized savings banks.

As of October 29, 2007, PFF Bank met all applicable regulatory requirements and was "well-capitalized" for regulatory purposes. Like countless other financial institutions, however, PFF Bank's financial condition significantly deteriorated beginning in 2008 due to, among other things, the financial and credit crisis, deep global recession and unprecedented turmoil in the real estate market, particularly in Southern California where the Debtors heavily concentrated their business. As widely reported, declining real estate prices and deteriorating economic conditions contributed to an industry-wide increase in borrowers unable to make their mortgage payments and increased foreclosure and default rates. Because over 90% of PFF Bank's loan portfolio was secured by residential and commercial properties, declining real estate prices and rising delinquency rates directly impacted PFF Bank's financial condition.

Owing to the rapidly declining capital levels of PFF Bank and Bancorp, the OTS downgraded PFF Bank's status to "adequately capitalized," from "well-capitalized" on April 20, 2008. In addition, in June 2008, the OTS issued several directives requiring PFF Bank and Bancorp to, among other things, significantly raise their capital levels.

In accordance with the OTS directives, Bancorp began to widely market the assets of PFF Bank as well as the assets of Bancorp's related entities as early as June 2008. As a result of these marketing efforts, on June 13, 2008, Bancorp entered into an Agreement and Plan of Merger with FBOP Corporation ("FBOP"), whereby FBOP agreed to assume a majority of Bancorp's liabilities and purchase all of the outstanding stock of Bancorp for \$1.35 per share (the "Merger Agreement"). The Merger Agreement also contemplated an unsecured \$200 million federal funds line of credit to support Bancorp's liquidity. Following the Merger Agreement, however, the Office of the Comptroller of Currency indicated that cancellation of the federal funds line of credit was imminent, and on

² Capitalized terms not otherwise defined herein are defined in the glossary contained in part XVIII of the Disclosure Statement.

November 5, 2008, the OTS downgraded PFF Bank's status to "undercapitalized." Soon thereafter, PFF Bank began to experience a run-off of its deposits due to the publicity surrounding its strained capital levels.

Despite Bancorp's and PFF Bank's rigorous efforts to stave off the failure of PFF Bank, on November 21, 2008, the OTS closed PFF Bank and appointed the FDIC-R as receiver for PFF Bank. As a result of its appointment as receiver, the FDIC-R succeeded to all rights, titles, powers, and privileges of PFF Bank and pursuant to a purchase and assumption agreement dated as of the same date, the FDIC-R transferred substantially all of PFF Bank's assets and liabilities to U.S. Bank. One day following the Bank Receivership, FBOP terminated the Merger Agreement.

Following the Bank Receivership, the Debtors' primary business consisted of the investment advisory services operations of Debtor GIA. All other Debtors in these Chapter 11 Cases had limited operations as of the Petition Date. GIA had 149 customer accounts and total assets under management of approximately \$82.4 million as of the Petition Date. Given the considerable amount of additional negative publicity that surrounded the Bank Receivership and the run-off in deposits that occurred at PFF Bank, the Debtors believed that there was a significant risk that a similar run-off of the investment accounts of GIA would occur if the GIA Assets were not immediately sold. The Debtors further believed that the Sale of the GIA Assets would relieve the Debtors' estates of the ongoing administrative costs associated with the GIA Assets and compliance with the regulatory obligations related to such assets. Further, an expedited sale process was needed due to the fact that GIA's workforce had been reduced to one person who was incapable of servicing the investment accounts managed by GIA on a long-term basis. For these reasons the Debtors sought and received court approval of an expedited sale process. Ultimately, the Sale of the GIA Assets was approved by the Bankruptcy Court on January 6, 2009.

Prior to and following the sale of the GIA Assets, the Debtors have worked with the FDIC-R to obtain the return of their records so that the Debtors could continue with the process of liquidating and winding down their estates for the benefit of their creditors.

The Debtors estimate that the total amount of cash available for distribution to creditors under the Plan will be approximately \$18 million. This amount reflects the aggregate amount of cash funds remaining at each of the various Debtors' estates plus the Debtors' share of the tax refunds minus the projected administrative costs, including professional fees, remaining unpaid as of the Effective Date. This projected distribution amount remains subject to adjustment and may increase if potential additional recoveries for tax returns, up to a maximum amount of approximately \$4 million, are recovered, or it may decrease substantially if the IRS is successful in having its \$36 million administrative expense claim allowed, in whole or in part, by the Bankruptcy Court.

B. The Federal Tax Refunds, the Escrow Stipulation with the FDIC-R and the Debtors' Settlement Agreement with the FDIC-R and FDIC

Historically, the Debtors, along with PFF Bank and PFF Bank's subsidiaries (collectively, the "Consolidated Group"), filed consolidated tax returns with the Internal Revenue Service ("IRS") and other tax authorities. The common parent, Bancorp, acted as the agent for all members of the affiliated group in filing the consolidated tax returns.

In November 2009, as part of the Worker, Homeownership, and Business Assistance Act of 2009, the Internal Revenue Code ("IRC") was amended to add 26 U.S.C. § 172(b)(1)(H), which allowed taxpayers to extend the carryback period for a loss sustained in either 2008 or 2009, but not both, for up to five tax years. As a result, additional federal tax refunds became available to the Consolidated Group, subject to making the necessary filings with the IRS. The Debtors estimated that the total federal income tax refunds potentially recoverable from the IRS (including additional refunds resulting from the November 2009 amendments to the IRC) could be as much as \$51,186,392.

Although the Debtors and the FDIC-R agreed that amended returns and/or claims for refund should be filed, the parties disagreed regarding their respective entitlement to tax refunds that may be recoverable from

federal, state or local tax authorities, the manner and means by which such tax refunds might be claimed by the Debtors or the FDIC-R, and the effect that provisions of the tax allocation agreement entered into in 2003 (the “PFF Tax Allocation Agreement”) might have on these disputes. FDIC-R filed a proof of claim against Bancorp that included claims relating to tax refunds and Bancorp filed a claim with the Bank Receivership that also included claims relating to tax refunds. On May 28, 2010, Bancorp filed an action against the FDIC-R and FDIC-C in the United States District Court for the Central District of California that included claims to ownership of tax refunds. *See* Section III.D.6.

Given the existence of these disputes, on June 8, 2010, the Debtors and the FDIC-R entered into a Stipulation Regarding Establishment of Segregated Account for Tax Related Payments (the “FDIC/Bancorp Escrow Stipulation”) under which the parties agreed that federal, state or local tax refunds that might be paid by a taxing authority to the Debtors or the FDIC-R would be deposited into an escrow account and only would be released upon the entry of a final order determining the ownership of such refunds or a final order approving a compromise between the parties regarding the ownership dispute. The FDIC/Bancorp Escrow Stipulation was approved by the Bankruptcy Court by an order entered on June 8, 2010 [D.I. 527].

As a result of extensive negotiations, on November 12, 2010, the Debtors, FDIC-R and FDIC-C entered into a settlement agreement (the “FDIC/Bancorp Settlement Agreement”) which provided for the resolution of (i) the FDIC-R’s and the Debtors’ claims to ownership of the tax refunds, (ii) all claims asserted by the FDIC-R against the Debtors and (iii) all claims asserted by the Debtors against FDIC-R or FDIC-C. In the FDIC/Bancorp Settlement Agreement, the parties stated that it was their anticipation that federal income tax refunds of \$44,591,902.00 would be received as the result of NOL carrybacks for 2008 and 2009, of which the parties agreed that the FDIC-R would be the owner of \$26,000,000 and the Debtors would be the owner of \$18,591,902, subject to ratable reductions to the extent the refunds actually received were less than the amount anticipated. In addition, the parties anticipated a refund from the 2005 tax year of \$770,571.23, as to which the parties agreed that the FDIC-R would be the owner of 85% and the Debtors would be the owner of 15%. The parties further agreed that certain potential federal refunds might be recovered in addition to the foregoing, in which event the Debtors would be the owners of 2/3 of the first \$3 million recovered and the FDIC-R 1/3 of that amount; the Debtors and the FDIC-R would share equally in the next \$2 million recovered; and the FDIC-R would be the owner of all amounts that might be recovered in excess of \$5 million. The FDIC/Bancorp Settlement Agreement required any federal or state tax refunds that were subject to the settlement to be held in escrow in accordance with the FDIC/Bancorp Escrow Stipulation and not to be disbursed until after the earliest of:

- a. Entry of a Bankruptcy Court order approving a settlement of all potential disputes between the IRS and the Consolidated Group;
- b. Entry of a Bankruptcy Court order approving a compromise agreed to by the IRS, the Debtors and the FDIC-R that permits a partial distribution subject to an audit reserve of the tax refunds to each of the FDIC-R and the Debtors; or
- c. Entry of an order or judgment of the Bankruptcy Court determining tax liability of the Consolidated Group pursuant to section 505 of the Bankruptcy Code with respect to all federal taxes that are the subject of any tax refunds at issue.

In an order entered on November 22, 2010, the Bankruptcy Court approved the FDIC/Bancorp Settlement Agreement [D.I. 716.]. According to Section 5.01 of the settlement agreement, certain conditions to effectiveness of the settlement agreement remained, including (i) approval of the settlement agreement by the board of directors of the Federal Deposit Insurance Corporation (or by an authorized person exercising delegated authority) and (ii) entry of an order by the Bankruptcy Court approving the agreement and the settlement pursuant to Bankruptcy Rule 9019 and such order having become a final order. As of December 22, 2010, all such conditions set forth in Section 5.01 of the settlement agreement were met, and the settlement agreement became effective.

An escrow account initially was established by the Debtors with Bank of America, N.A., to hold tax refunds subject to the FDIC/Bancorp Escrow Stipulation and, thereafter, the provisions of the FDIC/Bancorp Settlement Agreement. In February 2011 federal income tax refunds of \$44,774,286.73 were deposited into that escrow account, including NOL carryback refunds of \$44,003,715.50 and a 2005 federal refund of \$770,571.23. Pursuant to an order entered by the Bankruptcy Court on September 13, 2011 [D.I. 995], and subject to the terms of the FDIC/Bancorp Escrow Stipulation, a replacement escrow account was established with Wells Fargo Bank, N.A. (the “FDIC/Bancorp Escrow Account”) and in September 2011 the entire balance held in the original Bank of America escrow account was transferred to the FDIC/Bancorp Escrow Account. On September 19, 2011, the Debtors and the FDIC-R entered into a stipulation under which the Debtors were permitted to withdraw \$1,000,000 from the FDIC/Bancorp Escrow Account in order to pay professional fees and the FDIC-R was permitted to withdraw its corresponding portion of the NOL refunds in the amount of \$1,439,580. The Bankruptcy Court approved that stipulation in an order entered on September 20, 2011 [D.I. 1010]. As of January 31, 2012, the value of the securities and cash held in the FDIC/Bancorp Escrow Account was \$42,322,449.69.

C. The Purpose of the Plan

On February 8, 2012, the Debtors filed the Plan with the Bankruptcy Court to facilitate the liquidation of the Debtors’ Estates and the Distribution of the Sale Proceeds, tax refunds and any other remaining assets to holders of Allowed Claims and Equity Interests. A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference.

The Debtors believe that the Plan provides the best recoveries possible for holders of Allowed Claims and Equity Interests and strongly recommend that, if such holders are entitled to vote, they vote to accept the Plan.

Pursuant to section 1141(d)(3) of the Bankruptcy Code, the Plan does not contain a discharge for the Debtors as (1) the Plan is a liquidating plan, (2) the Debtors will not be engaging in business after the consummation of the Plan and, therefore (3) the Debtors are not entitled to a discharge under section 727(a) of the Bankruptcy Code.

D. Treatment of Claims and Equity Interests

THE FOLLOWING CHART IS A SUMMARY OF THE CLASSIFICATION AND TREATMENT OF ALLOWED CLAIMS AND EQUITY INTERESTS AND THE POTENTIAL DISTRIBUTIONS UNDER THE PLAN. THE AMOUNTS SET FORTH BELOW ARE ESTIMATES ONLY. REFERENCE SHOULD BE MADE TO THE ENTIRE DISCLOSURE STATEMENT AND THE PLAN FOR A COMPLETE DESCRIPTION OF THE CLASSIFICATION AND TREATMENT OF ALLOWED CLAIMS AND EQUITY INTERESTS. THE RECOVERIES SET FORTH BELOW ARE PROJECTED RECOVERIES AND ARE, THEREFORE, SUBJECT TO CHANGE. THE ALLOWANCE OF CLAIMS AND EQUITY INTERESTS MAY BE SUBJECT TO LITIGATION OR OTHER ADJUSTMENTS, AND ACTUAL ALLOWED AMOUNTS FOR CLAIMS AND EQUITY INTERESTS MAY DIFFER MATERIALLY FROM THESE ESTIMATED AMOUNTS.

<u>Class/Type of Claim or Equity Interest</u>	<u>Plan Treatment of Class</u>	<u>Projected Recovery Under Plan</u>
Unclassified Claims		
Administrative Claims against all Debtors	Paid in full in Cash on the Initial Distribution Date or as soon thereafter as is practical	100%
Priority Tax Claims	Paid in full in Cash on the Initial Distribution Date or as	100%

<u>Class/Type of Claim or Equity Interest</u>	<u>Plan Treatment of Class</u>	<u>Projected Recovery Under Plan</u>
against all Debtors	soon thereafter as is practical	
Other Priority Claims against all Debtors	Paid in full in Cash on the Initial Distribution Date or as soon thereafter as is practical	100%

Claims Against and Interests in Bancorp

Class 1.A - Secured Claims against Bancorp	Deemed paid in full to the extent of any security interest as of the date hereof	100%
Class 2.A - PBGC Claims against Bancorp	Pursuant to the PBGC Allowed Claim Distribution Agreement, distributions of the full remaining unsatisfied amount, if any, of the PBGC General Unsecured Claim Distribution Amount, after the payments made on account of the PBGC General Unsecured Claim Distribution by the other Debtor estates	45%
Class 3.A - General Unsecured Claims against Bancorp	Paid distributions from all remaining Creditors Trust Assets held or collected by Bancorp, plus all remaining Creditors Trust Assets from GIA, DBS, PFF Real Estate, and GIS	11%
Class 4.A – TruPS Claims against Bancorp	Paid distributions from all remaining Creditors Trust Assets <i>pari passu</i> with Class 3.A General Unsecured Claims, <u>provided, however</u> , that all such amounts payable to holders of Allowed TruPS Claims shall be paid first to M&I Marshall & Isley Bank until such time that M&I Marshall & Isley Bank shall have received 100% of its Allowed General Unsecured Claims (exclusive of post- petition interest) against Bancorp in Class 3.A. and then	<1%

<u>Class/Type of Claim or Equity Interest</u>	<u>Plan Treatment of Class</u>	<u>Projected Recovery Under Plan</u>
	to the applicable Allowed TruPS Claim holder in accordance with its remaining pro rata share.	
Class 6.A - Equity Interests in Bancorp	All equity interests in Bancorp shall be cancelled	0%
Claims Against and Interests in GIA		
Class 2.B - PBGC Claims against GIA	Pursuant to the PBGC Allowed Claim Distribution Agreement, distributions of up to the full remaining unsatisfied amount, if any, of the PBGC General Unsecured Claim Distribution Amount after payment in full of all GIA General Unsecured Claims.	45%
Class 3.B - General Unsecured Claims against GIA	Paid in full from Creditors Trust Assets plus interest from the Petition Date through the Effective Date at the Federal Judgment Rate in effect as of as of the Petition Date	100%
Class 6.B - Equity Interests in GIA	Distributions from Creditors Trust Assets only after payment, in full, of the PBGC Allowed Claim Distribution Amount, and only after payment, or reservation, in full, of all GIA General Unsecured Claims	<1%
Claims Against and Interests in DBS		
Class 2.C - PBGC Claims against DBS	Pursuant to the PBGC Allowed Claim Distribution Agreement, distributions of up to the full remaining unsatisfied amount, if any, of the PBGC General Unsecured Claim Distribution Amount after payment in full of all DBS General Unsecured Claims.	45%

<u>Class/Type of Claim or Equity Interest</u>	<u>Plan Treatment of Class</u>	<u>Projected Recovery Under Plan</u>
Class 3.C - General Unsecured Claims against DBS	Paid in full from Creditors Trust Assets plus interest from the Petition Date through the Effective Date at the Federal Judgment Rate in effect as of as of the Petition Date	100%
Class 5.C - Intercompany Claims against DBS	All Intercompany Claims will be cancelled	0%
Class 6.C - Equity Interests in DBS	Distributions from Creditors Trust Assets only after payment of the PBGC Allowed Claim Distribution Amount, and only after payment, or reservation in full, of all DBS General Unsecured Claims	<1%

Claims Against and Interests in PFF Real Estate

Class 2.D - PBGC Claims against PFF Real Estate	Pursuant to the PBGC Allowed Claim Distribution Agreement, distributions of up to the full remaining unsatisfied amount, if any, of the PBGC General Unsecured Claim Distribution Amount after payment in full of all PFF Real Estate General Unsecured Claims.	45%
Class 3.D - General Unsecured Claims against PFF Real Estate	Paid in full from Creditors Trust Assets plus interest from the Petition Date through the Effective Date at the Federal Judgment Rate in effect as of as of the Petition Date	100%
Class 6.D - Equity Interests in PFF Real Estate	Distributions from Creditors Trust Assets only after payment, in full, of the PBGC Allowed Claim Distribution Amount, and only after payment, or reservation, in full, of all PFF Real Estate General Unsecured Claims	<1%

<u>Class/Type of Claim or Equity Interest</u>	<u>Plan Treatment of Class</u>	<u>Projected Recovery Under Plan</u>
Claims Against and Interests in GIS		
Class 2.E - PBGC Claims against GIS	Pursuant to the PBGC Allowed Claim Distribution Agreement, distributions of up to the full remaining unsatisfied amount, if any, of the PBGC General Unsecured Claim Distribution Amount after payment in full of all GIS General Unsecured Claims.	45%
Class 3.E - General Unsecured Claims against GIS	Paid in full from Creditors Trust Assets plus interest from the Petition Date through the Effective Date at the Federal Judgment Rate in effect as of as of the Petition Date	100%
Class 6.E - Equity Interests in GIS	Distributions from Creditors Trust Assets only after payment, in full, of the PBGC Allowed Claim Distribution Amount, and only after payment, or reservation, in full, of all GIS General Unsecured Claims	<1%

E. Entities Entitled to Vote on the Plan

The Plan divides Claims against and Interests in the Debtors into various Classes and provides separate treatment for each Class.

As provided in section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Priority Tax Claims and Other Priority Claims will not be classified for the purposes of voting or receiving distributions under the Plan. Rather, all such Claims will be treated separately as unclassified Claims and will be paid in full. The unclassified Claims are Unimpaired by the Plan and are deemed to accept the Plan under section 1126(f) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan.

The Classes of Claims and Equity Interests are classified for all purposes, including voting, confirmation and Distribution pursuant to the Plan and sections 1122 and 1123(a)(1) of the Bankruptcy Code. The Plan deems a Claim or an Equity Interest to be classified in a particular Class only to the extent that the Claim or the Equity Interest qualifies within the description of that Class and will be deemed classified in a different Class to the extent that any remainder of the Claim or Equity Interest qualifies within the description of a different Class.

Class	Claim	Status	Voting Rights
1.A	Secured Claims against Bancorp	Deemed Paid in full to the extent of any security interest as of the date hereof	Deemed to Accept
2.A	PBGC Claims against Bancorp	Impaired	Entitled to Vote
2.B	PBGC Claims against GIA	Impaired	Entitled to Vote
2.C	PBGC Claims against DBS	Impaired	Entitled to Vote
2.D	PBGC Claims against PFF Real Estate	Impaired	Entitled to Vote
2.E	PBGC Claims against GIS	Impaired	Entitled to Vote
3.A	General Unsecured Claims against Bancorp	Impaired	Entitled to Vote
3.B	General Unsecured Claims against GIA	Paid in full in Cash	Deemed to Accept
3.C	General Unsecured Claims against DBS	Paid in full in Cash	Deemed to Accept
3.D	General Unsecured Claims against PFF Real Estate	Paid in full in Cash	Deemed to Accept
3.E	General Unsecured Claims against GIS	Paid in full in Cash	Deemed to Accept
4.A	TruPS Claims against Bancorp	Impaired	Entitled to Vote
5.C	Intercompany Claims against DBS	All intercompany claims will be canceled	Deemed to Reject
6.A	Equity Interests in Bancorp	Equity interests in Bancorp will be canceled	Deemed to Reject
6.B	Equity Interests in GIA	Impaired	Entitled to Vote

Class	Claim	Status	Voting Rights
6.C	Equity Interests in DBS	Impaired	Entitled to Vote
6.D	Equity Interests in PFF Real Estate	Impaired	Entitled to Vote
6.E	Equity Interests in GIS	Impaired	Entitled to Vote

The following sets forth the Classes that are entitled to vote to accept or reject the Plan and the Classes that are not entitled to vote to accept or reject the Plan:

The Debtors **ARE** soliciting votes to accept or reject the Plan from holders of PBGC Unsecured Claims against Bancorp in Class 2.A, PBGC Unsecured Claims against GIA in Class 2.B, PBGC Unsecured Claims against DBS in Class 2.C, PBGC Unsecured Claims against PFF Real Estate in Class 2.D, PBGC Unsecured Claims against GIS in Class 2.E, General Unsecured Claims against Bancorp in Class 3.A, TruPS Claims against Bancorp in Class 4.A, and holders of Equity Interests in GIA in Class 6.B, DBS in Class 6.C, PFF Real Estate in Class 6.D, and GIS in Class 6.E because such holders are Impaired under the Plan and will receive Distributions under the Plan. Accordingly, holders of PBGC Unsecured Claims, General Unsecured Claims, TruPS Claims, and Equity Interests in Classes 2.A, 2.B, 2.C, 2.D, 2.E, 3.A, 6.B, 6.C, 6.D, and 6.E, respectively, have the right to vote to accept or reject the Plan.

The Debtors are **NOT** seeking votes from the holders of Secured Claims against Bancorp in Class 1.A, General Unsecured Claims against GIA in Class 3.B, General Unsecured Claims against DBS in Class 3.C, General Unsecured Claims against PFF Real Estate in Class 3.D, General Unsecured Claims against GIS in Class 3.E, holders of Intercompany Claims against DBS in Class 5.C, and holders of Equity Interests in Bancorp in Class 6.A.

Holders of Secured Claims against Bancorp in Class 1.A are deemed to be paid in full as of the date hereof to the extent of any security interest, and holders of General Unsecured Claims against GIA in Class 2.B, General Unsecured Claims against DBS in Class 2.C, General Unsecured Claims against PFF Real Estate in Class 2.D, and General Unsecured Claims against GIS in Class 2.E will be paid in full under the Plan. Accordingly, holders of Secured Claims against Bancorp in Class 1.A, General Unsecured Claims against GIA in Class 2.B, General Unsecured Claims against DBS in Class 2.C, General Unsecured Claims against PFF Real Estate in Class 2.D, and General Unsecured Claims against GIS in Class 2.E are deemed to have accepted the Plan and, therefore, are not entitled to vote to accept or reject the Plan.

Holders of Intercompany Claims against DBS in Class 5.C and Equity Interests in Bancorp in Class 6.A will receive no Distribution under the Plan. Therefore, the holders of Claims in each of Classes 5.C and 6.A are deemed to have rejected the Plan and will not be entitled to vote to accept or reject the Plan.

For a detailed description of the Classes of Claims and Equity Interests, as well as their respective treatment under the Plan, see Article III of the Plan.

F. Solicitation Process

The following documents and materials will constitute the Solicitation Package:

- Plan;
- Disclosure Statement;
- Disclosure Statement Order;

- Confirmation Hearing Notice;
- appropriate Ballot, Master Ballot and voting instructions; and
- pre-addressed, postage pre-paid return envelope.

Through the Voting and Claims Agent, the Debtors intend to distribute the Solicitation Packages no fewer than twenty-five (25) calendar days before the Voting Deadline. The Debtors submit that distribution of the Solicitation Packages at least twenty-five (25) calendar days prior to the Voting Deadline will provide the requisite materials to holders of Claims and Equity Interests entitled to vote on the Plan in compliance with Bankruptcy Rules 2002(b) and 3017(d).

The Solicitation Package will be distributed to holders of PBGC Claims against Bancorp in Class 2.A, PBGC Claims against GIA in Class 2.B, PBGC Claims against DBS in Class 2.C, PBGC Claims against PFF Real Estate in Class 2.D, PBGC Claims against GIS in Class 2.E, General Unsecured Claims against Bancorp in Class 3.A, holders of TruPS Claims in Class 4.A and holders of Equity Interests in GIA in Class 6.B, Equity Interests in DBS in Class 6.C, Equity Interests in PFF Real Estate in Class 6.D, and Equity Interests in GIS in Class 6.E as of the Voting Record Date and in accordance with the Solicitation Procedures. The Solicitation Procedures are annexed as Exhibit 1 to the Disclosure Statement Order. The Solicitation Package may also be obtained: (a) by contacting the Voting and Claims Agent, (b) by writing (sent via first class mail) to Paul N. Heath, Richards, Layton & Finger, P.A., 920 N. King Street, Wilmington DE, 19801; (c) by calling Mr. Heath at 302-651-7700; or (d) by e-mailing Mr. Heath at heath@rlf.com; or (e) via PACER at <http://www.deb.uscourts.gov/>.

The Notice Parties as of the Voting Record Date, the Internal Revenue Service, the PBGC, the FDIC-R, and the Securities and Exchange Commission will be served either paper copies of, or a CD-ROM containing the Disclosure Statement Order, the Disclosure Statement and all exhibits to the Disclosure Statement, including the Plan. Any Entity that is served a CD-ROM, but desires paper copies of these documents may obtain copies (a) by contacting the Voting and Claims Agent, (b) by writing (sent via first class mail) to Paul N. Heath, Richards, Layton & Finger, P.A., 920 N. King Street, Wilmington DE, 19801; (c) by calling Mr. Heath at 302-651-7700; or (d) by e-mailing Mr. Heath at heath@rlf.com; or (e) via PACER at <http://www.deb.uscourts.gov/>.

G. Voting Procedures

The Voting Record Date is March 8, 2012. The Voting Record Date is the date on which holders of Claims and holders of Equity Interests that are entitled to vote to accept or reject the Plan will be determined.

The Voting Deadline is 5:00 p.m. prevailing Pacific Time on April 18, 2012. To ensure that a vote is counted, holders of Claims and Equity Interests that are entitled to vote on the Plan must: (a) complete the Ballot; (b) indicate a decision either to accept or reject the Plan; and (c) sign and return the Ballot to the address set forth on the enclosed pre-addressed envelope provided in the Solicitation Package or by delivery via first-class mail, overnight courier or personal delivery, so that all Ballots are **actually received** no later than the Voting Deadline, by the Voting and Claims Agent. Ballots and Master Ballots should not be sent to the Indenture Trustee. ANY BALLOT THAT IS PROPERLY EXECUTED BY THE HOLDER OF A CLAIM OR EQUITY INTEREST ENTITLED TO VOTE, BUT THAT DOES NOT CLEARLY INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN OR INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN, WILL NOT BE COUNTED.

EACH HOLDER OF A CLAIM OR EQUITY INTEREST ENTITLED TO VOTE MUST VOTE ALL OF ITS INTEREST WITHIN A PARTICULAR CLASS EITHER TO ACCEPT OR REJECT THE PLAN AND MAY NOT SPLIT SUCH INTEREST. BY SIGNING AND RETURNING A BALLOT, EACH HOLDER OF A CLAIM OR EQUITY INTEREST ENTITLED TO VOTE WILL CERTIFY TO THE BANKRUPTCY COURT AND THE DEBTORS THAT NO OTHER BALLOTS WITH RESPECT TO SUCH INTEREST HAVE BEEN CAST OR, IF

ANY OTHER BALLOTS HAVE BEEN CAST WITH RESPECT TO SUCH CLASS OF INTERESTS, SUCH OTHER BALLOTS INDICATED THE SAME VOTE TO ACCEPT OR REJECT THE PLAN.

IF A BALLOT IS RECEIVED AFTER THE VOTING DEADLINE, IT WILL NOT BE COUNTED UNLESS THE DEBTORS DETERMINE OTHERWISE.

Prior to deciding whether and how to vote on the Plan, each holder in a voting class should consider carefully all of the information in this Disclosure Statement, especially the Risk Factors described herein.

H. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party-in-interest may object to confirmation of the Plan.

The Confirmation Hearing will commence on April 25, 2012 at 11:00 a.m. prevailing Eastern Time, before the Honorable Kevin J. Carey, U.S. Bankruptcy Judge, in the U.S. Bankruptcy Court for the District of Delaware, at the U.S. Bankruptcy Court, 824 Market Street, 5th Floor, Courtroom 5, Wilmington, Delaware 19801. The Confirmation Hearing may be adjourned from time to time without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any adjournment thereof.

II. BACKGROUND TO THESE CHAPTER 11 CASES

A. Debtors' Business

1. Debtors' Operations

Bancorp is a Delaware corporation which was, prior to the Bank Receivership, a non-diversified unitary savings and loan holding company within the meaning of the Home Owners' Loan Act. Prior to the sale of its assets, GIA was a Delaware corporation that was formed on January 25, 2002 for the purpose of providing investment advisory services to high net worth individuals. DBS is a California corporation that was formed on February 5, 2003 for the purpose of providing financing and consulting services to home builders and land developers. PFF Real Estate is a California corporation that was formed on January 3, 2008 for the purpose of providing real estate broker services. GIS is a California corporation that was formed in June 2002 for the purpose of providing insurance products to PFF Bank's customers.

As of the date hereof, none of the Debtors have active operations.

2. Employees

The Debtors currently have one employee and one independent contractor.

3. Directors and Officers

As of the Petition Date, the Debtors' directors and officers included the following:

Name	Position
Kevin McCarthy	President, Chief Executive Officer and Director
Robert W. Burwell	Director
Curtis W. Morris	Director
Larry M. Rinehart	Director

Name	Position
Jil H. Stark	Director
Stephen Morgan	Director
Royce Stutzman	Director
Richard Crean	Director

B. Debtors' Corporate and Capital Structure

Bancorp is the parent of GIA, DBS and PFF Real Estate. GIS is a wholly-owned subsidiary of GIA. Bancorp also owns 100% of the common stock of the Trusts and owned 100% of the common stock of PFF Bank on the Petition Date.

C. Summary of Prepetition Indebtedness and Prepetition Financing

1. Secured Term Loan

On September 28, 2007, Bancorp entered into a secured term loan in the aggregate principal amount of \$75.0 million with the Secured Lender (M&I Marshall & Isley Bank). The principal amount of Bancorp's indebtedness under the Secured Term Loan was approximately \$44.0 million on the Petition Date. In connection with the Secured Term Loan, Bancorp granted the Secured Lender a security interest in 100% of the stock of PFF Bank. On the Petition Date, the Secured Term Loan was declared in default and, accordingly, a \$1.0 million cash deposit was seized on November 24, 2008 by the Secured Lender under a claimed right of set off. The \$1.0 million cash deposit was all of the cash that secured the Secured Term Loan. In addition, the Secured Lender's security interest in the stock of PFF Bank is now valueless. Thus, the Secured Lender's secured claim against Bancorp has been fully satisfied as of this date. The Secured Lender, however, does retain an unsecured deficiency claim against Bancorp of approximately \$43,250,000.

2. Intercompany Loans

Prior to the Petition Date, Bancorp extended a loan in the aggregate principal amount of \$19,280,093.00 to DBS (the "Intercompany Loan"). The Intercompany Loan was subordinated to the rights of the Secured Lender under the Secured Term Loan. Pursuant to the Plan, all Intercompany Claims including Intercompany Claims against DBS on account of the Intercompany Loan are being cancelled.

3. TruPS

Pursuant to (i) that certain Indenture dated as of September 30, 2004, between Bancorp as issuer and Wilmington Trust as trustee; (ii) that certain Indenture dated as of September 16, 2005, between Bancorp as issuer and Wilmington Trust as trustee; and (iii) that certain Indenture dated as of June 26, 2007, between Bancorp as issuer and Wilmington Trust as trustee, the Debtors issued trust preferred securities ("TruPS") in the aggregate principal amount of \$30,928,000, \$25,774,000 and \$30,928,00 respectively. In addition, the Debtors fully and unconditionally guaranteed the capital securities along with the issuance of the TruPS pursuant to a guarantee agreement executed by Bancorp as guarantor and Wilmington Trust as the guarantee trustee for the benefit of the holders of the TruPS.

The Debtors established three unconsolidated special purpose trusts in fiscal years 2005, 2006 and 2008 for the purpose of issuing floating rate TruPS Capital Securities to outside investors. The Trusts exist for the sole purpose of issuing the TruPS Capital Securities, the TruPS Common Securities, and investing the proceeds thereof in the TruPS Notes.

On September 30, 2004, Bancorp issued \$30,928,000 of TruPS which mature on November 23, 2034, bear interest at three month LIBOR plus 2.20 percent and pay interest quarterly on February 23, May 23, August 23 and November 23 of each year. On September 16, 2005, Bancorp issued an additional \$25,774,000 of TruPS which mature on November 23, 2035, bear interest at three month LIBOR plus 1.52 percent and pay interest quarterly on February 23, May 23, August 23 and November 23 of each year. On June 26, 2007, Bancorp issued an additional \$30,928,000 of TruPS which mature on September 1, 2037, bear interest at three month LIBOR plus 1.35 percent and pay interest quarterly on March 1, June 1, September 1 and December 1 of each year.

The claims arising under the TruPS Indentures are contractually subordinated. Section 15 of each Indenture provides for subordination of the TruPS. Specifically, these provisions provide the TruPS to be “subordinated and junior in right of payment to the prior payment in full of all Senior Indebtedness of the Company, whether outstanding at the date of this Indenture or thereafter incurred.” “Senior Indebtedness” is meant to include, among other things, money borrowed, capital lease obligations, conditional sale obligations, reimbursement of any letter of credit, banker’s acceptance, security purchase facility, repurchase agreement or similar arrangement. In addition, any unsecured portion of an otherwise Allowed Secured Claim may be considered “Senior Indebtedness” under the TruPS. Therefore, any unsecured portion of such claim may be entitled to payment prior to other Allowed General Unsecured Claims under the TruPS.

D. EVENTS LEADING TO THESE CHAPTER 11 CASES

As noted above, following the Bank Receivership, the Debtors filed these Chapter 11 Cases to liquidate their remaining assets to maximize the value of their estates for the benefit of their creditors.

III. ADMINISTRATION OF THE CHAPTER 11 CASES

A. Initial Motions and Certain Related Relief

Given the Debtors’ limited operations following the Bank Receivership, initially, the Debtors only sought to obtain orders to jointly administer these Chapter 11 Cases, retain their bankruptcy counsel and retain the Voting and Claims Agent. Several of these orders are briefly summarized below.

1. Application to Retain the Voting and Claims Agent

To assist the Debtors with the administration of these Chapter 11 Cases, the Debtors sought an order authorizing them to retain Kurtzman Carson Consultants LLC as their claims, noticing and balloting agent. The Bankruptcy Court approved the retention of the Voting and Claims Agent on December 10, 2008.

2. Applications to Retain Professionals

To assist the Debtors in carrying out their duties as debtors in possession and to represent the Debtors’ interests in the Chapter 11 Cases, the Debtors retained Paul, Hastings, Janofsky & Walker LLP (“PHJW”) as their lead counsel and Richards, Layton & Finger, P.A. (“RLF”) as their local counsel. The Bankruptcy Court approved the retention of RLF and PHJW on January 27, 2009 and January 29, 2009, respectively. Subsequently, RLF has taken responsibility as lead counsel for the Debtors. PHJW remains as counsel for the Debtors primarily handling financial reporting and tax matters.

B. The Creditors’ Committee

1. Appointment of the Creditors’ Committee

On December 17, 2008, the U.S. Trustee appointed the Creditors’ Committee pursuant to section 1102 of the Bankruptcy Code. The members of the Creditors’ Committee included (a) Developers Surety & Indemnity, (b) FBOP and (c) Wilmington Trust Company, as trustee under the TruPS documents.

On January 29, 2009, the Bankruptcy Court entered an order approving the retention of Blank Rome LLP as counsel to the Creditors' Committee. The Creditors' Committee also retained J.H. Cohn LLP, as its financial advisors.

FBOP resigned from the Committee on or about June 16, 2010.

2. Meeting of Creditors

The meeting of creditors pursuant to section 341 of the Bankruptcy Code was held on January 29, 2009 at 3:00 p.m. at the J. Caleb Boggs Federal Building, Wilmington, Delaware 19801. In accordance with Bankruptcy Rule 9001(5) (which requires, at a minimum, that one representative of the Debtors appear at such meeting of creditors for the purpose of being examined under oath by a representative of the U.S. Trustee and by any attending parties-in-interest), a representative of the Debtors as well as counsel to the Debtors attended the meeting and answered questions posed by the U.S. Trustee and other parties-in-interest present at the meeting. The 341 meeting was continued and re-commenced on July 27, 2009.

3. Filing Schedules and Setting of Bar Dates

The Debtors Filed their Schedules on May 21, 2009, and on June 24, 2009, GIA filed an amendment to one of its schedules. On June 4, 2009, the Bankruptcy Court entered the Claims Bar Date Order [D.I. 249], which set forth the following dates by which proofs of claims must be Filed:

- General Bar Date: July 21, 2009 at 5:00 p.m. prevailing Eastern Time; and
- Governmental Bar Date: July 21, 2009 at 5:00 p.m. prevailing Eastern Time.

Subject to certain limited exceptions contained in the Bankruptcy Code and, other than Claims arising from the rejection of executory contracts after the General Bar Date, all proofs of Claim were to be submitted by the applicable Bar Date.

In accordance with the Bar Date Order, written notice of the Bar Dates and the Proof of Claim Form were mailed to, among others, all known claimants holding actual or potential Claims and other parties listed in the Bar Date Order within three (3) business days after the date of entry of the Bar Date Order.

C. Sale of Assets

Following FBOP's termination of the Merger Agreement which had included the purchase of the GIA Assets, the Debtors began marketing the GIA Assets apart from the assets of Bancorp's related entities. The GIA Assets were the subject of a full and robust marketing process which spanned from the time the Merger Agreement was terminated to the date the Court entered an order approving the Sale. The Debtors were ultimately contacted by two parties who expressed an interest in acquiring the GIA Assets. The Debtors entered into confidentiality agreements with parties showing any interest in the GIA Assets and provided such parties with such due diligence materials as was permitted by applicable law. After reviewing the two offers received for the GIA Assets, the Debtors determined that the offer of CFP, under the terms and conditions set forth in the APA, was the highest and best offer for the GIA Assets and the Debtors selected CFP as the stalking horse bidder.

On the Petition Date, the Debtors filed a *Motion of Debtors for (I) an Order Approving Expedited Sale Procedures and (II) an Order Approving Sale and Related Relief* [D.I. 5] (the "Bidding Procedures Motion") seeking approval of bid procedures and certain bid protections for CFP as the stalking horse bidder. The Bidding Procedures Motion was approved without objection at the hearing held on December 23, 2008.

Subsequent to the hearing on December 23, 2008, the Debtors continued to engage in additional marketing efforts in an attempt to secure bids for the GIA Assets. Specifically, the Debtors contacted those parties who had

expressed an interest in the assets of PFF Bank when it was marketed in June of 2008, as well as other parties that had expressed an interest in the GIA Assets prior to the Petition Date. Despite these marketing efforts, no bids were received by the bid deadline of January 5, 2009 at 5:00 p.m. (prevailing Eastern Time). Accordingly, the auction which was scheduled to take place on January 6, 2009, was cancelled. The hearing to approve the Sale (the “Sale Hearing”) was held on January 6, 2009, at the conclusion of which, the Bankruptcy Court signed the Sale Order approving the Sale to CFP for 35% of the gross sale commissions earned from the GIA Assets for a period of forty-eight (48) months. Since the closing of the Sale on January 7, 2009, CFP has made payments in accordance with the terms of the APA. Unfortunately, by the Closing Date of the Sale of the GIA Assets, approximately one-third of the investment accounts managed by GIA had been transferred to other investment advisors. Accordingly, the amounts received by the Debtors have been relatively small.

Following the Sale, on January 12, 2009, the Debtors filed a *Motion to Approve an Order Establishing Procedures for Miscellaneous Asset Sales* [D.I. 62] (the “Miscellaneous Sale Motion”) which was approved by the Bankruptcy Court without objection on January 27, 2009 [D.I. 101]. The Miscellaneous Sale Motion allowed the Debtors to dispose of all of their miscellaneous assets, including office furniture, fixtures and art work, in a prompt and efficient fashion. The net sale proceeds realized from the sale of the Debtors’ miscellaneous assets is de minimus and will not have any material impact on the proceeds available to unsecured creditors.

D. Other Relief Requested by the Debtors

1. Motion to Authorize Debtors and Debtors in Possession to Pay Prepetition Employee Wages, Benefits and Related Items

On December 22, 2009, the Debtors filed a motion seeking to pay approximately \$19,300 with respect to prepetition compensation that was owed to the Debtors’ two employees, as well as approximately \$2,100 in prepetition benefits and potentially up to \$2,500 in payroll processing costs. As the retention of these two employees was critical to preserving the value of the Debtors’ estates, on December 23, 2008, the Court approved the Debtors’ motion.

2. Motion to Terminate the Automatic Stay for the Limited Purpose of Allowing the Payment of Defense Costs in Connection with Certain Prepetition Lawsuits Against Officers and Directors

Progressive Casualty Insurance Company (“Progressive”) issued Directors & Officers/Company Liability Insurance Policy for Financial Institutions, No. 10021402-02 (the “Progressive Policy”), for the claims-made policy period from February 8, 2006 to February 8, 2009. The Progressive Policy contains several insuring agreements, each of which is subject to its own limit of liability. The Progressive Policy has a total policy limit of \$15 million for each Policy Year during the Progressive Policy Period for all Insuring Agreements, regardless of whether such Insuring Agreement is provided as a sublimit or separate limit. As of the Petition Date, there were open claims under the Progressive Policy in connection with the following matters: (1) Maiman v. PFF Bancorp, Inc., et al., No. BC392833 (Cal. Sup. Ct., Los Angeles County) (the “Merger Action”); (2) Perez v. PFF Bancorp, Inc., et al., No. 08-cv-01093-SGL-PLA (C.D. Cal.) (the “Perez Action”); (3) Bonanomi v. PFF Bancorp, Inc., et al., No. 08-cv-01277-SGL-CW (the “Bonanomi Action”); (4) Tancredi, et al. v. Glencrest Investment Advisors, JAMS Arbitration No. 1200040419 (the “Tancredi Matter”); and (5) Topete v. PFF Bancorp, Inc., No. CA BC397963 (Cal. Sup. Ct., Los Angeles County) (the “Topete Action”).

The Merger Action was brought by Menachem Maiman, a Bancorp shareholder, as a purported class action against, inter alia, Bancorp and certain of its directors and officers in connection with a proposed, and ultimately not culminated, merger with FBOP Corporation. In this lawsuit, Maiman alleged that Bancorp’s board of directors breached their fiduciary duties to Bancorp’s public shareholders by agreeing to sell Bancorp at an unfair price and without disclosing all material information regarding the merger that was necessary for shareholders to make an informed vote. The parties have requested that the court dismiss the Merger Action. As discussed below, however, there are Defense Costs (as defined in the Progressive Policy) that remain outstanding. The defendants in the

Merger Action that are Insureds (as defined in the Progressive Policy) under the Progressive Policy sought coverage for that action under the Progressive Policy and requested that Progressive pay Defense Costs incurred in connection with that action. Subject to a full and complete reservation of all of its rights, Progressive agreed to pay such Defense Costs and, prior to the Petition Date, made payments of certain such Defense Costs. Certain additional Defense Costs remain outstanding.

The Perez Action was brought by Pauline Perez, a former employee of PFF Bank, as a purported class action against, inter alia, Bancorp, PFF Bank, and certain of their directors and officers. She alleges that the defendants breached fiduciary duties owed to her and a purported class of similarly situated persons in connection with an employee stock ownership plan (“ESOP”) and 401(k) plan by failing to disclose PFF Bank’s true financial condition and by investing in, or making available for investment, Bancorp securities.

The Bonanomi Action, was brought by another former employee of PFF Bank, Bruce Bonanomi. It is substantially similar to the Perez Action. By order dated January 20, 2009, the Court consolidated the Perez and Bonanomi Actions. They will proceed under the Perez Action’s case number. This consolidated action will be referred to herein as the “ERISA Action.”

On January 7, 2011, the plaintiff class in the ERISA Action and the defendants entered into a Class Action Stipulation and Agreement of Settlement, in which the defendants agreed to pay \$3,000,000 to resolve all claims raised in the ERISA Action, and in which the Debtors agreed to allow the plaintiffs a general unsecured claim in these bankruptcy proceedings of no more than \$400,000. On January 20, 2011, the court certified a settlement class and granted preliminary approval of the proposed settlement. On April 27, 2011, the court granted final approval of the settlement, entered a final judgment, and dismissed the action with prejudice. On February 10, 2012, the Bankruptcy Court entered an order approving the settlement [D.I. 1149]. The defendants in the ERISA Action and Securities Action that are Insureds under the Progressive Policy sought coverage for those actions under the Progressive Policy and requested that Progressive pay Defense Costs incurred in connection with those actions.

The Tancredi Matter arose out of several investment accounts that Mr. Tancredi had opened with GIA. In it, he alleged that GIA was liable for breach of fiduciary duty, negligence, and of providing unsuitable investments. This arbitration was resolved in favor of GIA with no award to Tancredi. As discussed further below, some Defense Costs remain outstanding. With respect to the Tancredi Matter, Progressive has paid certain Defense Costs in excess of the applicable retention, and additional Defense Costs remain outstanding that Progressive is prepared to pay.

The Topete Action was brought by a former employee of PFF Bank solely against Bancorp. The plaintiff alleges: (1) wrongful termination and retaliation based on violations of the Family Medical Leave Act, the California Family Rights Act, and the Family School Partnership Act; (2) breach of implied contract based on alleged violations of the Bank’s disciplinary policies and procedures; and (3) breach of the implied covenant of good faith and fair dealing by failing to honor its grant of benefits under the plaintiff’s employment contract. This matter remains pending. With respect to the Topete Action, Bancorp, prior to the Petition Date, had sought coverage for this action under the Progressive Policy. Nominal Defense Costs have been incurred that have not yet reached the applicable retention amount.

Additionally, after the Bank Receivership and Petition Date, on or about January 5, 2009, Menachem Maiman filed a second lawsuit, a purported class action securities suit, also in the Central District of California, against two directors/officers of Bancorp. *Maiman v. Talbott, et al.*, No. SACV09-0012 AG (ANx) (the “Securities Action”). This suit alleges that the defendants violated § 10(b) of the 1934 Act and Rule 10b-5 by allegedly disseminating or approving false statements regarding the financial condition of Bancorp that they knew or deliberately disregarded were misleading in that they “contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.” On August 29, 2011, the court granted the plaintiffs’ motion to certify a class. On September 27, 2011 the parties to the Securities Action entered into a Stipulation of Settlement resolving all claims under the Securities Action in exchange for a payment of \$8,250,000. The Bankruptcy Court will consider a motion under Bankruptcy Rule 9019 to approve the Stipulation of Settlement on February 14, 2012.

On February 27, 2009, the Debtors and Progressive filed the *Joint Motion of the Debtors and Debtors in Possession and Progressive Casualty Insurance Company for Relief from Automatic Stay, to the Extent It Applies, to Allow for the Payment of Defense Costs* [D.I. 143] (the “Progressive Motion”), by which they sought to allow Progressive to pay Defense Costs incurred by the Insureds in the above actions/matters. Following an informal objection to the Progressive Motion by the Committee seeking to limit the amount of defense costs payable pursuant to the Progressive Motion, the Bankruptcy Court approved the Progressive Motion on March 26, 2009 [D.I. 176], permitting defense costs to be paid up to an initial cap (the “Defense Costs Cap”) of \$3 million. On August 29, 2011, Progressive filed the *Motion of Progressive Casualty Insurance Company for Further Relief From the Automatic Stay, to the Extent it Applies, to Allow for Continuing Advancement of Defense Costs* [D.I. 989] (the “Second Progressive Motion”), by which Progressive sought to increase the Defense Costs Cap to \$6 million. On September 9, 2011, the Lead Plaintiffs in the Securities Action filed their *Limited Objection to the Second Progressive Motion* [D.I. 994], seeking to reserve all applicable rights to contest that (i) stay relief is actually necessary and (ii) the proceeds of the Progressive policy are property of the estate. The Committee also raised informal objections to the Second Progressive Motion seeking to reduce the amount that Progressive sought to increase the Defense Costs Cap. The Bankruptcy Court approved the Second Progressive Motion on September 19, 2011 [D.I. 1008] (the “September 19th Order”), increasing the Defense Costs Cap to \$5 million in the aggregate. The September 19th Order was without prejudice to any party’s right to contest that (i) stay relief is actually necessary and (ii) the proceeds of the Progressive policy are property of the estate.

3. Motion to Approve Stipulation Between the Debtors and the Creditors’ Committee for the Committee’s Standing to Bring Certain Claims on Behalf of the Debtors’ Estates

On November 10, 2010, the Creditors’ Committee and the Debtors entered into a Stipulation by which the Debtors granted the Creditors’ Committee standing to investigate, pursue, and prosecute, as appropriate, potential claims against certain recipients of pre-petition transfers that may be avoidable under chapter 5 of the Bankruptcy Code. The Stipulation also authorized the Creditors’ Committee standing to exercise all Debtors’ rights related to potential claims against the Debtors’ former auditors, including entering into a tolling agreement as to such claims or pursuing such claims, subject to an initial \$250,000 fee and cost cap. The Stipulation provided that the Creditors’ Committee decisions to pursue any of these claims would be made in its sole and exclusive discretion. On that same date, the Creditors’ Committee filed a motion seeking to approve the Stipulation [D.I. 672]. The Bankruptcy Court granted the motion and approved the Stipulation on November 24, 2010 [D.I. 721]. Following the Committee’s review and analysis of the Debtors’ potential claims against certain third parties, the Committee commenced eight adversary cases against certain third parties (all of which have been resolved as of the date of this Disclosure Statement), and otherwise determined not to initiate any litigation on behalf of the Debtors’ estates regarding these potential claims.

4. Stipulation Between the Debtors and the Creditors’ Committee for the Committee to Enter Into Tolling Agreement With Certain Former Officers and Directors

On December 3, 2010, the Creditors’ Committee and the Debtors entered into a Stipulation by which the Debtors granted the Creditors’ Committee standing to enter into a tolling agreement with certain of the Debtors’ former officers and directors, and any subsequent amendments, extensions or modifications thereto. On that same date, the Committee did, in fact, enter into a tolling agreement with these former officers and directors. Also on that date, the Creditors’ Committee filed a Certification of Counsel seeking to approve the Stipulation [D.I. 730]. The Bankruptcy Court entered an order approving the Stipulation on December 7, 2010 [D.I. 734]. Following the Committee’s review and analysis of the Debtors’ potential claims against the former officers and directors, the Committee determined not to initiate any litigation on behalf of the Debtors’ estates regarding these potential affirmative claims.

5. Stipulation Between the Debtors, the Creditors' Committee, the FDIC-R and U.S. Bank

As the result of its appointment as PFF Bank's receiver, the FDIC-R succeeded to ownership of substantially all of the records of the consolidated enterprise, some of which were transferred by the FDIC-R to US Bank pursuant to their purchase and assumption agreement. On January 23, 2009, the Debtors, U.S. Bank, the FDIC-R and the Creditors' Committee entered into a Stipulation, pursuant to which the FDIC and U.S. Bank agreed to grant the Debtors access to the Records subject to the terms and conditions of the Stipulation. On January 26, 2009, the Debtors filed a motion seeking to approve the Stipulation. The Bankruptcy Court approved the Stipulation on January 29, 2009 [D.I. 107]. Pursuant to the Stipulation, the Debtors were permitted to begin obtaining the Records from U.S. Bank and the FDIC on January 27, 2009 (to the extent not already in the Debtors' possession).

6. Motion to Approve Settlement Agreement Between the Debtors, the Federal Deposit Insurance Corporation as Receiver for PFF Bank & Trust and the Federal Deposit Insurance Corporation in its Corporate Capacity

The FDIC/Bancorp Settlement Agreement is discussed above in Section I.B. In the FDIC/Bancorp Settlement Agreement, the parties stated that it was their anticipation that federal income tax refunds of \$44,591,902.00 would be received as the result of NOL carrybacks for 2008 and 2009, of which the parties agreed that the FDIC-R would be the owner of \$26,000,000 and the Debtors would be the owner of \$18,591,902, subject to ratable reductions to the extent the refunds actually received were less than the amount anticipated. In addition, the parties anticipated a refund from the 2005 tax year of \$770,571.23, as to which the parties agreed that the FDIC-R would be the owner of 85% and the Debtors would be the owner of 15%. The parties further agreed that that certain potential federal refunds might be recovered in addition to the foregoing, in which event the Debtors would be the owners of 2/3 of the first \$3 million recovered and the FDIC-R 1/3 of that amount; the Debtors and the FDIC-R would share equally in the next \$2 million recovered; and the FDIC-R would be the owner of all amounts that might be recovered in excess of \$5 million. The FDIC/Bancorp Settlement Agreement required any federal or state tax refunds that were subject to the settlement to be held in escrow in accordance with the FDIC/Bancorp Escrow Stipulation and not to be disbursed until after the earliest of:

- a. Entry of a Bankruptcy Court order approving a settlement of all potential disputes between the IRS and the Consolidated Group;
- b. Entry of a Bankruptcy Court order approving a compromise agreed to by the IRS, the Debtors and the FDIC-R that permits a partial distribution subject to an audit reserve of the tax refunds to each of the FDIC-R and the Debtors; or
- c. Entry of an order or judgment of the Bankruptcy Court determining tax liability of the Consolidated Group pursuant to section 505 of the Bankruptcy Code with respect to all federal taxes that are the subject of any tax refunds at issue.

In an order entered on November 22, 2010, the Bankruptcy Court approved the FDIC/Bancorp Settlement Agreement [D.I. 716.]. According to Section 5.01 of the settlement agreement, certain conditions to effectiveness of the settlement agreement remained, including (i) approval of the settlement agreement by the board of directors of the Federal Deposit Insurance Corporation (or by an authorized person exercising delegated authority) and (ii) entry of an order by the Bankruptcy Court approving the agreement and the settlement pursuant to Bankruptcy Rule 9019 and such order having become a final order. As of December 22, 2010, all such conditions set forth in Section 5.01 of the settlement agreement were met, and the settlement agreement became effective.

7. Settlements with the Pension Benefit Guaranty Corporation

a. Motion to Approve Settlement Agreement Between the Debtors and Pension Benefit Guaranty Corporation

On June 25, 2010, the Debtors filed a motion seeking disallowance of the claims filed by the Pension Benefit Guaranty Corporation (“PBGC”) relating to the PFF Bank & Trust Employees’ Pension Plan (the “Pension Plan”), or in the alternative, requesting that to the extent the Bankruptcy Court does not disallow the PBGC Claims, that the Bankruptcy Court set a schedule by which the parties may fully brief the issue of the proper valuation of the PBGC Claims and by which the Debtors and PBGC may take discovery as necessary in order to support their respective proposed estimations of the PBGC Claims. On September 30, 2010, the PBGC filed its response to the Debtors’ objection. Throughout the claims objection process, however, counsel for the Debtors, the PBGC and the Committee were engaged in good faith negotiations to resolve the PBGC Claims.

To resolve these claims, the Debtors and the PBGC entered into a settlement agreement which provided, among other things, that the PBGC shall have (i) an allowed administrative priority claim under 11 U.S.C. § 507(a)(2) in the aggregate amount of \$31,000.00 and (ii) an allowed general unsecured claim in the aggregate amount of \$4,005,070.00 (together, the “PBGC Claims”). Furthermore, the parties agreed that the Allowed PBGC Claims shall be asserted jointly and severally against the Debtors, provided, however, that the PBGC collective recovery from the Debtors shall not exceed the amount of the Allowed PBGC Claims. On December 20, 2010, the Bankruptcy Court approved the settlement agreement between the Debtors and the PBGC [D.I. 755].

b. Distribution Agreement Between the Debtors, the Creditors’ Committee and the Pension Benefit Guaranty Corporation

Subsequently, the Creditors’ Committee raised certain issues with the Debtors and the PBGC regarding the treatment and distribution of the PBGC Claims. In particular, the Creditors’ Committee asserted that the PFF Tax Allocation Agreement could limit distribution on certain of the PBGC Claims. The Debtors, the Creditors’ Committee and the PBGC undertook further discussions and agreed on the following proposed classification and distribution of the PBGC Claims. The priority portion of the PBGC Claims will be paid in full while the general unsecured portion of the PBGC Claims will receive a forty-five (45) percent distribution pursuant to the terms of the Plan. In addition, this agreement with the PBGC allows the Debtors to avoid potentially costly and time-consuming litigation over the allocation of the Debtors’ tax refunds. The Plan operates as a motion under Bankruptcy Rule 9019 seeking Bankruptcy Court approval of this compromise. The Debtors believe that allowing a distribution of forty-five percent of the general unsecured portion of the PBGC Claims represents a fair compromise, and when taking into account the potential cost and time spent on litigating the issues at hand, the agreed settlement represents an efficient resolution of this controversy to the benefit of all creditors of the Debtors’ estates.

8. Motion for Declaratory Relief Pursuant to 11 U.S.C. § 505(a)(1) with Respect to Tax Liability for Tax Years 2003 Through 2009

On December 23, 2011, the Debtors filed PFF Bancorp Inc.’s Motion for Declaratory Relief Pursuant to 11 U.S.C. § 505(a)(1) [D.I. 1097] (the “505 Motion”). By the 505 Motion, the Debtors are seeking a determination from the Bankruptcy Court of Bancorp’s tax liability from March 31, 2003 through March 31, 2009 (as common parent for the Consolidated Group). Specifically, the Debtors have challenged a statutory notice of deficiency issued by the Internal Revenue Service (the “IRS”) disallowing \$18,537,953 of deductions attributable to estimated selling expenses because the IRS believed that such deductions did not qualify as “bad debt.” According to the IRS’ calculations, the disallowance of these deductions resulted in an unpaid tax liability of \$6,572,773 for the tax year ending on March 31, 2006. The IRS has also asserted penalties for non-payment of \$1,314,555 which together with the unpaid tax liability amount to an overall liability of \$7,887,328. Meanwhile, the IRS has refunded \$44,003,715 of the \$51,186,392 that arose from both the Five-Year NOL Carryback for 2008 and the Two-Year NOL Carryback for 2009. The IRS has reported credit balances in Bancorp’s favor of \$7,182,677 which the IRS is apparently unwilling to release due to the disallowed deductions. Because the IRS had not filed a proof of claim in the

bankruptcy cases for this liability, the Debtors have requested that the Bankruptcy Court determine: (i) whether the estimated selling expenses qualify as “bad debt;” (2) whether the IRS is entitled to recover on the \$7,887,328 liability stated in the notice; or (3) whether the Debtors are entitled to receive the remaining \$7,182,677 owed to Bancorp on account of the Five-Year NOL Carryback for 2008 and the Two-Year NOL Carryback for 2009. Subsequently, the IRS has filed a priority claim seeking over \$36 million in allegedly unpaid taxes, penalties, and interest (the “IRS Claim”). While the Debtors dispute the validity of the IRS Claim, it is not clear what effect the IRS Claim will have on distributions to creditors. However, the Debtors believe that the IRS Claim will be resolved in conjunction with the 505 Motion. The IRS filed its objection to the 505 Motion of February 7, 2012, and the Bankruptcy Court has approved a scheduling order governing this contested matter [D.I. 1152].

IV. SUMMARY OF THE JOINT PLAN

A. Summary

1. The Plan constitutes a separate chapter 11 plan of liquidation for each Debtor. Except for Administrative Claims, Priority Tax Claims and Other Priority Claims, all Claims against and Equity Interests in a particular Debtor are placed in Classes for each of the Debtors. In accordance with section 1123(a)(1) of the Bankruptcy Code, the Debtors have not classified Administrative Claims, Priority Tax Claims and Other Priority Claims, as described in Article II of the Plan.
2. The following table classifies Claims against and Equity Interests in each Debtor for all purposes, including voting, confirmation and Distribution pursuant hereto and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. The Plan deems a Claim or Equity Interest to be classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that any such Claim or Equity Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date. Each Class set forth below is treated hereunder as a distinct Class for voting and distribution purposes.
3. Summary of Classification and Treatment of Classified Claims and Equity Interests.

Class	Claim	Status	Voting Rights
1.A	Secured Claims against Bancorp	Deemed Paid in full to the extent of any security interest as of the date hereof	Deemed to Accept
2.A	PBGC Claims against Bancorp	Impaired	Entitled to Vote
2.B	PBGC Claims against GIA	Impaired	Entitled to Vote
2.C	PBGC Claims against DBS	Impaired	Entitled to Vote
2.D	PBGC Claims against PFF Real Estate	Impaired	Entitled to Vote
2.E	PBGC Claims against GIS	Impaired	Entitled to Vote

Class	Claim	Status	Voting Rights
3.A	General Unsecured Claims against Bancorp	Impaired	Entitled to Vote
3.B	General Unsecured Claims against GIA	Paid in full in Cash	Deemed to Accept
3.C	General Unsecured Claims against DBS	Paid in full in Cash	Deemed to Accept
3.D	General Unsecured Claims against PFF Real Estate	Paid in full in Cash	Deemed to Accept
3.E	General Unsecured Claims against GIS	Paid in full in Cash	Deemed to Accept
4.A	TruPS Claims	Impaired	Entitled to Vote
5.C	Intercompany Claims against DBS	All intercompany claims will be canceled	Deemed to Reject
6.A	Equity Interests in Bancorp	Equity interests in Bancorp will be canceled	Deemed to Reject
6.B	Equity Interests in GIA	Impaired	Entitled to Vote
6.C	Equity Interests in DBS	Impaired	Entitled to Vote
6.D	Equity Interests in PFF Real Estate	Impaired	Entitled to Vote
6.E	Equity Interests in GIS	Impaired	Entitled to Vote

B. Classification and Treatment of Administrative and Priority Claims

1. Administrative Claims

The Creditors Trustee shall pay each holder of an Allowed Administrative Claim the full unpaid amount of such Allowed Administrative Claim in Cash: (1) on the Effective Date or as soon as practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as practicable thereafter); (2) if such Claim is Allowed after the Effective Date, on the date such Claim is Allowed or as soon as practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due); (3) at such time and upon such terms as may be agreed upon by such holder and the Plan Administrator; or (4) at such time and upon such terms as set forth in an order of the Bankruptcy Court; *provided, however*, that Administrative Claims do not include Administrative Claims Filed

after the Administrative Claims Bar Date or Administrative Claims Filed or asserted pursuant to section 503(b)(9) after the General Bar Date.

2. Professional Compensation and Reimbursement Claims

The deadline for submission by Professionals of for Bankruptcy Court approval of Accrued Professional Compensation shall be forty-five (45) days after the Effective Date.

3. Indenture Trustee Fees

As of the Effective Date, the Debtors or the Creditors Trustee, as applicable, shall pay all Indenture Trustee Fees incurred prior to the Effective Date in Cash within 10 days of the presentation of invoices by the Indenture Trustee and without the need for application to, or approval by, any court. Indenture Trustee Fees incurred by the Indenture Trustee for services related to distributions pursuant to the Plan, if any, including, but not limited to, the reasonable fees, costs and expenses incurred by the Indenture Trustee's professionals in carrying out the Indenture Trustee's duties as provided for in the applicable TruPS Indenture shall be paid by the Creditors Trustee after the Effective Date in the ordinary course of business in Cash upon presentation of invoices by the Indenture Trustee and without the need for an application to, or approval of, any court. The amount of Indenture Trustee Fees shall not exceed one hundred fifty thousand dollars (\$150,000) (the "Indenture Trustee Fee Cap") in the aggregate. If the Creditors Trustee disputes any requested Indenture Trustee Fees, the Creditors Trustee (i) shall pay the undisputed portion of the Indenture Trustee Fees as provided for in Article II.C of the Plan, and (ii) shall notify the Indenture Trustee, and, upon such notification, the Indenture Trustee shall (a) assert a Charging Lien to pay the disputed portion of the Indenture Trustee Fees and/or (b) submit such dispute for resolution to the Bankruptcy Court; provided however, that the Bankruptcy Court's review shall be limited to a determination under the reasonable standard in accordance with the applicable Indentures. Nothing herein shall be deemed to impair, waive, discharge, or negatively affect any Charging Lien for any fees, costs and expenses not paid by the Debtors or the Creditors Trustee and otherwise claimed by the Indenture Trustee pursuant to the procedures set forth in Article II.C of the Plan. The Indenture Trustee Fee Cap may be increased upon the consent of the Debtors and the Committee, prior to the Effective Date, and the Creditors Trustee after the Effective Date.

4. Priority Tax Claims

The Creditors Trustee shall pay each holder of an Allowed Priority Tax Claim the full unpaid amount of such Allowed Priority Tax Claim in Cash, on the latest of (i) the Effective Date, (ii) the date such Allowed Priority Tax Claim becomes Allowed and (iii) the date such Allowed Priority Tax Claim is payable under applicable non-bankruptcy law.

5. Other Priority Claims

On or as soon as practicable after the Effective Date, the Creditors Trustee shall pay each holder of an Allowed Other Priority Claim, including the PBGC Allowed Priority Claim, in full and final satisfaction of such Allowed Other Priority Claim the full unpaid amount of such Allowed Other Priority Claim in Cash.

C. Classification and Treatment of Claims and Equity Interests

1. Secured Claims (Class 1.A)

Classification: Class 1.A consists of the Secured Claims against Bancorp.

Treatment: On November 24, 2008, the Secured Lender exercised its setoff rights under the Secured Term Loan and seized all cash that secured the Secured Term Loan and the Secured Lender's security interest in the stock

of PFF Bank is valueless. Therefore, the Secured Lender is deemed to have been paid in full as of the date hereof with respect to its secured claim. The Secured Lender's deficiency claim will be treated as a claim in Class 3.A.

Voting: Class 1.A is Unimpaired and, therefore, the Secured Lender is deemed to have accepted the Plan.

2. PBGC Claims against Bancorp (Class 2.A)

Classification: Class 2.A consists of the PBGC Claims against Bancorp.

Treatment: Pursuant to the PBGC Allowed Claim Distribution Agreement, whereby the PBGC agreed to compromise its claims and accept recovery with respect to such claims in the amounts of the PBGC Allowed General Unsecured Claim Distribution Amount and the PBGC Allowed Priority Claim Distribution Amount, on or as soon as practicable after the Initial Distribution Date, the Creditors Trustee shall pay the PBGC, as the holder of Allowed PBGC Claims against Bancorp in Class 2.A, in full and final satisfaction of such Allowed PBGC Claims, the full remaining unsatisfied amount, if any, of the PBGC General Unsecured Claim Distribution Amount after the payments made by the other Debtor estates in the Chapter 11 Cases in accordance with the terms of this Plan.

Voting: Class 2.A is Impaired and, therefore, the PBGC, as the holder of PBGC Claims against Bancorp in Class 2.A is entitled to vote to accept or reject the Plan.

3. General Unsecured Claims against GIA (Class 2.B)

Classification: Class 2.B consists of PBGC Claims against GIA.

Treatment: Pursuant to the PBGC Allowed Claim Distribution Agreement, whereby the PBGC agreed to compromise its claims and accept recovery with respect to such claims in the amounts of the PBGC Allowed General Unsecured Claim Distribution Amount and the PBGC Allowed Priority Claim Distribution Amount, on or as soon as practicable after the Initial Distribution Date, the Creditors Trustee shall pay the PBGC, as the holder of Allowed PBGC Claims against GIA in Class 2.B, in full and final satisfaction of such Allowed PBGC Claims, the full amount of any cash funds in the GIA estate remaining, after payment in full of all GIA General Unsecured Claims, up to the remaining unsatisfied portion, if any, of the PBGC Allowed General Unsecured Claim Distribution Amount in accordance with the terms of this Plan. The remaining amount of the PBGC Allowed General Unsecured Claim Distribution Amount shall be paid from the other Debtor estates in the Chapter 11 Cases.

Voting: Class 2.B is Impaired and, therefore, the PBGC, as the holder of PBGC Claims against GIA in Class 2.B is entitled to vote to accept or reject the Plan.

4. PBGC Claims against DBS (Class 2.C)

Classification: Class 2.C consists of PBGC Claims against DBS.

Treatment: Pursuant to the PBGC Allowed Claim Distribution Agreement, whereby the PBGC agreed to compromise its claims and accept recovery with respect to such claims in the amounts of the PBGC Allowed General Unsecured Claim Distribution Amount and the PBGC Allowed Priority Claim Distribution Amount, on or as soon as practicable after the Initial Distribution Date, the Creditors Trustee shall pay the PBGC, as the holder of Allowed PBGC Claims against DBS in Class 2.C, in full and final satisfaction of such Allowed PBGC Claims, the full amount of any cash funds in the DBS estate remaining, after payment in full of all DBS General Unsecured Claims, up to the remaining unsatisfied portion, if any, of the PBGC Allowed General Unsecured Claim Distribution Amount in accordance with the terms of this Plan. The remaining amount of the PBGC Allowed General Unsecured Claim Distribution Amount shall be paid from the other Debtor estates in the Chapter 11 Cases.

Voting: Class 2.C is Impaired and, therefore, the PBGC, as the holder of PBGC Claims against DBS in Class 2.C is entitled to vote to accept or reject the Plan.

5. PBGC Claims against PFF Real Estate (Class 2.D)

Classification: Class 2.D consists of the PBGC Claims against PFF Real Estate.

Treatment: Pursuant to the PBGC Allowed Claim Distribution Agreement, whereby the PBGC agreed to compromise its claims and accept recovery with respect to such claims in the amounts of the PBGC Allowed General Unsecured Claim Distribution Amount and the PBGC Allowed Priority Claim Distribution Amount, on or as soon as practicable after the Initial Distribution Date, the Creditors Trustee shall pay the PBGC, as the holder of Allowed PBGC Claims against PFF Real Estate in Class 2.D, in full and final satisfaction of such Allowed PBGC Claims, the full amount of any cash funds in the PFF Real Estate estate remaining, after payment in full of all PFF Real Estate General Unsecured Claims, up to the remaining unsatisfied portion, if any, of the PBGC Allowed General Unsecured Claim Distribution Amount in accordance with the terms of this Plan. The remaining amount of the PBGC Allowed General Unsecured Claim Distribution Amount shall be paid from the other Debtor estates in the Chapter 11 Cases.

Voting: Class 2.D is Impaired and, therefore, the PBGC, as the holder of PBGC Claims against PFF Real Estate in Class 2.D is entitled to vote to accept or reject the Plan

6. PBGC Claims against GIS (Class 2.E)

Classification: Class 2.E consists of the PBGC Claims against GIS.

Treatment: Pursuant to the PBGC Allowed Claim Distribution Agreement, whereby the PBGC agreed to compromise its claims and accept recovery with respect to such claims in the amounts of the PBGC Allowed General Unsecured Claim Distribution Amount and the PBGC Allowed Priority Claim Distribution Amount, on or as soon as practicable after the Initial Distribution Date, the Creditors Trustee shall pay the PBGC, as the holder of Allowed PBGC Claims against GIS in Class 2.E, in full and final satisfaction of such Allowed PBGC Claims, the full amount of any cash funds in the GIS estate remaining, after payment in full of all GIS General Unsecured Claims, up to the remaining unsatisfied portion, if any, of the PBGC Allowed General Unsecured Claim Distribution Amount in accordance with the terms of this Plan. The remaining amount of the PBGC Allowed General Unsecured Claim Distribution Amount shall be paid from the other Debtor estates in the Chapter 11 Cases.

Voting: Class 2.E is Impaired and, therefore, the PBGC, as the holder of PBGC Claims against GIS in Class 2.E is entitled to vote to accept or reject the Plan.

7. General Unsecured Claims against Bancorp (Class 3.A)

Classification: Class 3.A consists of General Unsecured Claims against Bancorp.

Treatment: On or as soon as practicable after the Initial Distribution Date, the Creditors Trustee shall pay each holder of an Allowed General Unsecured Claim against Bancorp in Class 3.A, in full and final satisfaction of such Allowed General Unsecured Claim, its pro rata share of the cash funds remaining in the Bancorp estate after the satisfaction of the PBGC Claims against Bancorp.

Voting: Class 3.A is Impaired and, therefore, holders of General Unsecured Claims against Bancorp in Class 3.A are entitled to vote to accept or reject the Plan. Only holders of Allowed General Unsecured Claims against Bancorp in Class 3.A shall receive a Distribution under the Plan.

8. PBGC Unsecured Claims against GIA (Class 3.B)

Classification: Class 3.B consists of General Unsecured Claims against GIA.

Treatment: On or as soon as practicable after the Initial Distribution Date, the Creditors Trustee shall pay in Cash to each holder of an Allowed General Unsecured Claim against GIA in Class 3.B, in full and final

satisfaction of such Allowed General Unsecured Claim, an amount necessary to satisfy such Claim in full plus interest from the Petition Date through the Effective Date at the Federal Judgment Rate in effect as of the Petition Date.

Voting: Class 3.B is Unimpaired and, therefore, holders of General Unsecured Claims against GIA in Class 3.B are deemed to have accepted the Plan.

9. General Unsecured Claims against DBS (Class 3.C)

Classification: Class 3.C consists of General Unsecured Claims against DBS.

Treatment: On or as soon as practicable after the Initial Distribution Date, the Creditors Trustee shall pay in Cash to each holder of an Allowed General Unsecured Claim against DBS in Class 3.C, in full and final satisfaction of such Allowed General Unsecured Claim, an amount necessary to satisfy such Claim in full plus interest from the Petition Date through the Effective Date at the Federal Judgment Rate in effect as of the Petition Date.

Voting: Class 3.C is Unimpaired and, therefore, holders of General Unsecured Claims against DBS in Class 3.C are deemed to have accepted the Plan.

10. General Unsecured Claims against PFF Real Estate (Class 3.D)

Classification: Class 3.D consists of General Unsecured Claims against PFF Real Estate.

Treatment: On or as soon as practicable after the Initial Distribution Date, the Creditors Trustee shall pay in Cash to each holder of an Allowed General Unsecured Claim against PFF Real Estate in Class 3.D, in full and final satisfaction of such Allowed General Unsecured Claim, an amount necessary to satisfy such Claim in full plus interest from the Petition Date through the Effective Date at the Federal Judgment Rate in effect as of the Petition Date.

Voting: Class 3.D is Unimpaired and, therefore, holders of General Unsecured Claims against PFF Real Estate in Class 3.D are deemed to have accepted the Plan.

11. General Unsecured Claims against GIS (Class 3.E)

Classification: Class 3.E consists of General Unsecured Claims against GIS.

Treatment: On or as soon as practicable after the Initial Distribution Date, the Creditors Trustee shall pay in Cash to each holder of an Allowed General Unsecured Claim against GIS in Class 3.E, in full and final satisfaction of such Allowed General Unsecured Claim, an amount necessary to satisfy such Claim in full plus interest from the Petition Date through the Effective Date at the Federal Judgment Rate in effect as of the Petition Date.

Voting: Class 3.E is Unimpaired and, therefore, holders of General Unsecured Claims against GIS in Class 3.E are deemed to have accepted the Plan.

12. TruPS Claims against Bancorp

Classification: Class 4.A consists of TruPS Claims against Bancorp.

Treatment: The TruPS Claims shall be allowed in the aggregate amount of \$90,767,730.11, consisting of (a) \$87,630,000.00 in the principal amount issued pursuant the TruPS Indentures and related documents and (b) \$3,137,730.11 in accrued but unpaid interest as of the Petition Date at the applicable rates specified in the TruPS Indentures and related documents, as well as other fees and costs associated therewith, and shall not be subject to

objection, challenge, redaction, offset, avoidance, setoff, recharacterization, impairment, subordination (whether equitable, contractual, or otherwise) except as provided herein, counterclaim, cross-claim, defense or disallowance under applicable law.

On or as soon as practicable after the Initial Distribution Date, the Creditors Trustee shall pay in Cash to each holder of an Allowed TruPS Claim against Bancorp in Class 4.A, in full and final satisfaction of such Allowed TruPS Claim its pro rata share of the cash funds remaining in the Bancorp estate after the satisfaction of the PBGC Claims against Bancorp *pari passu* with Allowed General Unsecured Claims against Bancorp in Class 3.A, provided, however, that all such amounts payable to holders of Allowed TruPS Claims, exclusive of payment of Indenture Trustee Fees, shall be paid in the following order: (i) to M&I Marshall & Isley Bank until such time that M&I Marshall & Isley Bank shall have received 100% of its Allowed General Unsecured Claims (exclusive of post-petition interest) against Bancorp in Class 3.A.; and then (ii) to the applicable Allowed TruPS Claim holder in accordance with its remaining pro rata share. For the avoidance of any doubt, nothing in Plan Article III.B.12 shall be deemed to impair, waive or extinguish any rights of the Indenture Trustee with respect to the Charging Lien or Indenture Trustee Fees.

Voting: Class 4.A is Impaired and, therefore, holders of TruPS Claims against Bancorp in Class 4.A are entitled to vote to accept or reject the Plan.

13. Intercompany Claims against DBS (Class 5.C)

Classification: Class 5.C consists of Intercompany Claims against DBS.

Treatment: Holders of Intercompany Claims against DBS shall receive no Distribution under the Plan.

Voting: Class 5.C will receive no Distribution under the Plan and therefore, holders of Intercompany Claims against DBS in Class 5.C are deemed to have rejected the Plan.

14. Equity Interests in Bancorp (Class 6.A)

Classification: Class 6.A consists of Equity Interests in Bancorp.

Treatment: Holders of Equity Interests in Bancorp in Class 6.A shall receive no Distribution under the Plan.

Voting: Class 6.A will receive no Distribution under the Plan and therefore, holders of Equity Interests in Bancorp in Class 6.A are deemed to have rejected the Plan.

15. Equity Interests in GIA (Class 6.B)

Classification: Class 6.B consists of Equity Interests in GIA.

Treatment: On or as soon as practicable after the Initial Distribution Date, and after payment of the PBGC Allowed General Unsecured Claim Distribution Amount, and after payment of all Allowed Claims of General Unsecured Claims against GIA in Class 3.B, or reservation of funds sufficient to satisfy all such disputed Claims in full, holders of Equity Interests in GIA in Class 6.B, in final and full satisfaction of such Equity Interests shall receive all Cash and all rights, title and interests, if any, in any other assets remaining in the Estate of GIA.

Voting: Class 6.B is Impaired and, therefore, holders of Equity Interests in GIA in Class 6.B are entitled to vote to accept or reject the Plan.

16. Equity Interests in DBS (Class 6.C)

Classification: Class 6.C consists of Equity Interests in DBS.

Treatment: On or as soon as practicable after the Initial Distribution Date, and after payment of the PBGC Allowed General Unsecured Claim Distribution Amount, and after payment of all Allowed Claims of General Unsecured Claims against DBS in Class 3.C, or reservation of funds sufficient to satisfy all such disputed Claims in full, holders of Equity Interests in DBS in Class 6.C, in final and full satisfaction of such Equity Interests shall receive all Cash and all rights, title and interests, if any, in any other assets remaining in the Estate of DBS.

Voting: Class 6.C is Impaired and, therefore, holders of Equity Interests in DBS in Class 6.C are entitled to vote to accept or reject the Plan.

17. Equity Interests in PFF Real Estate (Class 6.D)

Classification: Class 6.D consists of Equity Interests in PFF Real Estate.

Treatment: On or as soon as practicable after the Initial Distribution Date, and after payment of the PBGC Allowed General Unsecured Claim Distribution Amount, and after payment of all Allowed Claims of General Unsecured Claims against PFF Real Estate in Class 3.D, or reservation of funds sufficient to satisfy all such disputed Claims in full, holders of Equity Interests in PFF Real Estate in Class 6.D, in final and full satisfaction of such Equity Interests shall receive all Cash and all rights, title and interests, if any, in any other assets remaining in the Estate of PFF Real Estate.

Voting: Class 6.D is Impaired and, therefore, holders of Equity Interests in PFF Real Estate in Class 6.D are entitled to vote to accept or reject the Plan.

18. Equity Interests in GIS (Class 6.E)

Classification: Class 6.E consists of Equity Interests in GIS.

Treatment: On or as soon as practicable after the Initial Distribution Date, and after payment of the PBGC Allowed General Unsecured Claim Distribution Amount, and after payment of all Allowed Claims of General Unsecured Claims against GIS in Class 3.E, or reservation of funds sufficient to satisfy all such disputed Claims in full, holders of Equity Interests in GIS in Class 6.E, in final and full satisfaction of such Equity Interests shall receive all Cash and all rights, title and interests, if any, in any other assets remaining in the Estate of GIS.

Voting: Class 6.E is Impaired and, therefore, holders of Equity Interests in GIS in Class 6.E are entitled to vote to accept or reject the Plan.

D. Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' rights in respect of any Unimpaired Claim, including, without limitation, all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claim.

E. Nonconsensual Confirmation

The Debtors reserve the right to seek confirmation of the Plan under section 1129(b) of the Bankruptcy Code. To the extent that any Class votes to reject the Plan, the Debtors further reserve the right to modify the Plan in accordance with Article XI.C of the Plan.

V. MEANS FOR IMPLEMENTATION OF THE PLAN

A. Creation of the Creditors Trust.

On or prior to the Effective Date, the Creditors Trust shall be formed pursuant to this Plan and the Creditors Trust Agreement, and the Creditors Trust Assets shall be transferred to and vest in the Creditors Trust pursuant to the terms of the Creditors Trust Agreement, provided that no assets that could be Creditors Trust Assets but that are held in the FDIC/Bancorp Escrow Account or are otherwise subject to the FDIC/Bancorp Settlement Agreement shall be transferred to the Creditors Trust or removed from the FDIC/Bancorp Escrow Account until the conditions for any such disbursement that are set forth in the FDIC/Bancorp Settlement Agreement have been satisfied. In accordance with this Plan and the Creditors Trust Agreement, the Creditors Trustee shall (i) pay to each holder of an Allowed Administrative Claim, Allowed Priority Tax Claim and Allowed Other Priority Claim, the full unpaid amount of each such Allowed Claim; (ii) pay all amounts owed to the PBGC as the holder of Allowed PBGC Claims in Classes 2.A, 2.B, 2.C, 2.D and 2.E; (iii) pay all amounts owed to the holders of Allowed General Unsecured Claims in Classes 3.A, 3.B, 3.C, 3.D and 3.E; (iv) pay or provide for payments required under the Plan, if any, to holders of Allowed TruPS Claim in Class 4.A; (v) pay or provide for payments required under the Plan to holders of any Disputed Class 3.A, 3.B, 3.C, 3.D or 3.E Claims that otherwise become Allowed Class 3.A, 3.B, 3.C, 3.D or 3.E Claims after the Effective Date; and (vi) distribute any remaining Cash or other Creditors Trust Assets to the holders of Allowed Claims in Class 3.A and 4.A as provided in the Plan. The Creditors Trust is intended to qualify as a liquidating trust pursuant to United States Treasury Regulation Article 301.7701-4(d).

B. Creditors Trust Distributions.

Pursuant to the Creditors Trust Agreement, on the Initial Distribution Date, the Creditors Trustee shall thereafter, pursuant to the Creditors Trust Agreement, distribute the proceeds of the Creditors Trust pro rata to the Creditors Trust Beneficiaries until the Creditors Trust Beneficiaries' (a) Allowed PBGC Claims in Classes 2.A, 2.B, 2.C, 2.D and 2.E (b) Allowed General Unsecured Claims in Classes 3.A, 3.B, 3.C, 3.D and 3.E and (c) Allowed TruPS Claims in Class 4.A have been satisfied in full pursuant to the terms of this Plan. As soon as practicable after the Initial Distribution Date, the Creditors Trustee shall distribute to the PBGC as the holder of Allowed Class 2.A, 2.B, 2.C, 2.D and 2.E Claims, the holders of Allowed Class 3.A, 3.B, 3.C, 3.D and 3.E Unsecured Claims and the holders of Allowed TruPS Claims such claimant's pro rata share of all Cash transferred to the Creditors Trust, except for funds designated to be set aside by the Creditors Trustee, in his reasonable discretion, to fund the Causes of Action and pay for professional fees incurred in the administration of the Creditors Trust. All additional cash received by the Creditors Trust, except for such funds designated to be set aside by the Creditors Trustee, in his reasonable discretion, and any proceeds of Causes of Action, must be distributed to the Creditors Trust Beneficiaries and shall not be used to fund administration of the Creditors Trust or prosecution of the Causes of Action. An initial distribution consisting of one-half of the amount received from the escrow agent of the FDIC/Bancorp Escrow Account shall be distributed by the Creditors Trustee to the Creditors Trust Beneficiaries on the Initial Distribution Date.

C. The Creditors Trustee

The Creditors Trustee shall have and retain all the rights, powers, and duties necessary to carry out his or her responsibilities under the Plan and the Creditors Trust Agreement, and as otherwise provided in the Confirmation Order. Except as otherwise ordered by the Bankruptcy Court, the Creditors Trustee shall be vested with authority and standing to prosecute any Causes of Action. The Creditors Trustee shall be the exclusive trustee of the Creditors Trust Assets for purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3), as well as the representative of the Estates appointed pursuant to Bankruptcy Code § 1123(b)(3)(B). Subject to the Bankruptcy Court's approval and appointment at the Confirmation Hearing, a Person designated by the Creditors' Committee, in consultation with the Debtors, shall initially serve as the Creditors Trustee. Matters relating to the appointment, removal, and resignation of the Creditors Trustee, and the appointment of any successor Creditors Trustee, shall be

set forth in the Creditors Trust Agreement. The Creditors Trustee shall be required to perform his or her duties as set forth in this Plan and the Creditors Trust Agreement.

D. The Plan is a Motion to Transfer Creditors Trust Assets.

Under Bankruptcy Code §§ 1123 and 1129, this Plan shall serve to transfer and vest any and all Creditors Trust Assets as of the Effective Date to and in the Creditors Trust free and clear of Liens, Claims, encumbrances, and interests except as otherwise provided in this Plan. Any objections to such transfer must be made as an objection to Confirmation of the Plan to be heard at the Confirmation Hearing. Any Person having a Lien, Claim, encumbrance or interest against any Creditors Trust Assets who does not object to this Plan shall be conclusively deemed to have consented to the transfer of such Property to the Creditors Trust free and clear of such Lien, Claim, encumbrance, or interest, except as otherwise provided in the Plan, by failing to object to Confirmation of this Plan.

E. Corporate Authority.

All actions and transactions contemplated under the Plan, including, but not limited to, any certificates, agreements, or other documents to be executed in connection with the conveyance of all of the Creditors Trust Assets to the Creditors Trust, shall be authorized upon Confirmation of the Plan without the need for further approvals, notices, or meetings of the Debtors' board of directors or Equity Interest holders, other than the notice provided by serving the Plan or notice of the Plan on (i) all known holders of Claims and (ii) all current directors and managers of each of the Debtors. The Confirmation Order shall include provisions dispensing with the need for further approvals, notices, or meetings of any of the Debtors' board of directors, managers, or Equity Interest holders and authorizing and directing any officer of each respective Debtor to execute any document, certificate, or agreement necessary to effectuate the Plan on behalf of such Debtor, which documents, certificates, and agreements shall be binding on the Debtors, the Creditors, and all Equity Interest holders. The Creditors Trustee is vested with authority to take any action contemplated by this Plan or the Creditors Trust on behalf of the Debtors that would otherwise require the approval of shareholders, board of directors or managers, or officers of any of the Debtors. From and after the Effective Date, the authority, power and incumbency of the persons then acting as directors, managers and/or officers of each of the Debtors shall be terminated and such directors, managers and/or officers shall be deemed to have resigned or to have been removed without cause and have no further duties or responsibilities with respect to the applicable Debtor or the Creditors Trust.

F. Issuance of Creditors Trust Interests.

It is an integral and essential element of the Plan that the issuance of the Creditors Trust Interests pursuant to the Plan be exempt from registration under the Securities Act of 1933 and similar state laws pursuant to Bankruptcy Code § 1145. The Confirmation Order shall include a finding and conclusion, binding upon all parties to the Chapter 11 Cases, the Creditors Trustee, the Securities and Exchange Commission, and all other federal and state regulatory enforcement agencies, to the effect that such offer and issuance fall within the exemption(s) from registration under the Securities Act pursuant to Bankruptcy Code § 1145. In lieu of certificates evidencing the Creditors Trust Interests, the Creditors Trustee shall maintain a register of the names, addresses, and interest percentages of the Creditors Trust Beneficiaries based upon the provisions of the Plan, which designate the Persons who are entitled to receive beneficial interests in the Creditors Trust. The Debtors believe that the exemption in Bankruptcy Code § 1145 applies to the Creditors Trust Interests. If applicable, the Creditors Trustee shall provide a legend on any certificate issued with respect to the Creditors Trust Interests that states that such interests were not registered under the Securities Act pursuant to the exemption in Bankruptcy Code § 1145. The Creditors Trust Interests may not be sold, otherwise disposed of, or offered for sale unless registration statements under such acts with respect to such Creditors Trust Interests are then in effect or exemptions from the registration statements of such acts are then applicable to such offer, sale, or other disposition.

G. Retention of Professionals.

The Creditors Trustee shall, subject to any authority of the Oversight Committee to be established under the Creditors Trust Agreement, have the right to retain the services of attorneys, accountants, and other professionals that, in the discretion of the Creditors Trustee, are necessary to assist the Creditors Trustee in the performance of his or her duties. The reasonable fees and expenses of such professionals shall be paid by the Creditors Trust upon the monthly submission of statements to the Creditors Trustee. The payment of the reasonable fees and expenses of the Creditors Trustee's retained professionals shall be made in the ordinary course of business from the Creditors Trust and shall not be subject to the approval of the Bankruptcy Court but shall be subject to the provisions of the Creditors Trust Agreement. Professionals of, among others, the Debtors and the Creditors Committee, shall be eligible for retention by the Creditors Trustee, subject to any authority of the Oversight Committee to be established under the Creditors Trust Agreement.

H. Compensation of the Creditors Trustee.

The Creditors Trustee's compensation, on a post-Effective Date basis, shall be set forth in the Creditors Trust Agreement and shall be determined by the Creditors' Committee in consultation with the Debtors. The payment of the fees of the Creditors Trustee and any professionals retained by the Creditors Trustee shall be made in accordance with the Creditors Trust Agreement.

I. Creditors Trust Expenses.

Subject to the provisions of the Creditors Trust Agreement, all costs, expenses, and obligations incurred by the Creditors Trustee in administering this Plan, the Creditors Trust, or in any manner connected, incidental, or related thereto, in effecting distributions from the Creditors Trust hereunder (including the reimbursement of reasonable expenses) shall be a charge against the Creditors Trust Assets remaining from time to time in the hands of the Creditors Trustee. Such expenses shall be paid as they are incurred without the need for Bankruptcy Court approval, but shall be subject to the provisions of the Creditors Trust Agreement.

J. Conflicts between the Creditors Trust Agreement and the Plan.

In the event of any inconsistencies between the Creditor Trust Agreement and the Plan, the terms and provisions of the Plan shall control.

K. Liability; Indemnification.

No Protected Party shall be liable for the act or omission of any other Protected Party, nor shall the Creditors Trustee be liable for any act or omission taken or omitted to be taken in his or her capacity as the Creditors Trustee, other than acts or omissions resulting from such Person's willful misconduct, gross negligence, or fraud. The Creditors Trustee may, in connection with the performance of his or her functions, and in his or her sole absolute discretion, consult with attorneys, accountants, financial advisors and agents, and shall not be liable for any act taken, omitted to be taken, or suffered to be done in accordance with advice or opinions rendered by such Persons other than acts or omissions resulting from the willful misconduct, gross negligence or fraud of the Creditors Trustee. Notwithstanding such authority, the Creditors Trustee shall be under no obligation to consult with attorneys, accountants, or his or her agents, and his or her determination to not do so should not result in imposition of liability on the Creditors Trustee unless such determination is based on willful misconduct, gross negligence, or fraud. The Creditors Trust shall indemnify and hold harmless the Creditors Trustee and his or her agents, representatives, professionals, employees and all duly designated agents and representatives thereof (in their capacity as such) from and against and in respect to any and all liabilities, losses, damages, claims, costs, and expenses, including, but not limited to, attorneys' fees and costs arising out of or due to their actions or omissions, or consequences of such actions or omissions, with respect to the Creditors Trust or the implementation or administration of the Plan; provided, however, that no such indemnification will be made to such Persons for such

actions or omissions if a court of competent jurisdiction has determined by Final Order that the challenged conduct occurred as a result of willful misconduct, gross negligence, or fraud.

Any claim under Plan Article IV.K must be brought in the Bankruptcy Court

L. Preservation of Causes of Action; Settlement of Litigation Claims.

1. Preservation of Causes of Action.

The Creditors Trustee shall be appointed representative of the Estates for the benefit of (i) the PBGC, as the holder of Allowed Class 2.A, 2.B, 2.C, 2.D and 2.E PBGC Claims and (ii) the holders of Allowed Class 3.A, 3.B, 3.C, 3.D and 3.E General Unsecured Claims and, except as otherwise ordered by the Bankruptcy Court and subject to any releases in the Plan, shall retain all Causes of Action, and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) any or all of the Causes of Action. Except as otherwise ordered by the Bankruptcy Court, the Creditors Trustee shall be vested with authority and standing to prosecute any Causes of Action. The Debtors and their existing and former directors, managers, officers, attorneys, and other professional advisors shall have no liability for pursuing or failing to pursue any such Causes of Action vested in the Creditors Trust.

2. Settlement of Litigation Claims.

At any time after the Confirmation Date and before the Effective Date, notwithstanding anything in this Plan to the contrary, the Debtors may settle some or all of the Causes of Action subject to obtaining any necessary Bankruptcy Court approval. After the Effective Date, the compromise and settlement by the Creditors Trustee of any Causes of Action may be effected without Court approval.

M. Liquidation of the Debtors

After the Effective Date, upon transfer of each of the Debtors' assets to the Creditors Trust pursuant to the Creditors Trust Agreement, the Creditors Trustee may: (a) file a certificate of dissolution, together with all other necessary corporate documents, to effect the dissolution of each Debtor under the applicable laws of such Debtor's state of formation; and (b) complete and file each Debtor's final federal, state and local tax returns, and pursuant to section 505(b) of the Bankruptcy Code, request an expedited determination of any unpaid tax liability of such Debtor or its Estate for any tax incurred during the administration of such Debtor's Chapter 11 Case, as determined under applicable tax laws. The filing of each Debtor's certificate of dissolution shall be authorized and approved in all respects without further action under applicable law, regulation, order or rule, including, without limitation, any action by the stockholders or the board of directors of each such Debtor.

N. Operations of the Debtors Between the Confirmation Date and the Effective Date

The Debtors shall continue to operate as Debtors in Possession during the period from the Confirmation Date through and until the Effective Date and as reorganized Debtors from the Effective Date through the date or dates of their respective dissolution.

O. Establishment of the Administrative Claims Bar Date

The Plan establishes the Administrative Claims Bar Date, which will be approved by the Bankruptcy Court pursuant to the Confirmation Order.

Except as otherwise provided in Plan Article IV.O, on or before 5:00 p.m., prevailing Eastern time, on the Administrative Claims Bar Date, each holder of an Administrative Claim shall file with the Claims Agent a request for payment of Administrative Claim by mailing, hand delivering or delivering by courier service such request for

payment of Administrative Claim to the Claims Agent at Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245, Attention: Claims Processing Department.

The request for payment of an Administrative Claim will be timely filed only if it is **actually received** by the Claims Agent by 5:00 p.m., prevailing Eastern time, on the Administrative Claims Bar Date.

For the avoidance of doubt, the foregoing shall not apply to the payment of any Indenture Trustee Fees, which such fees shall be payable without application to the Bankruptcy Court and in accordance with Article II.C of the Plan.

Notwithstanding anything in Plan Article IV.O, the Debtors' and the Creditors' Committee's professionals shall not be required to file a request for payment of any Administrative Claim on or before the Administrative Claims Bar Date for fees and expenses arising under sections 330, 331 or 503(b)(2-5) of the Bankruptcy Code, as such Professionals will instead file final fee applications as required by the Bankruptcy Code, Bankruptcy Rules and the Confirmation Order.

P. Term of Injunctions or Stays

Unless otherwise provided, all injunctions or stays provided for in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Chapter 11 Cases are closed.

Q. Creditors' Committee

Upon the Effective Date, the Creditors' Committee shall dissolve, and its members shall be released and discharged from all further authority, duties, responsibilities and obligations relating to and arising from the Chapter 11 Cases. The retention and employment of the Professionals retained by the Creditors' Committee shall terminate as of the Effective Date, *provided, however*, that the Creditors' Committee shall exist, and its Professionals shall be retained, after such date with respect to (a) applications Filed pursuant to sections 330 and 331 of the Bankruptcy Code and (b) motions seeking the enforcement of the provisions of the Plan or the Confirmation Order.

R. Books and Records

As part of the transfer of Creditors Trust Assets from the Debtors and their Estates to the Creditors Trust on the Effective Date, the Debtors shall transfer dominion and control over those books and records necessary to prosecute any remaining Causes of Action or to reconcile any Disputed Claims. The Debtor shall transfer such books and records in whatever form, manner or media, including, without limitation, the specific provision and presentation to the Creditors Trustee of all passcodes for security systems and computers, keys, keycards, and notice letters to landlords, warehousemen or other relevant parties. The Debtors may abandon all other books and records of the Estates on or after thirty (30) days from the Effective Date. Pursuant to section 554 of the Bankruptcy Code, this Article shall constitute motion and notice, so that no further notice or Bankruptcy Court filings are required to effectuate the aforementioned abandonment of the books and records of the Estates.

VI. PROVISIONS GOVERNING DISTRIBUTIONS

A. Initial Distribution Date

On the Initial Distribution Date or as soon thereafter as is reasonably practicable, the Creditors Trustee shall make, or shall make adequate reserves for, the Distributions required to be made under the Plan.

Distributions on account of holders of Allowed TruPS Claims, if any, shall be made to (a) the Indenture Trustee or (b) with the prior written consent of the Indenture Trustee, through the facilities of DTC, by means of book-entry exchange through the facilities of DTC in accordance with the customary practices of DTC. If a

distribution is made to the Indenture Trustee, the Indenture Trustee, in its capacity as disbursing agent, shall administer the distributions in accordance with the Plan and applicable TruPS Indenture and be compensated in accordance with below; provided, however, that nothing herein shall be deemed to impair, waive or extinguish any rights of the Indenture Trustee with respect to the Charging Lien.

If the holders of Allowed TruPS Claims in Class 4.A are entitled to distributions under the Plan, the Indenture Trustee acting as disbursing agent by providing services related to distributions under the Plan will receive from the Creditors Trustee, without further Bankruptcy Court approval, reasonable compensation for such services and reimbursement of reasonable out-of-pocket expenses incurred in connection with such services for six months and not to exceed \$20,000 in the aggregate. These payments will be made by the Creditors Trustee and will not be deducted from distributions to be made pursuant to the Plan.

The Indenture Trustee acting as disbursing agent shall only be required to act and make distributions in accordance with the terms of the Plan and shall have no (A) liability for actions taken in accordance with the Plan or in reliance upon information provided to it in accordance with the Plan or (B) obligation or liability for distributions under the Plan to any party who does not hold a Claim against the Debtors as of the applicable Distribution Record Date or who does not otherwise comply with the terms of the Plan.

B. Reserves

1. Disputed Reserves

a. Establishment of Disputed Reserves

On the Initial Distribution Date, and after making all Distributions required to be made on such date under the Plan, the Creditors Trustee shall establish a separate Disputed Reserve for Disputed Claims, each of which Disputed Reserves shall be administered by the Creditors Trustee. The Creditors Trustee shall reserve in Cash or other property, for Distribution on account of each Disputed Claim, the full asserted amount (or such lesser amount as may be estimated by the Court in accordance with Plan Article VII.D with respect to each Disputed Claim.

b. Maintenance of Disputed Reserves

To the extent that the property placed in a Disputed Reserve consists of Cash, that Cash shall be deposited in an interest-bearing account. The Creditors Trustee shall hold property in the Disputed Reserves in trust for the benefit of the holders of Claims ultimately determined to be Allowed. Each Disputed Reserve shall be closed and extinguished by the Creditors Trustee when all Distributions and other dispositions of Cash or other property required to be made hereunder will have been made in accordance with the terms of the Plan. Upon closure of a Disputed Reserve, all Cash (including any Cash Investment Yield) or other property held in that Disputed Reserve shall revert in and become the property of the Debtors. All funds or other property that vest or revert in the Debtors pursuant to this paragraph shall be used to pay holders of Allowed Claims.

2. Reserve for Fees and Expenses

On the Effective Date, the Creditors Trustee, in its reasonable discretion, shall establish a separate reserve for the payment of fees and expenses incurred by the Creditors Trustee and his/her professionals.

C. Subsequent Distributions

Any Distribution that is not made on the Initial Distribution Date or on any other date specified herein because the Claim that would have been entitled to receive that Distribution is not an Allowed Claim on such date, shall be held by the Creditors Trustee in a Disputed Reserve pursuant to Plan Article V.B. and Distributed as soon as practicable after such Claim is Allowed. No interest shall accrue or be paid on the unpaid amount of any Distribution paid on a Subsequent Distribution Date from the Effective Date through and including the Subsequent

Distribution Date for any such Claim in accordance with Plan Article V.L. The Creditors Trustee shall make a final Distribution after the resolution of Disputed Claims and after the Creditors Trustee has either resolved or abandoned all Causes of Action.

D. Record Date for Distributions

Except as otherwise provided in a Final Order of the Court, the transferees of Claims that are transferred pursuant to Bankruptcy Rule 3001 on or prior to the Record Date will be treated as the holders of those Claims for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to the transfer may not have expired by the Record Date. The Debtors and the Creditors Trustee shall have no obligation to recognize any transfer of any Claim occurring after the Record Date. In making any Distribution with respect to any Claim, the Debtors and the Creditors Trustee shall be entitled instead to recognize and deal with, for all purposes hereunder, only the Entity that is listed on the proof of Claim Filed with respect thereto or on the Schedules as the holder thereof as of the close of business on the Record Date and upon such other evidence or record of transfer or assignment that are known to the Debtors or the Creditors Trustee as of the Record Date.

E. Delivery of Distributions

1. General Provisions; Undeliverable Distributions

Subject to Bankruptcy Rule 9010 and except as otherwise provided herein, Distributions to the holders of Allowed Claims shall be made by the Creditors Trustee at (a) the address of each holder as set forth in the Schedules, unless superseded by the address set forth on proofs of Claim Filed by such holder or (b) the last known address of such holder if no proof of Claim is Filed or if the Debtors or Creditors Trustee have been notified in writing of a change of address. If any Distribution is returned as undeliverable, the Creditors Trustee may, in its discretion, make such efforts to determine the current address of the holder of the Claim with respect to which the Distribution was made as the Creditors Trustee deems appropriate, but no Distribution to any holder shall be made unless and until the Creditors Trustee has determined the then-current address of the holder, at which time the Distribution to such holder shall be made to the holder without interest from and after the Effective Date through the date of Distribution. Amounts in respect of any undeliverable Distributions made by the Creditors Trustee shall be returned to, and held in trust by, the Creditors Trustee until the Distributions are claimed or are deemed to be unclaimed property under section 347(b) of the Bankruptcy Code as set forth in Plan Article V.E.2. The Creditors Trustee shall have the discretion to determine how to make Distributions in the most efficient and cost-effective manner possible; *provided, however*, that their discretion may not be exercised in a manner inconsistent with any express requirements of the Plan.

2. Unclaimed Property

Except with respect to property not Distributed because it is being held in a Disputed Reserve, Distributions that are not claimed by the expiration of one year from the Effective Date shall be deemed to be unclaimed property under section 347(b) of the Bankruptcy Code and shall vest in and be transferred to the Creditors Trust as Creditors Trust Assets, and the Claims with respect to which those Distributions are made shall be automatically cancelled. After the expiration of that one-year period, the claim of any Entity to those Distributions shall be discharged and forever barred. Nothing contained in the Plan shall require the Debtors or their Estates or the Creditors Trustee to attempt to locate any holder of an Allowed Claim. Except with respect to Distributions on account of Allowed TruPS Claims, all funds or other property that vests in the Creditors Trust pursuant to this Article shall be distributed by the Creditors Trustee to the holders of Claims and Equity Interests in accordance with the provisions of the Plan.

F. Cancellation of Debt

Except as provided herein, all notes, instruments, other securities, and other evidence of debt issued under or evidenced by the Secured Term Loan shall be deemed terminated and cancelled upon the Effective Date.

Notwithstanding the foregoing and anything contained in the Plan, the TruPS Indentures shall continue in effect to the extent necessary to (i) allow the Creditors Trustee or the Indenture Trustee, as applicable, to make distributions on account of Allowed TruPS Claims in Class 4.A, if any, pursuant to the Plan, (ii) permit the Indenture Trustee to maintain its Charging Lien, (iii) permit the Indenture Trustee to maintain any right to indemnification, contribution, subrogation or other claim it may have under the TruPS Indentures, (iv) permit the Indenture Trustee to appear in the Chapter 11 Cases, and (v) permit the Indenture Trustee to perform any functions that are necessary in connection with the foregoing clauses.

If the record holder of a note is DTC or its nominee or another securities depository or custodian thereof, and such notes are represented by a global security held by or on behalf of DTC or such other securities depository or custodian, then the beneficial holder of such a note shall be deemed to have surrendered such holder's security, note, debenture or other evidence of indebtedness upon surrender of such global security by DTC or such other securities depository or custodian thereof.

G. Manner of Cash Payments Under the Plan

Cash payments made pursuant to the Plan shall be in United States dollars by checks drawn on a domestic bank selected by the Creditors Trustee or by wire transfer from a domestic bank, at the option of the Creditors Trustee.

H. Time Bar to Cash Payments by Check

Checks issued by the Creditors Trustee on account of Allowed Claims shall be null and void if not negotiated within 90 days after the date of issuance thereof. Requests for the reissuance of any check that becomes null and void pursuant to Plan Article V.H. shall be made directly to the Creditors Trustee by the holder of the Allowed Claim to whom the check was originally issued. Any Claim in respect of such voided check shall be made in writing on or before the later of the first anniversary of the Effective Date or the first anniversary of the date on which the Claim at issue became an Allowed Claim. After that date, all Claims in respect of void checks shall be discharged and forever barred and the proceeds of those checks shall revert in and become the property of the Debtors as unclaimed property in accordance with section 347(b) of the Bankruptcy Code.

I. Limitations on Funding of Disputed Reserves

Except as expressly set forth in the Plan, the Debtors and the Creditors Trustee shall not have any duty to fund the Disputed Reserves.

J. Compliance with Tax Requirements

In connection with making Distributions under this Plan, to the extent applicable, the Creditors Trustee shall comply with all tax withholding and reporting requirements imposed on it by any governmental unit, and all Distributions pursuant to this Plan shall be subject to such withholding and reporting requirements. The Creditors Trustee may withhold the entire Distribution due to any holder of an Allowed Claim until such time as such holder provides the necessary information to comply with any withholding requirements of any governmental unit. Any property so withheld will then be paid by the Creditors Trustee to the appropriate authority. If the holder of an Allowed Claim fails to provide the information necessary to comply with any withholding requirements of any governmental unit within six months from the date of first notification to the holder of the need for such information or for the Cash necessary to comply with any applicable withholding requirements, then such holder's Distribution shall be treated as an undeliverable Distribution in accordance with Plan Article V.E.1.

K. No Payments of Fractional Dollars

Notwithstanding any other provision of the Plan to the contrary, no payment of fractional dollars shall be made pursuant to the Plan. Whenever any payment of a fraction of a dollar under the Plan would otherwise be required, the actual Distribution made shall reflect a rounding down of such fraction to the nearest whole dollar.

L. Interest on Claims

Except as specifically described herein and as provided for in the Plan or the Confirmation Order, interest shall not accrue on Claims and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim. Interest shall not accrue or be paid on any General Unsecured Claim that is a Disputed Claim in respect of the period from the Effective Date to the date a final Distribution is made thereon if and after that Disputed Claim becomes an Allowed Claim. Except as expressly provided herein or in a Final Order of the Court, no prepetition Claim shall be Allowed to the extent that it is for postpetition interest or other similar charges.

M. No Distribution in Excess of Allowed Amount of Claim

Notwithstanding anything to the contrary contained in the Plan, no holder of an Allowed Claim shall receive in respect of that Claim any Distribution in excess of the Allowed amount of that Claim.

N. Setoff and Recoupment

The Creditors Trustee may, but shall not be required to, setoff against, or recoup from, any Claim and the Distributions to be made pursuant to the Plan in respect thereof, any claims or defenses of any nature whatsoever that any of the Debtors or the Estates may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtors or the Estates of any right of setoff or recoupment that any of them may have against the holder of any Claim.

O. De Minimis Distributions; Charitable Donation

Notwithstanding anything to the contrary therein, the Creditors' Trustee shall not be required to make a distribution to any Creditor if the dollar amount of the distribution is so small that the cost of making that distribution exceeds the dollar amount of such distribution. On or about the time that the final Distribution is made, the Creditors Trustee may make a charitable donation with undistributed funds if, in the reasonable judgment of the Creditors Trustee, the cost of calculating and making the final distribution of the remaining funds is excessive in relation to the benefits to the Creditors who would otherwise be entitled to such distributions.

P. United States Trustee Fees

All outstanding amounts due under 28 U.S.C. § 1930 that have not been paid shall be paid by the Debtors on or before the Effective Date. Thereafter, the Creditors Trustee shall pay any statutory fees due pursuant to 28 U.S.C. § 1930(a)(6) and such fees shall be paid until entry of a final decree or an order converting or dismissing the Chapter 11 Cases.

VII. DISPUTED CLAIMS

A. No Distribution Pending Allowance

Notwithstanding any other provision of the Plan, the Creditors Trustee shall not Distribute any Cash or other property on account of any Disputed Claim unless and until such Claim becomes Allowed.

B. Resolution of Disputed Claims

Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, the Creditors Trustee shall have the right to make and File objections to Claims. The costs of pursuing the objections to Claims shall be paid from Creditor Trust Assets.

C. Objection Deadline

All objections to Disputed Claims shall be Filed and served upon the holders of each such Claim not later than one hundred eighty (180) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court after notice and a hearing.

D. Estimation of Claims

At any time the Debtors or the Creditors Trustee may request that the Court estimate any contingent or unliquidated Claim to the extent permitted by section 502(c) of the Bankruptcy Code regardless of whether the Debtors or the Creditors Trustee have previously objected to such Claim or whether the Court has ruled on any such objection, and the Court shall have jurisdiction to estimate any Claim at any time during litigation concerning any objection to such Claim, including during the pendency of any appeal relating to any such objection. If the Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute either the Allowed amount of such Claim or a maximum limitation on the Claim, as determined by the Court. If the estimated amount constitutes a maximum limitation on the Claim, the Debtors or the Creditors Trustee may elect to pursue supplemental proceedings to object to the ultimate allowance of the Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Court.

E. Disallowance of Claims

Except as otherwise agreed, any and all proofs of Claim Filed after the applicable Bar Date shall be deemed disallowed and expunged as of the Effective Date without any further notice to or action, order or approval of the Bankruptcy Court, and holders of such Claims may not receive any Distributions on account of such Claims, unless on or before the Confirmation Hearing the Bankruptcy Court has entered an order deeming such Claim to be timely filed.

VIII. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Rejection of Executory Contracts and Unexpired Leases

The Plan shall constitute a motion to reject all executory contracts and unexpired leases not previously assumed and assigned pursuant to an order of the Bankruptcy Court, and the Debtors, the officers or directors thereof, the Creditors Trustee, the Estates or the Reorganized Debtors shall have no further liability thereunder. The entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of any such rejections pursuant to sections 365(a) and 1123 of the Bankruptcy Code and that the rejection thereof is in the best interest of the Debtors, their Estates and all parties-in-interest in the Chapter 11 Cases.

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

Claims created by the rejection of executory contracts and unexpired leases pursuant to Plan Article VII.A of the Plan, or the expiration or termination of any executory contract or unexpired lease after the entry of the Confirmation Order, but prior to the Effective Date, must be filed with the Bankruptcy Court and served on the Debtors and the Creditors Trustee no later than thirty (30) days after the Effective Date. Any Claims arising from the rejection of an executory contract or unexpired lease pursuant to Plan Article VII.A. for which proofs of Claim are not timely filed within that time period will be forever barred from assertion against the Debtors, the Estates, the

Creditors Trustee, their successors and assigns, and their assets and properties, unless otherwise ordered by the Bankruptcy Court or as otherwise provided herein. All such Claims shall, as of the Effective Date, be subject to the discharge and permanent injunction set forth in Plan Article IX.E. Unless otherwise ordered by the Bankruptcy Court, all such Claims that are timely filed as provided herein shall be treated as General Unsecured Claims under the Plan and shall be subject to the provisions of Plan Article III.

IX. CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

The following are conditions precedent to the Effective Date that must be satisfied or waived:

1. The Confirmation Order has become a Final Order.
2. The Confirmation Order shall be in full force and effect.
3. The appointment of the Creditors Trustee shall have been confirmed by order of the Bankruptcy Court.
4. The 505 Motion and the IRS Claim have been resolved by a Final Order allowing for the disbursement of funds from the FDIC/Bancorp Escrow Account consistent with terms of the FDIC/Bancorp Escrow Stipulation and the FDIC/Bancorp Settlement Agreement.
5. Notwithstanding the foregoing, the Debtors reserve, in their sole discretion, the right to waive the occurrence of any condition precedent to the Effective Date or to modify any of the foregoing conditions precedent, provided that the written consent of the FDIC-R shall be required for any waiver by the Debtors of condition number 4. Any such written waiver of a condition precedent set forth in Plan Article VIII may be effected at any time, without notice, without leave or order of the Bankruptcy Court, and without any formal action other than proceeding to consummate the Plan. Any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action.

X. INDEMNIFICATION, RELEASE, INJUNCTIVE AND RELATED PROVISIONS

A. Compromise and Settlement

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the Distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims and Equity Interests. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all Claims and Equity Interests, as well as a finding by the Bankruptcy Court that such compromise or settlement is fair, equitable, reasonable and in the best interests of the Debtors, the Estates and holders of Claims and Equity Interests.

B. Releases

1. Releases by the Debtors. Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, for the good and valuable consideration provided by each of the Releasees, including, without limitation: the services of the Debtors' officers, directors and postpetition independent contractor in the wind down of the Debtors' Estates; each of the Debtors hereby provides a full discharge and release to the Releasees (and each such Releasee so released shall be deemed released and discharged by the Debtors) from any and all Causes of Action and any other debts, obligations, rights, suits, damages, actions, remedies and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing as of the Effective Date or thereafter arising, in law, at equity, whether for tort, contract, violations of federal or state securities laws, or otherwise, based in whole or in part upon any act or omission, transaction, or other occurrence or circumstances existing or taking place prior to or on the

Effective Date arising from or related in any way to the Debtors, including, without limitation, those that any of the Debtors would have been legally entitled to assert or that any holder of a Claim or Equity Interest or other Entity would have been legally entitled to assert for or on behalf of any of the Debtors or Estates and further including those in any way related to the Chapter 11 Cases or the Plan; provided, however, that the foregoing provisions of Plan Article IX.B.1 shall not operate to waive or release from any Causes of Action expressly set forth in and preserved by the Plan or any defenses thereto; provided, further, that the foregoing provisions of Plan Article IX.B.1 shall not release or otherwise affect any objection that has been or may be filed against any Claim asserted by a Releasee; and provided, further, that the foregoing provisions of Plan Article IX.B.1 shall not operate to waive or release any Causes of Action accrued by the Debtors in the ordinary course of business against holders of General Unsecured Claims.

2. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the releases set forth in Plan Article IX.B pursuant to Bankruptcy Rule 9019 and its finding that they are: (a) in exchange for good and valuable consideration, representing a good faith settlement and compromise of the Claims and Causes of Action thereby released; (b) in the best interests of the Debtors and all holders of Claims and Equity Interests; (c) fair, equitable and reasonable; (d) approved after due notice and opportunity for hearing; and (e) a bar to any of the Debtors or Releasing Parties asserting any Claim or Cause of Action thereby released.

C. Exculpation

Notwithstanding anything contained in the Plan to the contrary, the Exculpated Parties shall neither have nor incur any liability to any Entity for any and all Claims and Causes of Action arising after the Petition Date, including any act taken or omitted to be taken in connection with, or related to, formulating, negotiating, preparing, disseminating, implementing, administering, confirming or consummating the Plan, the Disclosure Statement, or any other contract, instrument, release or other agreement or document created or entered into in connection with the Plan or any other postpetition act taken or omitted to be taken in connection with or in contemplation of the Sale; provided, however, that the foregoing provisions of Plan Article IX.C shall have no effect on the liability of any Entity that results from any such act or omission that is determined in a Final Order to have constituted gross negligence or willful misconduct; 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; provided, further, that the foregoing provisions of Plan Article IX.C shall not apply to any acts, omissions, Claims, Causes of Action or other obligations expressly set forth in and preserved by the Plan or any defenses thereto. Notwithstanding anything in the Chapter 11 Plan or the Confirmation Order to the contrary, the Chapter 11 Plan and the Confirmation Order do not release, enjoin, or exculpate any non-debtor party from any liability with respect to fiduciary breach or prohibited transactions, as defined under ERISA, for the PFF Bank & Trust Employees' Pension Plan.

D. Preservation of Causes of Action

1. Vesting of Causes of Action

(a) Except as otherwise provided in the Plan or Confirmation Order, in accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that the Debtors or their Estates may hold against any Entity shall vest upon the Effective Date in the Creditors Trustee.

(b) Except as otherwise provided in the Plan or Confirmation Order, after the Effective Date, the Creditors Trustee shall have the exclusive right to institute, prosecute, abandon, settle or compromise any Causes of Action, in its sole discretion and without further order of the Bankruptcy Court, in any court or other tribunal, including, without limitation, in an adversary proceeding filed in one or more of the Chapter 11 Cases.

(c) Causes of Action are being transferred to the Creditors Trust and any recoveries therefrom shall constitute Creditors Trust Assets.

2. Preservation of All Causes of Action Not Expressly Settled or Released

(a) Unless a Cause of Action against a holder or other Entity is expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order (including the Confirmation Order), the Debtors and/or their Estates expressly reserve such Cause of Action for later adjudication by the Creditors Trustee (including, without limitation, Causes of Action not specifically identified or described in the Plan or elsewhere or of which the Debtors may presently be unaware or which may arise or exist by reason of additional facts or circumstances unknown to the Debtors at this time or facts or circumstances which may change or be different from those the Debtors 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 Causes of Action upon or after the entry of the Confirmation Order or Effective Date based on the Disclosure Statement, Plan or Confirmation Order, except where such Causes of Action have been released in the Plan (including, without limitation, and for the avoidance of doubt, the releases contained in Plan Article IX.B.1) or any other Final Order (including the Confirmation Order). In addition, the Debtors and their Estates expressly reserve the right of the Creditors Trustee to pursue or adopt any claims alleged in any lawsuit in which the Debtors are a defendant or an interested party, against any Entity, including, without limitation, the plaintiffs or co defendants in such lawsuits.

(b) Subject to the immediately preceding paragraph, any Entity to whom the Debtors have incurred an obligation (whether on account of services, purchase or sale of goods or otherwise), or who has received services from the Debtors or a transfer of money or property of the Debtors, or who has transacted business with the Debtors, or leased equipment or property from the Debtors should assume that any such obligation, transfer, or transaction may be reviewed by the Creditors Trustee subsequent to the Effective Date and may be the subject of an action after the Effective Date, regardless of whether: (i) such Entity has filed a proof of claim against the Debtors in the Chapter 11 Cases; (ii) the Debtors have objected to any such Entity's proof of claim; (iii) any such Entity's Claim was included in the Schedules; (iv) the Debtors have objected to any such Entity's scheduled Claim; or (v) any such Entity's scheduled Claim has been identified by the Debtors as disputed, contingent or unliquidated.

E. Injunction

1. From and after the Effective Date, all Entities are permanently enjoined from commencing or continuing in any manner against the Debtors, their successors and assigns, and their assets and properties, as the case may be, any suit, action or other proceeding, on account of or respecting any Claim, demand, liability, obligation, debt, right, Cause of Action, interest or remedy released or to be released pursuant to the Plan or the Confirmation Order.

2. Except as otherwise expressly provided for in the Plan or in obligations issued pursuant to the Plan, from and after the Effective Date, all Entities shall be precluded from asserting against the Debtors, the Debtors in Possession, the Estates, their successors and assigns and their assets and properties, any other Claims or Equity Interests based upon any documents, instruments, or any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date.

3. The rights afforded in the Plan and the treatment of all Claims and Equity Interests in the Plan shall be in exchange for and in complete satisfaction of Claims and Equity Interests of any nature whatsoever, against the Debtors or any of their assets or properties. On the Effective Date, all such Claims against, and Equity Interests in, the Debtors shall be satisfied and released in full.

4. Except as otherwise expressly provided for in the Plan or in obligations issued pursuant to the Plan, all Parties and Entities are permanently enjoined, on and after the Effective Date, on account of any Claim or Equity Interest satisfied and released hereby, from:

- (a) commencing or continuing in any manner any action or other proceeding of any kind against any Debtor, their successors and assigns and their assets and properties;
- (b) enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree or order against any Debtor, their successors and assigns and their assets and properties;
- (c) creating, perfecting or enforcing any encumbrance of any kind against any Debtor or the property or estate of any Debtor;
- (d) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from any Debtor or against the property or estate of any the Debtor, except to the extent a right to setoff, recoupment or subrogation is asserted with respect to a timely filed proof of claim; or
- (e) commencing or continuing in any manner any action or other proceeding of any kind in respect of any Claim or Equity Interest or Cause of Action released or settled hereunder.

F. Releases of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document created pursuant to the Plan, on the Effective Date, all mortgages, deeds of trust, liens, pledges or other security interests against property of the Estates shall be fully released and discharged and all of the right, title and interest of any holder of such mortgages, deeds of trust, liens, pledges or other security interest shall revert to the Debtors.

XI. RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall, after the Effective Date, retain such jurisdiction over the Chapter 11 Cases and all Entities with respect to all matters related to the Chapter 11 Cases, the Debtors, the Reorganized Debtors and the Plan as is legally permissible, including, without limitation, jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim or Equity Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the allowance or priority of Claims or Equity Interests;
2. grant, deny or otherwise resolve any and all applications of professionals or Persons retained in the Chapter 11 Cases by the Debtors or the Creditors' Committee for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan, for periods ending on or before the Effective Date;
3. resolve any matters related to the assumption, assignment or rejection of any executory contract or unexpired lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;
4. ensure that Distributions to holders of Allowed Claims and Equity Interests are accomplished pursuant to the provisions of the Plan;
5. decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving a Debtor that may be pending on the Effective Date or instituted by the Creditors Trustee after the Effective Date, provided, however, that the Debtors and their Estates and, following the Effective Date, the Creditors Trust, as governed by the Plan and

the Creditors Trust Agreement, shall reserve the right of the Creditors Trustee to commence actions in all appropriate jurisdictions;

6. enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all other contracts, instruments, releases, indentures and other agreements or documents adopted in connection with the Plan or the Disclosure Statement;
7. resolve any cases, controversies, suits or disputes that may arise in connection with the Effective Date, interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;
8. issue injunctions, enforce them, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with the Effective Date or enforcement of the Plan, except as otherwise provided in the Plan;
9. enforce Article IX.A, Article IX.B and Article IX.C of the Plan;
10. enforce the Injunction set forth in Article IX.E of the Plan;
11. resolve any cases, controversies, suits or disputes with respect to the releases, injunction and other provisions contained in Article IX of the Plan, and enter such orders as may be necessary or appropriate to implement or enforce all such releases, injunctions and other provisions;
12. enter and implement such orders as necessary or appropriate if the Confirmation Order is modified, stayed, reversed, revoked or vacated;
13. resolve any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document adopted in connection with the Plan or the Disclosure Statement; and
14. enter an order and/or the decree contemplated in Federal Rule of Bankruptcy Procedure 3022 concluding the Chapter 11 Cases.

XII. MISCELLANEOUS PROVISIONS

A. Final Fee Applications

The deadline for submission by Professionals of final applications for Bankruptcy Court approval of Accrued Professional Compensation shall be forty-five (45) days after the Effective Date.

B. Payment of Statutory Fees

All fees payable pursuant to Article 1930 of title 28 of the U.S. Code after the Effective Date, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, shall be paid prior to the closing of the Chapter 11 Cases on the earlier of when due or the Effective Date, or as soon thereafter as practicable.

C. Modification of Plan

Subject to the limitations contained in the Plan: (1) the Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, after consultation with the Creditors' Committee to amend or modify the Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section

1129(b) of the Bankruptcy Code; and (2) after the entry of the Confirmation Order, the Debtors or the Creditors Trustee may, upon order of the Bankruptcy 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.

D. Revocation of Plan

The Debtors reserve the right to revoke or withdraw the Plan prior to the entry of the Confirmation Order, after consultation with the Creditors' Committee, and to file subsequent chapter 11 plans. If the Debtors revoke or withdraw the Plan or if entry of the Confirmation Order or the Effective Date does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan, assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant hereto shall be deemed null and void; and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims by or against, or any Equity Interests in, such Debtor or any other Entity; (b) prejudice in any manner the rights of the Debtors or any other Entity; or (c) constitute an admission of any sort by the Debtors or any other Entity.

E. Successors and Assigns

The rights, benefits and obligations of any Entity named or referred to herein shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Entity.

F. Governing Law

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

G. Reservation of Rights

Except as expressly set forth herein, the Plan shall have no force or effect unless and until the Bankruptcy Court enters the Confirmation Order. Neither the filing of the Plan, any statement or provision contained herein, nor the taking of any action by a Debtor or any Entity with respect to the Plan shall be or shall be deemed to be an admission or waiver of any rights of: (1) any Debtor with respect to the holders of Claims or Equity Interests or other parties-in-interest; or (2) any holder of a Claim, Equity Interest or other party-in-interest prior to the Effective Date.

H. Article 1146 Exemption

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any stamp tax or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment.

I. Section 1125(e) Good Faith Compliance

The Debtors, the Creditors' Committee and each of their respective Representatives, shall be deemed to have acted in "good faith" under section 1125(e) of the Bankruptcy Code.

J. Further Assurances

The Debtors, all holders of Claims and Equity Interests receiving Distributions hereunder and all other parties-in-interest shall, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan or the Confirmation Order.

K. Service of Documents

Any pleading, notice or other document required by the Plan to be served on or delivered to the Debtors shall be sent by first class U.S. mail, postage prepaid as follows:

To the Debtors:

PFF Bancorp, Inc.
2058 North Mills Avenue, #139
Claremont, California 91711
Attn.: Kevin McCarthy

with a copy to:

Richards, Layton & Finger, P.A.
920 North King Street
Wilmington, Delaware 19106
Attn: Paul N. Heath, Esq.

To the Creditors' Committee:

Blank Rome LLP
1201 Market Street, Suite 800
Wilmington, DE 19801
Attn.: Regina Stango Kelbon, Esq.

To the Creditors Trustee:

J.H. Cohn LLP
333 Thornall Street, 6th Floor
Edison, NJ 08837
Attn.: Clifford Zucker, CPA

L. Filing of Additional Documents

On or before the Effective Date, the Debtors may file with the Bankruptcy Court all agreements and other documents that may be necessary or appropriate to effectuate and further evidence the terms and conditions hereof.

M. No Stay of Confirmation Order

The Confirmation Order shall contain a waiver of any stay of enforcement otherwise applicable, including pursuant to Federal Rules of Bankruptcy Procedure 3020(e), 6004(h) and 7062.

XIII. SOLICITATION AND VOTING PROCEDURES

On March 8, 2012, the Bankruptcy Court entered the Disclosure Statement Order approving the adequacy of the Disclosure Statement and the Solicitation Procedures. A copy of the Solicitation Procedures is attached as an exhibit to the Disclosure Statement Order. In addition to approving the Solicitation Procedures, the Disclosure Statement Order established certain dates and deadlines, including the date for the Confirmation Hearing, the deadline for parties to object to Confirmation, the Voting Record Date and the Voting Deadline. The Disclosure Statement Order also approved the forms of Ballots and certain confirmation-related notices. The Disclosure Statement Order and the Solicitation Procedures should be read in conjunction with the Disclosure Statement. Capitalized terms used herein that are not otherwise defined in the Disclosure Statement or Plan shall have the meanings ascribed to them in the Solicitation Procedures.

A. Solicitation Package

1. Contents of Solicitation Package

The following materials shall constitute the Solicitation Package:

- Plan;
- Disclosure Statement;
- Disclosure Statement Order;
- Confirmation Hearing Notice;
- Ballots, Master Ballots and voting instructions (if applicable); and
- pre-addressed, postage pre-paid return envelope (if applicable).

2. Distribution of Solicitation Package

The Debtors shall serve, or caused to be served, all of the materials in the Solicitation Package on holders of holders of PBGC Unsecured Claims against Bancorp in Class 2.A, PBGC Unsecured Claims against GIA in Class 2.B, PBGC Unsecured Claims against DBS in Class 2.C, PBGC Unsecured Claims against PFF Real Estate in Class 2.D, PBGC Unsecured Claims against GIS in Class 2.E, General Unsecured Claims against Bancorp in Class 3.A, TruPS Claims against Bancorp in Class 4.A, Equity Interests in GIA in Class 6.B, Equity Interests in DBS in Class 6.C, Equity Interests in PFF Real Estate in Class 6.D and Equity Interests in GIS in Class 6.E.

The Debtors shall serve, or caused to be served, the appropriate Notice of Non-Voting Status and the Confirmation Hearing Notice on holders of Secured Claims against Bancorp in Class 1.A, General Unsecured Claims against GIA in Class 3.B, General Unsecured Claims against DBS in Class 3.C, General Unsecured Claims against PFF Real Estate in Class 3.D, General Unsecured Claims against GIS in Class 3.E, Intercompany Claims against DBS in Class 5.C and Equity Interests in Bancorp in Class 6.A.

The Debtors also shall serve, or cause to be served, all of the materials in the Solicitation Package (except Ballots) on (a) the U.S. Trustee; (b) counsel to the Creditors' Committee; (c) the Internal Revenue Service; (d) the Securities and Exchange Commission; (e) the U.S. Department of Justice; and (f) those parties who have Filed and not withdrawn requests for notices under Rule 2002 of the Bankruptcy Rules as of the Voting Record Dates.

The Confirmation Hearing Notice shall inform parties that the Plan, the Disclosure Statement, the Disclosure Statement Order and all other Solicitation Package materials (except Ballots) can be obtained by

requesting a paper copy from Voting and Claims Agent, or by sending an e-mail to Paul N. Heath at heath@rlf.com or by calling Mr. Heath at 302-651-7700.

B. Voting Instructions And General Tabulation Procedures

1. Voting Record Dates

The Bankruptcy Court has approved March 8, 2012, as the Voting Record Date.

2. Voting Deadline

The Bankruptcy Court has approved April 18, 2012, at 5:00 p.m., prevailing Pacific Time, as the Voting Deadline.

For holders of all Claims or Equity Interests, the Voting and Claims Agent will answer questions regarding the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan, provide additional copies of all materials and oversee the voting tabulation. Voting and Claims Agent will also process and tabulate ballots for each Class entitled to vote to accept or reject the Plan.

TO BE COUNTED AS VOTES TO ACCEPT OR REJECT THE PLAN, BALLOTS AND MASTER BALLOTS CAST BY HOLDERS IN CLASSES ENTITLED TO VOTE MUST BE RECEIVED BY THE VOTING AND CLAIMS AGENT BY THE VOTING DEADLINE, AT THE ADDRESS LISTED ON THE BALLOT, WHETHER BY FIRST CLASS MAIL, OVERNIGHT COURIER OR PERSONAL DELIVERY. THE BALLOTS AND THE PRE-ADDRESSED, POSTAGE PRE-PAID ENVELOPES ACCOMPANYING THE BALLOTS WILL CLEARLY INDICATE WHERE THE BALLOT MUST BE RETURNED.

Ballots and Master Ballots must be actually received by the Voting and Claims Agent by the Voting Deadline at the following address: Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245, Attn: PFF Ballot Processing. If holders of Claims or Equity Interests have any questions on the procedures for voting on the Plan, they may call the Voting and Claims Agent at the following telephone number: 877-634-7159.

To obtain an additional copy of the Plan, the Disclosure Statement, the Plan Supplement or other Solicitation Package materials (except Ballots), parties may refer to the Voting and Claims Agent's website at www.kccllc.com/ or request a copy from the Voting and Claims Agent, by writing to Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245, Attn: PFF Ballot Processing, or by sending an e-mail to PFFBancorpInfo@kccllc.com, or calling 877-634-7159.

Ballots and Master Ballots received after the Voting Deadline will not be counted by the Debtors in connection with the Debtors' request for Confirmation of the Plan.

3. Who May Vote

In general, a holder of a claim or interest may vote to accept or to reject a plan if no party-in-interest has objected to such claim or interest, and the claim or interest is impaired by the plan. If the holder of an impaired claim or interest will not receive any distribution under the plan in respect of such claim or interest, the Bankruptcy Code deems such holder to have rejected the plan. If the claim or interest is not impaired, the Bankruptcy Code deems that the holder of such claim or interest has accepted the plan and the plan proponent need not solicit such holder's vote.

Pursuant to section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" under a plan unless the plan leaves unaltered the legal, equitable and contractual rights to which such claim or interest entitles the holder thereof, or notwithstanding any legal right to an accelerated payment of such claim or

interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy), reinstates the maturity of such claim or interest as it existed before the default, compensates the holder of such claim or interest for any damages incurred as a result of reasonable reliance on the holder's legal right to an accelerated payment, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder thereof.

Only the following holders of General Unsecured Claims and Equity Interests shall be entitled to vote on the Plan:

- Holders of PBGC Claims against Bancorp in Class 2.A;
- Holders of PBGC Claims against GIA in Class 2.B;
- Holders of PBGC Claims against DBS in Class 2.C;
- Holders of PBGC Claims against PFF Real Estate in Class 2.D;
- Holders of PBGC Claims against GIS in Class 2.E;
- Holders of General Unsecured Claims against Bancorp in Class 3.A;
- Holders of TruPS Claims against Bancorp in Class 4.A;
- Holders of Equity Interests in GIA in Class 6.B;
- Holders of Equity Interests in DBS in Class 6.C;
- Holders of Equity Interests in PFF Real Estate in Class 6.D;
- Holders of Equity Interests in GIS in Class 6.E; and
- the assignee of a transferred interest in Classes 2.A, 2.B, 2.C, 2.D, 2.E, 3.A, 4.A, 6.B, 6.C, 6.D and 6.E shall be permitted to vote only if the transfer or assignment has been fully effectuated pursuant to the procedures dictated by Bankruptcy Rule 3001(e).

4. General Ballot Tabulation

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

- Except as otherwise provided herein, unless the Ballot or Master Ballot being furnished is timely submitted on or prior to the Voting Deadline, the Voting and Claims Agent shall reject such Ballot or Master Ballot as invalid and, therefore, the Debtors shall decline to count it in connection with Confirmation;
- The Voting and Claims Agent will date and time-stamp all Ballots and Master Ballots when received. The Voting and Claims Agent shall retain the original Ballots and an electronic copy of the same for a period of one year after the Effective Date of the Plan, unless otherwise ordered by the Bankruptcy Court;

- As soon as reasonably practicable before the Confirmation Hearing, unless such other date is set by the Bankruptcy Court, the Debtors will File the Voting Report with the Bankruptcy Court. The Voting Report shall, among other things, delineate every irregular Ballot including, but not limited to, those Ballots that are late or (in whole or in material part) illegible, unidentifiable, lacking original signatures or lacking necessary information, received via facsimile or electronic mail, or damaged. The Voting Report shall indicate the Debtors' intentions with regard to such irregular Ballots;
- The method of delivery of Ballots and Master Ballots to be sent to the Voting and Claims Agent is at the election and risk of each holder, and except as otherwise provided, a Ballot will be deemed delivered only when the Voting and Claims Agent actually receives the original executed Ballot or Master Ballot;
- An original executed Ballot is required to be submitted by the Entity submitting such Ballot. Delivery of a Ballot to the Voting and Claims Agent by facsimile, e-mail, or any other electronic means will not be valid;
- No Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Voting and Claims Agent) or the Debtors' legal advisors, or the Indenture Trustee, and if so sent will not be counted;
- The Debtors expressly reserve the right to amend from time to time the terms of the Plan in accordance with the terms thereof (subject to compliance with the requirements of section 1127 of the Bankruptcy Code and the terms of the Plan regarding modification);
- If multiple Ballots are received from the same holder with respect to the same Claim or Equity Interest prior to the Voting Deadline, the last Ballot timely received will be deemed to reflect that voter's intent and will supersede and revoke any prior Ballot;
- Holders must vote all of their Claims and/or Interests within a particular Class either to accept or reject the Plan and may not split any votes. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted;
- The Debtors, subject to contrary order of the Bankruptcy Court, may waive any defects or irregularities as to any particular Ballot at any time, either before or after the close of voting, and any such waivers will be documented in the Voting Report;
- Neither the Debtors, nor any other Entity, will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots other than as provided in the Voting Report, nor will any of them incur any liability for failure to provide such notification;
- Unless waived or as ordered by the Bankruptcy Court, any defects or irregularities in connection with deliveries of Ballots must be cured prior to the Voting Deadline or such Ballots will not be counted;
- In the event a designation of lack of good faith is requested by a party-in-interest under section 1126(e) of the Bankruptcy Code, the Bankruptcy Court will determine whether any vote to accept or reject the Plan cast with respect to that Claim and/or Equity Interest will be counted for purposes of determining whether the Plan has been accepted or rejected;
- Subject to any contrary order of the Bankruptcy Court, the Debtors reserve the right to reject any and all Ballots and Master Ballots not in proper form, the acceptance of which, in the opinion of the Debtors, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; provided, however, that any such rejections will be documented in the Voting Report; and

- The following Ballots and Master Ballots shall not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot or Master Ballot that is illegible or contains insufficient information to permit the identification of the holder; (ii) any Ballot or Master Ballot cast by an Entity that does not hold a Claim and/or Equity Interest in a Class that is entitled to vote on the Plan; (iii) any unsigned Ballot or Master Ballot or any Ballot or Master Ballot lacking an original signature; (iv) any Ballot not marked to accept or reject the Plan, or marked both to accept and reject the Plan; and (v) any Ballot or Master Ballot submitted by any Entity not entitled to vote pursuant to the procedures described herein.

5. Solicitation and Tabulation Procedures for Master Ballots in Class 4.A

The following procedures will be used to solicit and tabulate votes from holders of Class 4.A TruPS Claims against Bancorp:

- The Debtors will cause a Solicitation Package to be mailed by first class mail, postage prepaid, to each Master Ballot Agent for distribution to the Beneficiaries as of the Record Date.³
- Pursuant to Bankruptcy Rules 1007(i) and 3017(e), to permit such mailing and facilitate the transmittal of Solicitation Packages to the Beneficiaries holding Class 4.A TruPS Claims as soon as practicable after the Record Date, the Debtors and/or the Balloting Agent shall obtain from the DTC the following: (i) a list in appropriate electronic or other format containing the names and addresses of the Master Ballot Agents and, for each Master Ballot Agent, the aggregate holdings of the Beneficiaries for whom such Master Ballot Agent provides services; and (ii) accompanying mailing labels.
- Upon receipt of the Master Ballot Agent Register, the Balloting Agent will (i) contact each Master Ballot Agent to determine the number of Solicitation Packages needed by the Master Ballot Agent for distribution to the applicable Beneficiaries for whom the Master Ballot Agent performs services and (ii) deliver to each Master Ballot Agent a Master Class 4.A Ballot and the requisite number of Solicitation Packages with Individual Class 4.A Ballots.
- The Master Ballot Agents will be required to distribute the Solicitation Packages they receive as promptly as possible to the Beneficiaries for whom they provide services. In particular, to obtain the votes of the Beneficiaries, the Master Ballot Agents will include as part of each Solicitation Package sent to a Beneficiary an Individual Class 4.A Ballot and a return envelope provided by and addressed to the Master Ballot Agent. The Beneficiaries then must return the Individual Class 4.A Ballots to the Master Ballot Agent in the manner and by the deadline directed by the Master Ballot Agent in the instructions accompanying the Individual Class 4.A Ballots. Upon receipt of the completed Individual Class 4.A Ballots from the Beneficiaries, the Master Ballot Agent will summarize the votes of its respective Beneficiaries on a Master Class 4.A Ballot in accordance with the instructions attached to the Master Class 4.A Ballot. The Master Ballot Agent must return the Master Class 4.A Ballot to the Balloting Agent so that it is received prior to the Voting Deadline.
- Upon written request, the Debtors will reimburse each Master Ballot Agent in accordance with customary procedures for their reasonable, actual and necessary out-of-pocket expenses incurred in performing the tasks described above. No other fees, commissions or other remuneration will be

³ Holders of Class 4.A TruPS Claims that hold such claims in their own name, rather than in street name as Master Ballot Agent for the Beneficiaries, have filed a claim in these chapter 11 cases and are entitled to vote on the Plan under the Tabulation Rules, will receive a separate Individual Class 4.A Ballot in accordance with the procedures set forth above.

payable to any Master Ballot Agent (or their agents or intermediaries) in connection with the distribution of Solicitation Packages to Beneficiaries or the completion of Master Class 4.A Ballots.⁴

XIV. CONFIRMATION PROCEDURES

A. Confirmation Hearing

The Confirmation Hearing will commence on April 25, 2012 at 11:00 a.m. prevailing Eastern Time, before the Honorable Kevin J. Carey, Chief U.S. Bankruptcy Judge, in the U.S. Bankruptcy Court for the District of Delaware, at the U.S. Bankruptcy Court, 824 Market Street, 5th Floor, Courtroom 4, Wilmington, Delaware 19801. The Confirmation Hearing may be adjourned from time to time without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any adjournment thereof.

The Plan Objection Deadline is 4:00 p.m. prevailing Eastern Time on April 16, 2012.

All Plan Objections must be Filed with the Bankruptcy Court and served on the Debtors and certain other parties in accordance with the Disclosure Statement Order on or before the Plan Objection Deadline.

The Debtors' proposed schedule will provide Entities sufficient notice of the Plan Objection Deadline, which will be more than the 28 days as required by Bankruptcy Rule 2002(b). The Debtors believe that the Plan Objection Deadline will afford the Bankruptcy Court, the Debtors and other parties-in-interest reasonable time to consider the Plan Objections prior to the Confirmation Hearing.

THE BANKRUPTCY COURT MAY NOT CONSIDER PLAN OBJECTIONS UNLESS THEY ARE TIMELY SERVED AND FILED IN COMPLIANCE WITH THE DISCLOSURE STATEMENT ORDER.

Plan Objections must be served on all of the following parties:

Counsel to the Debtors

RICHARDS, LAYTON & FINGER, P.A.

Paul N. Heath, Esq.
Andrew C. Irgens, Esq.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801

Counsel to the Creditors' Committee

BLANK ROME LLP

Regina S. Kelbon, Esq.
1201 Market Street, Suite 800
Wilmington, DE 19801

Clerk of the Bankruptcy Court

CLERK OF THE BANKRUPTCY COURT

U.S. Bankruptcy Court for the District of Delaware
824 Market Street
Wilmington, Delaware 19801

⁴ The Master Ballot Agent will be required to retain the Individual Class 4.A Ballots cast by the Beneficial Owners, as the case may be, for inspection for a period of one year following the Voting Deadline.

United States Trustee

U.S. TRUSTEE

Office of the U.S. Trustee for the District of Delaware
844 King Street, Room 2207
Lockbox #35
Wilmington, Delaware 19899-0035
Attn: Mark Kenney, Esq.

B. Statutory Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the requirements of section 1129 of the Bankruptcy Code. The Debtors believe:

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtors, as the Plan proponents, will have complied with the applicable provisions of the Bankruptcy Code.
- The Plan has been proposed in good faith and not by any means forbidden by law.
- Any payment made or promised under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plan and incident to the case, has been disclosed to the Bankruptcy Court, and any such payment: (1) made before the Confirmation of the Plan is reasonable; or (2) subject to the approval of the Bankruptcy Court as reasonable, if it is to be fixed after Confirmation of the Plan.
- Either 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 Interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated on that date under chapter 7 of the Bankruptcy Code.
- Each Class that is entitled to vote on the Plan has accepted the Plan or the Plan can be confirmed without the approval of such voting Class pursuant to section 1129(b) of the Bankruptcy Code.
- Except to the extent the holder of a particular Claim will agree to a different treatment of its Claim, the Plan provides that Administrative Claims, Priority Tax Claims and Other Priority Claims will be paid in full on the Effective Date, or as soon thereafter as is reasonably practicable.
- Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors or any successors thereto under the Plan.
- The Debtors have paid the required filing fees pursuant to 28 U.S.C. § 1930.
- In addition to the filing fees paid to the clerk of the Bankruptcy Court, the Debtors will pay quarterly fees on the last day of the calendar month, following the calendar quarter for which the fee is owed in each of the Debtors' Chapter 11 Cases for each quarter (including any fraction thereof), to the Office of the U.S. Trustee, until the case is closed, converted or dismissed, whichever occurs first.

1. Best Interests of Creditors Test/Liquidation Analysis

Often called the “best interests” test, section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation, that a chapter 11 plan provides, with respect to each class, that each holder of a claim or an equity interest in such class either (a) has accepted the plan or (b) will receive or retain under the plan property with a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the debtors liquidated under chapter 7 of the Bankruptcy Code. To make these findings, the bankruptcy court must: (a) estimate the Cash liquidation proceeds that a chapter 7 trustee would generate if each of the debtor’s chapter 11 cases were converted to a chapter 7 case and the assets of such debtor’s estate were liquidated; (b) determine the liquidation Distribution that each non-accepting holder of a claim or an equity interest would receive from such liquidation proceeds under the priority scheme dictated in chapter 7; and (c) compare such holder’s liquidation Distribution to the plan Distribution that such holder would receive if the plan were confirmed.

In chapter 7 cases, unsecured creditors and interest holders of a debtor are paid from available assets generally in the following order, with no junior class receiving any payments until all amounts due to senior classes have been paid fully or any such payment is provided for: (a) holders of secured claims (to the extent of the value of their collateral); (b) holders of priority claims; (c) holders of unsecured claims; (d) holders of debt expressly subordinated by its terms or by order of the bankruptcy court; and (e) holders of equity interests.

The Debtors believe that the value of any Distributions if the Chapter 11 Cases were converted to cases under chapter 7 of the Bankruptcy Code would be less than the value of Distributions under the Plan because, among other reasons, Distributions in chapter 7 cases may not occur until a later date than Distributions under the Plan would occur, thereby reducing the present value of such Distributions. In this regard, it is possible that Distribution of the proceeds of a liquidation could be delayed for a significant period while the chapter 7 trustee and its advisors become knowledgeable about, among other things, the Chapter 11 Cases and the Claims against the Debtors. The proceeds received in a chapter 7 liquidation would likely be further depleted by the fees and expenses of a chapter 7 trustee and the trustee’s professional advisors, as well as by the accrual of claims throughout the chapter 7 period that must be paid on a priority basis.

2. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that the Bankruptcy Court find that confirmation is not likely to be followed by the liquidation of the Debtors or the need for further financial reorganization, unless the Plan contemplates such liquidation. Indeed, section 1123(b)(4) of the Bankruptcy Code permits liquidation plans that “provide for the sale of all or substantially all of the property of the estate, and the Distribution of the proceeds of such sale among holders of claims or interests” in chapter 11 proceedings and, thus, such a plan does not violate the requirements of section 1129(a). Moreover, when a liquidating plan of reorganization is tested against section 1129(a)(11), the feasibility standard is greatly simplified. In the context of a liquidating plan, feasibility is established by demonstrating the debtor’s ability to make the payments anticipated by the plan and specifying the timing of the debtor’s liquidation. Notably, there is no requirement that such payments will be guaranteed.

The Plan provides for the liquidation of the Debtors by the distribution of the sale proceeds and remaining assets. Further, the Debtors maintain that there is a reasonable expectation that the payments required to be made during the term of the Plan will, in fact, be made.

3. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, that, except as described below, each class of claims or equity interests that is impaired under a plan, accept the plan. A class that is not “impaired” under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. A class is “impaired” unless the plan: (a) leaves unaltered the legal, equitable and contractual rights to which the claim or the equity interest entitles the holder of such claim or equity interest; (b) cures any default and reinstates the original terms of such obligation; or (c) provides that, on the consummation date, the holder of such

claim or equity interest receives cash equal to the allowed amount of that claim or, with respect to any equity interest, any fixed liquidation preference to which the holder of such equity interest is entitled or any fixed price at which the debtor may redeem the security.

Section 1126(d) of the Bankruptcy Code defines acceptance of a plan by a class of impaired interests as acceptance by holders of at least two-thirds in amount and more than one-half in number of such interests.

The Claims in Classes 5.C and 6.A are Impaired under the Plan, but will receive no distribution and so are deemed to have rejected the Plan.

The Claims in Classes 2.A, 2.B, 2.C, 2.D, 2.E, 3.A, 6.B, 6.C, 6.D and 6.E are Impaired under the Plan, and as a result, the holders of Claims in such Classes are entitled to vote on the Plan. Pursuant to section 1129 of the Bankruptcy Code, the holders of such interests in the Voting Classes must accept the Plan for the Plan to be confirmed without application of the “fair and equitable test” to such Classes, and without considering whether the Plan “discriminates unfairly” with respect to such Classes, as both standards are described herein. As stated above, Classes of Equity Interests and/or Claims will have accepted the Plan if the Plan is accepted by at least two-thirds in amount and more than one-half in number of the Equity Interests and/or Claims of each such Class (other than any interests designated under section 1126(e) of the Bankruptcy Code) that have voted to accept or reject the Plan.

C. Contact for More Information

Any interested party desiring further information about the Plan may contact legal counsel to the Debtors, Richards, Layton & Finger, P.A., 920 N. King Street, Wilmington DE, 19801, Attn: Paul N. Heath, Phone: 302-651-7700; Email: heath@rlf.com.

XV. PLAN-RELATED RISK FACTORS AND ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, ALL HOLDERS OF CLAIMS AND/OR EQUITY INTERESTS THAT ARE IMPAIRED SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH HEREIN, AS WELL AS ALL OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT.

A. Certain Bankruptcy Law Considerations

1. Parties-in-Interest May Object to the Debtors’ Classification of Claims and Equity Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created twelve Classes of Claims and Equity Interests, each encompassing Claims or Equity Interests, as applicable, that are substantially similar to the other Claims and Equity Interests in each such Class. Nevertheless, there can be no assurance the Bankruptcy Court will reach the same conclusion.

2. Failure to Satisfy Vote Requirement

If votes are received in an amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Debtors may seek to accomplish an alternative chapter 11 plan. There can be no assurance the terms of any such alternative chapter 11 plan would be similar or as favorable to the holders of Allowed Claims and Equity Interests as those proposed in the Plan.

3. Debtors May Not Be Able to Secure Confirmation of the Plan

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, including, among other requirements, a finding by the bankruptcy court that: (a) such plan “does not unfairly discriminate” and is “fair and equitable” with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting holders of claims and equity interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtors were liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance the Bankruptcy Court will confirm the Plan. A non-accepting holder of an Allowed Claim and/or Equity Interest might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that the Disclosure Statement, the balloting procedures and voting results are appropriate, the Bankruptcy Court could still decline to confirm the Plan if it found that any of the statutory requirements for Confirmation had not been met, including the requirement that the terms of the Plan do not “unfairly discriminate” and are “fair and equitable” to non-accepting Classes.

Confirmation of the Plan is also subject to certain conditions as described in the Plan. If the Plan is not confirmed, it is unclear what Distributions, if any, holders of Allowed Claims and Equity Interests would receive with respect to their Allowed Claims and/or Equity Interests.

The Debtors, subject to the terms and conditions of the Plan, reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in a less favorable treatment of any non-accepting Class, as well as of any Classes junior to such non-accepting Class, than the treatment currently provided in the Plan. Such a less favorable treatment could include a Distribution of property to the Class affected by the modification of a lesser value than currently provided in the Plan or no Distribution of property whatsoever under the Plan.

4. Nonconsensual Confirmation

In the event that any impaired class does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm such a plan at the proponents’ request if at least one impaired class has accepted the plan (with such acceptance being determined without including the vote of any “insider” in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan “does not discriminate unfairly” and is “fair and equitable” with respect to the dissenting impaired classes. The Debtors believe that the Plan satisfies these requirements and the Debtors may request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion.

5. Debtors May Object to the Amount or Classification of a Claim

Except as otherwise provided in the Plan, the Debtors reserve the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied on by any holder of a Claim where such Claim is subject to an objection. Any holder of a Claim that is subject to an objection thus may not receive its expected share of the estimated Distributions described in this Disclosure Statement.

6. Risk of Non-Occurrence of the Effective Date

Although the Debtors believe that the Effective Date may occur quickly after the Confirmation Date, there can be no assurance as to such timing, or as to whether the Effective Date will, in fact, occur.

7. Contingencies Not to Affect Votes of Impaired Classes to Accept or Reject the Plan

The Distributions available to holders of Allowed Claims and Equity Interests under the Plan can be affected by a variety of contingencies. The occurrence of any and all such contingencies, which could affect Distributions available to holders of Allowed Claims and Equity Interests under the Plan, will not affect the validity of the vote taken by the Impaired Class to accept or reject the Plan or require any sort of revote by the Impaired Class.

B. Risk Factors That May Affect Distributions Under The Plan

1. Debtors Cannot State with Any Degree of Certainty What Recovery Will Be Available to holders of Allowed Claims or Equity Interests in Voting Class

A number of unknown factors make certainty in creditor recoveries impossible. First, the Debtors cannot know with any certainty, at this time, the number or amount of Claims that will ultimately be Allowed. Second, the Debtors cannot know with any certainty, at this time, the number or size of Claims senior to the Voting Class or unclassified Claims that will ultimately be Allowed.

2. Actual Amounts of Allowed Claims May Differ from the Estimated Claims and Adversely Affect the Recovery on Claims or Equity Interests

The Claims estimates set forth herein are based on various assumptions. The actual amounts of Allowed Claims may differ significantly from those estimates should one or more underlying assumption prove to be incorrect. Such differences may adversely affect the percentage recovery to holders of Allowed Equity Interests under the Plan. Additionally, the Debtors have made certain assumptions, as described herein, regarding liquidation under chapter 7 of the Bankruptcy Code, **which should be read carefully.**

C. Disclosure Statement Disclaimer

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

The vote by a holder of an Allowed Claim for or against the Plan does not constitute a waiver or release of any Claims or rights of the Debtors or the Creditors Trustee to object to that holder's Allowed Claim, or to bring Causes of Action regardless of whether any Claims or Causes of Action of the Debtors or their respective Estates are specifically or generally identified herein.

2. Information Was Provided by the Debtors and Was Relied Upon by the Debtors' Advisors

Counsel to and other advisors retained by the Debtors have relied upon information provided by the Debtors in connection with the preparation of this Disclosure Statement. Although counsel to and other advisors retained by the Debtors have performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not verified independently the information contained herein.

D. Liquidation Under Chapter 7

If the Plan is not Confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate the assets of the Debtors for Distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that any such conversion would likely reduce any Distribution to holders of Claims and Equity Interests based on, among other things, (i) the increased costs of a chapter 7 case arising from the fees payable to a chapter 7 trustee and professional advisors to such trustee; (ii) substantial increases in claims which would be satisfied on a priority basis; and (iii) the substantially longer period of time that would elapse until distributions could be made under chapter 7.

XVI. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain U.S. federal income tax consequences of the Plan to the Debtors and certain holders of Claims. This summary is based on the Internal Revenue Code, Treasury Regulations thereunder and administrative and judicial interpretations and practice, all as in effect on the date of the Disclosure Statement and all of which are subject to change, with possible retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained and the Debtors do not intend to seek a ruling from the Internal Revenue Service as to any of the tax consequences of the Plan discussed below. There can be no assurance that the Internal Revenue Service will not challenge one or more of the tax consequences of the Plan described below.

This summary does not apply to holders of Claims that are not U.S. Persons (as such term is defined in the Internal Revenue Code) or that are otherwise subject to special treatment under U.S. federal income tax law (including, without limitation, banks, governmental authorities or agencies, financial institutions, insurance companies, pass-through entities, tax-exempt organizations, brokers and dealers in securities, mutual funds, small business investment companies and regulated investment companies). The following discussion assumes that holders of Allowed Claims hold such Claims as “capital assets” within the meaning of section 1221 of the Internal Revenue Code. Moreover, this summary does not purport to cover all aspects of U.S. federal income taxation that may apply to the Debtors and holders of Allowed Claims based upon their particular circumstances. Additionally, this summary does not discuss any tax consequences that may arise under any laws other than U.S. federal income tax law, including under state, local or foreign tax law.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, ANY TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER THE INTERNAL REVENUE CODE. TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS NOT WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THE DISCLOSURE STATEMENT. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER’S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A. Federal Income Tax Consequences to the Debtors

1. Overview of Current Year Tax Position.

The Debtors have filed federal consolidated tax returns with the IRS and the State of California for all tax years up to and including the tax year ending March 31, 2011. In addition, the Debtors have filed federal consolidated tax returns (Tentative Refund returns and Amended Tax returns) claiming substantial refunds related to the carryback of federal net operating loss (NOLs) deductions from the tax years ending March 31, 2008, March 31, 2009 and March 31, 2010. The Debtors have received a significant portion of the federal tax refunds related to the NOL carryback deductions, although a portion of the claimed refunds has not yet been paid to the Debtors by the IRS. The IRS is currently examining tax years ending March 31, 2008, March 31, 2009 and March 31, 2010. On May 20, 2010, the special tax advisor to the Debtors, Moffett & Grigorian LLP caused to be filed with the Bankruptcy Court a Supplemental Affidavit and Disclosure. The affidavit disclosed that Moffett & Grigorian LLP

was retained by the FDIC-Receiver to provide tax preparation services to the FDIC-Receiver in order to complete the consolidated tax filings for the Debtors and PFF Bank and to provide assistance with the IRS examination.

In general, in addition to substantial NOL carryovers from prior tax years, the Debtors expect to have substantial losses for the tax year ending March 31, 2012 and, thus, do not expect to incur any substantial tax liability as a result of implementation of the Plan.

2. Cancellation of Indebtedness.

The Internal Revenue Code provides that a debtor in a chapter 11 bankruptcy case must reduce certain of its tax attributes by the amount of any COD income that is realized as a result of the bankruptcy plan, instead of recognizing the income. In general, COD income is the excess of the amount of a taxpayer's indebtedness that is discharged over the amount or value of the consideration exchanged therefor.

Tax attributes that are subject to reduction include net operating losses, capital losses, loss carryovers, certain tax credits and, subject to certain limitations, the tax basis of property. The reduction of tax attributes occurs after the determination of the taxpayer's tax for the taxable year in which the COD income is realized. To the extent the Debtors realize COD income and are required to reduce their tax attributes as a result of the Plan, the reduction would principally affect certain loss carryovers and tax credits to which the Debtors would otherwise be entitled and the tax basis of the Debtors' assets.

3. Alternative Minimum Tax.

In general, a federal alternative minimum tax AMT is imposed on a corporation's alternative minimum taxable income AMTI at a 20% rate to the extent that AMT exceeds the corporation's regular federal income tax for the year. AMTI is generally equal to regular taxable income with certain adjustments. For purposes of computing AMTI, certain tax deductions and other beneficial allowances are modified or eliminated. In particular, a corporation generally is entitled to offset no more than 90% of its AMTI with NOL carrybacks and carryforwards (as recomputed for AMT purposes). Accordingly, the Debtors' use of their NOLs in both carryback and carryforward years may be subject to limitations for AMT purposes in addition to any other limitations that may apply. The Debtors believe that losses for the year ending March 31, 2012 will be sufficient enough to eliminate all or substantially all current year AMTI of the Debtors. As a result, the Debtors do not anticipate having any AMT tax liability for the tax year ending March 31, 2012 as a result of the transactions that occur upon or pursuant to confirmation of the Plan.

B. Federal Income Tax Consequences to Holders of General Unsecured Claims

In accordance with the Plan, certain classes of Allowed General Unsecured Claims shall be entitled to be paid in full with respect to such Claim as set forth in the Plan. Each holder of any such class may recognize either gain or loss upon receipt of such payment equal to the difference between the "amount realized" by such creditor and such creditor's adjusted tax basis in his, her or its Claim. The amount realized is equal to the value of such creditor's payment with respect to his, her or its Claim. Any gain or loss realized by an unsecured creditor should constitute ordinary income or loss to such creditor unless such Claim is a capital asset. If a Claim constitutes a capital asset in the hands of an unsecured creditor, and it has been held for more than one year, such creditor will realize long-term capital gain or loss upon the receipt of payment.

The tax consequences to unsecured creditors will differ and will depend on factors specific to each such creditor, including but not limited to: (i) whether the unsecured creditor's Claim (or a portion thereof) constitutes a Claim for principal or interest, (ii) the origin of the unsecured creditor's Claim, (iii) whether the unsecured creditor is a U.S. person or a foreign person for U.S. federal income tax purposes, (iv) whether the unsecured creditor reports income on the accrual or cash basis method, and (v) whether the unsecured creditor has taken a bad debt deduction or otherwise recognized a loss with respect to the Claim.

THERE ARE MANY FACTORS THAT WILL DETERMINE THE TAX CONSEQUENCES TO EACH UNSECURED CREDITOR. FURTHERMORE, THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. THEREFORE IT IS IMPORTANT THAT EACH CREDITOR OBTAIN HIS, HER OR ITS OWN PROFESSIONAL TAX ADVICE REGARDING THE TAX CONSEQUENCES TO SUCH CREDITOR AS A RESULT OF THE PLAN.

C. Federal Income Tax Treatment of Equity Interests

In accordance with the Plan, certain classes of Equity Interests of the Debtors will receive cash payments on account of such Equity Interests and will recognize gain or loss upon receipt of such payments in an amount equal to the difference between the "amount realized" by such Equity Interest holder and such holder's adjusted tax basis in the Equity Interest of the Debtors. The character of any recognized gain or loss will depend upon several factors including, but not limited to, the status of the holder, the nature of the Equity Interest in the holder's hands, the purpose and circumstances of its acquisition, the holder's holding period of the Equity Interest, and the extent to which the holder had previously claimed a deduction for the worthlessness of all or a portion of the Equity Interest.

THERE ARE MANY FACTORS THAT WILL DETERMINE THE TAX CONSEQUENCES TO EACH HOLDER OF AN EQUITY INTEREST OF THE DEBTORS. FURTHERMORE, THE TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. THEREFORE IT IS IMPORTANT THAT EACH HOLDER OF AN EQUITY INTEREST OF THE DEBTORS OBTAIN HIS, HER OR ITS OWN PROFESSIONAL TAX ADVICE REGARDING THE TAX CONSEQUENCES TO SUCH HOLDER OF AN EQUITY INTEREST OF THE DEBTORS AS A RESULT OF THE PLAN.

D. Withholding and Reporting

Payments of interest, dividends, and certain other payments are generally subject to federal backup withholding at the rate of 28% unless the payee of such payment furnishes such payee's correct taxpayer identification number (social security number or employer identification number) to the payor. The Plan Administrator may be required to withhold the applicable percentage of any payments made to a holder who does not provide his, her or its taxpayer identification number. Backup withholding is not an additional tax, but an advance payment of tax that may be refunded by the Internal Revenue Service to the extent such withholding results in an overpayment of tax by the taxpayer.

THE FOREGOING IS INTENDED TO BE ONLY A SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FEDERAL, STATE AND LOCAL INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. SUCH CONSEQUENCES MAY ALSO VARY BASED ON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR EQUITY INTEREST. ACCORDINGLY, EACH HOLDER OF A CLAIM OR EQUITY INTEREST IS STRONGLY URGED TO CONSULT WITH HIS, HER OR ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE AND LOCAL INCOME AND OTHER TAX CONSEQUENCES UNDER THE PLAN.

XVII. GLOSSARY OF DEFINED TERMS

For purposes herein: (a) in the appropriate context, each term, whether stated in the singular or the plural, will include both the singular and the plural, and pronouns stated in the masculine, feminine or neutral gender will include the masculine, feminine and the neutral gender; (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document will be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document or exhibit having been Filed or to be Filed will mean that document or exhibit, as it may thereafter be amended, modified or supplemented; (d) unless otherwise stated, the words

“herein,” “hereof” and “hereto” refer to the Disclosure Statement in its entirety rather than to a particular portion of the Disclosure Statement; (e) captions and headings to sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (f) the rules of construction set forth in section 102 of the Bankruptcy Code will apply; and (g) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules will have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

A. Defined Terms

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

6. “*2004 Indenture*” means that certain Indenture dated as of September 30, 2004, between Bancorp as issuer and Wilmington Trust as trustee.
7. “*2005 Indenture*” means that certain Indenture dated as of September 16, 2005, between Bancorp as issuer and Wilmington Trust as trustee.
8. “*2007 Indenture*” means that certain Indenture dated as of June 26, 2007, between Bancorp as issuer and Wilmington Trust as trustee.
9. “*Accrued Professional Compensation*” means, at any given moment, all accrued and/or unpaid fees and expenses (including, without limitation, fees or expenses allowed or awarded by a Final Order of the Bankruptcy Court or any other court of competent jurisdiction) for legal, financial advisory, accounting and other services and reimbursement of expenses that are awardable and allowable under sections 328, 330(a) or 331 of the Bankruptcy Code or otherwise rendered prior to the Effective Date, or thereafter in connection with (a) applications Filed pursuant to sections 330 and 331 of the Bankruptcy Code; (b) motions seeking the enforcement of the provisions of the Plan or Confirmation Order, by all Professionals in the Chapter 11 Cases that the Bankruptcy Court has not denied by a Final Order, to the extent that any such fees and expenses have not previously been paid regardless of whether a fee application has been filed for any such amount; and (c) applications for allowance of Administrative Expenses arising under sections 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(6) of the Bankruptcy Code. To the extent that the Bankruptcy Court or any higher court denies by a Final Order any amount of a Professional’s fees or expenses, then those amounts shall no longer be Accrued Professional Compensation.
10. “*Administrative Claims Bar Date*” means the first Business Day that is thirty (30) days after the Effective Date and is the deadline for a holder of an Administrative Claim to file a request with the Bankruptcy Court for payment of such Administrative Claim in the manner indicated in Article II of the Plan.
11. “*Administrative Claims*” means Claims that have been timely filed before the Administrative Claims Bar Date, pursuant to the deadline and procedure set forth in the Confirmation Order (except as otherwise provided by a separate order of the Bankruptcy Court), for costs and expenses of administration under sections 503(b), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estates and operating the businesses of the Debtors (such as wages, salaries or commissions for services and payments for goods and other services and leased premises) and (b) the Indenture Trustee Fees and (c) all fees and charges assessed against the Estates under chapter 123 of title 28 of the U.S. Code, 28 U.S.C. §§ 1911-1930; *provided, however*, that Administrative Claims that arise under section 503(b)(9) of the Bankruptcy Code shall only be deemed timely filed to the extent such Claims were filed in accordance with the terms of the Bar Date Order; and *provided further* that claims for such Administrative Claims shall not include claims for Accrued Professional Compensation.
12. “*Affiliate*” has the meaning set forth at section 101(2) of the Bankruptcy Code.

13. “*Affiliated Group*” means, collectively, Bancorp, PFF Bank and their respective subsidiaries.
14. “*Allowed*” means, with respect to any Claim or Equity Interest, except as otherwise provided herein: (a) a Claim or Equity Interest that has been scheduled by the Debtors in their schedules of liabilities as other than disputed, contingent or unliquidated and as to which the Debtors or other parties-in-interest have not Filed an objection by the Claims Objection Bar Date; (b) a Claim or Equity Interest that either is not Disputed or has been allowed by a Final Order; (c) a Claim or Equity Interest that is allowed: (i) in any stipulation of amount and nature of Claim executed prior to the entry of the Confirmation Order and approved by the Bankruptcy Court; (ii) in any stipulation with Debtors of amount and nature of Claim or Equity Interest executed on or after the entry of the Confirmation Order; or (iii) in or pursuant to any contract, instrument or other agreement entered into or assumed in connection herewith; (d) a Claim or Equity Interest that is allowed pursuant to the terms hereof; or (e) a Disputed Claim as to which a proof of claim has been timely Filed and as to which no objection has been Filed by the Claims Objection Bar Date.
15. “*Avoidance Action(s)*” shall mean all claims and Causes of Action arising under chapter 5 of the Bankruptcy Code.
16. “*Ballot*” means the form of ballot used to record votes in favor or opposed to the Plan, approved by the Disclosure Statement Order.
17. “*Bancorp*” means PFF Bancorp, Inc., a Delaware corporation and one of the Debtors in these jointly administered Chapter 11 Cases.
18. “*Bank Receivership*” means the closing of PFF Bank by the OTS and subsequent appointment of the FDIC as receiver for PFF Bank on November 21, 2008.
19. “*Bankruptcy Code*” means Articles 101 *et seq.* of title 11 of the United States Code, and applicable portions of titles 18 and 28 of the United States Code.
20. “*Bankruptcy Court*” means the United States Bankruptcy Court for the District of Delaware.
21. “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure, promulgated under 28 U.S.C. § 2075, the Local Rules of Bankruptcy Practice and Procedure of the U.S. Bankruptcy Court for the District of Delaware, the Local Rules of Civil Practice and Procedure of the U.S. District Court for the District of Delaware, and general orders and chambers procedures of the Bankruptcy Court, each as applicable to the Chapter 11 Cases and as amended from time to time.
22. “*Bar Date Order*” means the Order Establishing Bar Dates for Filing Proofs of Claim and Approving the Form, Manner and Sufficiency of Notice Thereof, dated June 4, 2009 [D.I. 249].
23. “*Beneficiaries*” means holders of Allowed Claims and Equity Interests entitled to receive Distributions from the Debtors under the Plan, whether or not such Claims or Equity Interests were Allowed Claims or Equity Interests on the Effective Date.
24. “*Bidding Procedures Motion*” means the Motion of Debtors for (I) an Order Approving Expedited Sale Procedures and (II) an Order Approving Sale and Related Relief filed with the Bankruptcy Court on the Petition Date [D.I. 5].
25. “*Business Day*” means any day, other than a Saturday, Sunday or “legal holiday” (as that term is defined in Federal Rule of Bankruptcy Procedure 9006(a)).
26. “*CFP*” means California Financial Partners, Inc.

27. “*COD*” means cancellation of debt.

28. “*Cash*” means legal tender of the United States of America or the equivalent thereof, including bank deposits, checks and readily marketable securities or instruments issued by an Entity, including, without limitation, readily marketable direct obligations of, or obligations guaranteed by, the United States of America, commercial paper of domestic corporations carrying a Moody’s rating of “A” or better, or equivalent rating of any other nationally recognized rating service, or interest bearing certificates of deposit or other similar obligations of domestic banks or other financial institutions having a shareholders’ equity or capital of not less than one hundred million dollars (\$100,000,000.00) having maturities of not more than one (1) year, at the then best generally available rates of interest for like amounts and like periods.

29. “*Cash Investment Yield*” means the net yield earned by the Debtors from the investment of Cash held pending Distribution in accordance with the provisions of the Plan.

30. “*Causes of Action*” means all claims, actions, causes of action, choses in action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, remedies, rights of set-off, third-party claims, subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims and crossclaims (including, without limitation, all claims and any avoidance, recovery, subordination or other actions against insiders and/or any other entities under the Bankruptcy Code) of any of the Debtors, the Debtors-in-Possession, the Creditors’ Committee, and/or the Estates that are or may be pending on the Effective Date against any person or entity, based in law or equity, including, without limitation, under the Bankruptcy Code, whether direct, indirect, derivative or otherwise and whether asserted or unasserted as of the Confirmation Date.

31. “*Chapter 11 Cases*” means the chapter 11 cases commenced when the Debtors each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code on the Petition Date and with the following case numbers: 08-13127 (KJC), 08-13128 (KJC), 08-13129 (KJC), 08-13130 (KJC) and 08-13131 (KJC), which are jointly administered under case number 08-13127 (KJC).

32. “*Charging Lien*” means any Lien or other priority payment arising prior to the Effective Date to which the Indenture Trustee is entitled under the TruPS Indenture against distributions to be made to be made to the holders of TruPS Claims.

33. “*Claim*” means a “claim” (as that term is defined in section 101(5) of the Bankruptcy Code) against a Debtor.

34. “*Claims Objection Bar Date*” means the bar date for objecting to proofs of claim, which shall be one hundred twenty (120) days after the Effective Date; *provided, however*, that the Debtors or the Creditors Trustee may seek additional extensions of this date from the Bankruptcy Court. A party requesting to extend the Claims Objection Bar Date may specify which entities may benefit from such an extension.

35. “*Class*” means a category of holders of Claims or Equity Interests as set forth in Article III of the Plan pursuant to section 1122(a) of the Bankruptcy Code.

36. “*Closing Date*” means January 7, 2009, the date on which the Sale was finalized.

37. “*Confirmation Date*” means the date on which the Confirmation Order is entered by the Bankruptcy Court.

38. “*Confirmation Hearing Notice*” means that certain confirmation hearing notice Filed with the Bankruptcy Court on [_____], 2012.

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

40. “*Creditor*” shall have the meaning in Bankruptcy Code § 101(10).

41. “*Creditors’ Committee*” means the official committee of unsecured creditors for the Chapter 11 Cases appointed by the U.S. Trustee for the District of Delaware, pursuant to section 1102 of the Bankruptcy Code, on December 17, 2008 [D.I. 20].

42. “*Creditors Trust*” means the trust created pursuant to Article IV.A of the Plan, and formed under Chapter 38 of Title 12 of the Delaware Code, 12 De. Code 3801 et seq., pursuant to the ACT Declaration of Trust, for the benefit of the PBGC as the holders of Class 2.A, 2.B, 2.C, 2.D, and 2.E PBGC Unsecured Claims against the Debtors, the holders of Class 3.A, 3.B, 3.C, 3.D and 3.E General Unsecured Claims against the Debtors and the holders of Class 4.A. TruPS Claims against Bancorp.

43. “*Creditors Trust Agreement*” means the Creditors Trust Agreement to be executed by the Debtors and the Creditors Trustee, in substantially the same form as filed with the Plan.

44. “*Creditors Trust Assets*” means all remaining Cash and all right, title and interest in any other assets remaining in the Estate of Bancorp, including but not limited to, all Causes of Action.

45. “*Creditors Trust Beneficiaries*” means the holders of the Creditors Trust Interests.

46. “*Creditors Trust Interests*” means a beneficial interest in the Creditors Trust which represents the right to receive Distributions from the Creditors Trust under Article IV.B of the Plan.

47. “*Creditors Trustee*” means the a representative of J.H. Cohn LLP who shall serve as trustee of the Creditors Trust and any successor to such trustee.

48. “*DBS*” means Diversified Builder Services, Inc., a California corporation and one of the Debtors in these jointly administered Chapter 11 Cases.

49. “*Debtors*” or “*Debtors-in-Possession*” means, collectively, PFF Bancorp, Inc., Glencrest Investment Advisors, Inc., Diversified Builder Services, Inc., PFF Real Estate Services, Inc. and Glencrest Insurance Services, Inc.

50. “*Disclosure Statement*” means the *Disclosure Statement for the Debtors’ Joint Plan of Liquidation under Chapter 11 of the Bankruptcy Code*, dated February 8, 2012 [D.I. 1142], prepared and distributed in accordance with the Bankruptcy Code, Bankruptcy Rules and any other applicable law, and approved by the Bankruptcy Court in the Disclosure Statement Order, as it is amended, supplemented or modified from time to time.

51. “*Disclosure Statement Order*” means the order approving the Disclosure Statement entered by the Bankruptcy Court on [_____], 2012.

52. “*Disputed*” means, with respect to any Claim or Equity Interest, any Claim or Equity Interest: (a) listed on the Schedules as unliquidated, disputed or contingent, unless a proof of Claim has been timely filed; (b) as to which a Debtor or the Creditors Trustee has interposed a timely objection or request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules; or (c) as otherwise disputed by a Debtor in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn or determined by a Final Order; *provided, however*, that for purposes of this Plan, the Creditors Trustee shall have the power, up to and including the Claims Objection Bar Date (including extensions thereof which may be granted from time to time), to

determine a Claim to be Disputed upon review of the claims register and the Books and Records and may cause the amendment of the Schedules to reflect any such determination

53. “*Disputed Reserve*” means the reserve fund created pursuant to Article V.B.1 of the Plan.

54. “*Distributions*” means the distributions of Cash to be made in accordance with the Plan.

55. “*DTC*” means the Depository Trust Company.

56. “*Effective Date*” means the date selected by the Debtors that is a Business Day after the entry of the Confirmation Order on which: (a) no stay of the Confirmation Order is in effect; and (b) all conditions specified in Article VIII of the Plan have been satisfied or waived.

57. “*Entity*” means an “entity” as that term is defined in section 101(15) of the Bankruptcy Code.

58. “*Equity Interest*” means any equity interest in a Debtor that existed immediately prior to the Petition Date.

59. “*Estate*” means the estate of each Debtor created on the Petition Date by section 541 of the Bankruptcy Code.

60. “*Exculpated Parties*” means, collectively, the Debtors, the officers and directors of the Debtors as of the Effective Date, the Debtors’ postpetition independent contractor, the Creditors’ Committee and the individual members thereof, the Creditors Trustee, and each of their respective Representatives (each of the foregoing in its individual capacity as such).

61. “*FBOP*” means FBOP Corporation.

62. “*FDIC*” means the Federal Deposit Insurance Corporation.

63. “*FDIC/Bancorp Escrow Account*” means the tax escrow account established by Bancorp with Wells Fargo Bank, N.A. pursuant to the FDIC/Bancorp Escrow Stipulation and the FDIC/Bancorp Settlement Agreement.

64. “*FDIC/Bancorp Escrow Stipulation*” means that certain Stipulation Regarding Establishment of Segregated Account for Tax Related Payments, approved by the Bankruptcy Court by an order entered on June 8, 2010 [D.I. 527], and as amended by that certain Settlement Agreement entered into as of November 12, 2010 between the FDIC and the Debtors, which was subsequently approved by the Bankruptcy Court by an order entered on November 22, 2010 [D.I. 716].

65. “*FDIC/Bancorp Settlement Agreement*” means that certain settlement agreement between the FDIC and Bancorp which provided for the resolution of (i) the FDIC-R’s and the Debtors’ claims to ownership of the tax refunds, (ii) all claims asserted by the FDIC-R against the Debtors and (iii) all claims asserted by the Debtors against FDIC-R or FDIC-C.

66. “*FDIC-C*” means the Federal Deposit Insurance Corporation in its corporate capacity.

67. “*FDIC-R*” means the Federal Deposit Insurance Corporation as receiver for PFF Bank & Trust.

68. “*FDIC-R Proof of Claim*” means claim number 54 filed by the FDIC-R on July 20, 2009.

69. “*Federal Judgment Rate*” means the post-judgment interest rate established by section 1961 of title 28 of the United States Code and provided by the Federal Reserve and published each Monday for the preceding week. The Federal Judgment Rate for the week preceding the Petition Date was 0.93%.

70. “*File*” or “*Filed*” means, with respect to any pleading, entered on the docket of the Chapter 11 Cases and properly served in accordance with the Bankruptcy Rules.

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

72. “*Final Order*” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction with respect to the subject matter, which has not been reversed, stayed, modified or amended, and as to which the time to appeal, petition for certiorari or move for reargument or rehearing has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or has otherwise been dismissed with prejudice.

73. “*GIA*” means Glencrest Investment Advisors, Inc., a Delaware corporation and one of the Debtors in these jointly administered Chapter 11 Cases.

74. “*GIS*” means Glencrest Insurance Services, Inc., a California corporation and one of the Debtors in these jointly administered Chapter 11 Cases.

75. “*General Bar Date*” means 5:00 p.m. prevailing Eastern time on July 21, 2009 as established in the Bar Date Order.

76. “*General Unsecured Claims*” means Claims against any Debtor that are not Administrative Claims, Secured Claims, Priority Tax Claims, Other Priority Claims, or Equity Interests.

77. “*GIA Assets*” means the investment accounts managed by GIA.

78. “*Individual Class 4.A Ballot*” means the form of Ballot used to record votes of the Beneficial Owners of TruPS Claims against Bancorp in Class 4.A in favor or opposed to the Plan, approved by the Disclosure Statement Order.

79. “*Initial Distribution Date*” means the date that is as soon as practicable after the Administrative Claims Bar Date, when distributions under this Plan shall commence to Holders of Allowed Claims and Allowed Equity Interests.

80. “*Impaired*” means “impaired” within the meaning of sections 1123(a)(4) and 1124 of the Bankruptcy Code, with respect to a Claim, Equity Interest, or Class of Claims or Equity Interests.

81. “*Indentures*” means the 2004 Indenture, the 2005 Indenture, the 2007 Indenture and all related ancillary documents.

82. “*Indenture Trustee*” means Wilmington Trust Company, as Indenture Trustee under the TruPS Indentures.

83. “*Indenture Trustee Fees*” means the reasonable compensation, fees and expenses, disbursements and indemnity claims, including, without limitation, attorneys’ fees and agents’ fees, expenses, costs and disbursements, incurred by or owed to the Indenture Trustee under the TruPS Indentures and related and ancillary documents, whether incurred prior to or after the Petition Date and whether incurred prior to or after consummation of the Plan, provided, however, the amount of Indenture Trustee fees shall not exceed the Indenture Trustee Fee Cap.

84. “*Intercompany Claims*” means Claims held by a Debtor or Affiliate of the Debtors against another Debtor or Affiliate of the Debtors.

85. “*Intercompany Loan*” means that certain loan in the aggregate principal amount of \$19,280,093.00 which Bancorp extended to DBS prior to the Petition Date.

86. “*Lien*” shall mean any lien, mortgage, charge, security interest, pledge or other encumbrance against or interest in property to secure payment or performance of a claim, debt or litigation.

87. “*Local Bankruptcy Rules*” means the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware.

88. “*Master Ballot*” means the form of ballot, approved by the Disclosure Statement Order, used to record votes in favor or opposed to the Plan by the Master Balloting Agent summarizing the individual class 4.A Ballots prepared by the Beneficiaries.

89. “*Master Ballot Agent*” means the agent responsible for summarizing the votes of Beneficiaries in favor or opposed to the Plan and summarizing such votes on the applicable Master Ballot.

90. “*Merger Agreement*” means that certain merger agreement dated as of June 13, 2008, among Bancorp and FBOP.

91. “*NOL*” means current year net operating losses.

92. “*Notice Parties*” means the Persons entitled to notice in these Chapter 11 Cases pursuant to sections 2002 and 3017 of the Bankruptcy Rules.

93. “*OTS*” means the Office of Thrift Supervision, a federal regulatory and supervisory agency.

94. “*Organization Documents*” shall mean any certificate filed with the Secretary of State prior to the Effective Date, including any certificate of incorporation and any amendments or restatements thereto, and the bylaws and any amendments and restatements thereto, of each of the Debtors.

95. “*Other Priority Claims*” means Claims accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than Priority Tax Claims.

96. “*Oversight Committee*” means one or more Creditors Trust Beneficiaries identified in the Creditors Trust Agreement and having the authority set forth therein.

97. “*PBGC*” means the Pension Benefit Guaranty Corporation.

98. “*PBGC Allowed Claim Distribution Agreement*” means that certain agreement between the Debtors and the PBGC regarding the allowed amount of the PBGC Claims under this Plan, and specifically the PBGC’s agreement to accept a forty-five (45) percent distribution with respect to the PBGC Allowed Unsecured Claim and full payment of the PBGC Allowed Priority Claim in full satisfaction of all PBGC Claims including the PBGC Allowed General Unsecured Claim and the PBGC Allowed Priority Claim.

99. “*PBGC Allowed Unsecured Claim*” means the allowed general unsecured claim in the amount of \$4,005,070.00 as set forth in that certain Stipulation Regarding Allowance of PBGC Claims, approved by order of the Bankruptcy Court on December 20, 2010 [D.I. 755].

100. “*PBGC Allowed Unsecured Claim Distribution Amount*” means the amount of \$1,802,281.50, representing the agreed amount of distribution payable to the PBGC under this Plan with respect to the PBGC Allowed Unsecured Claim as agreed by the PBGC, the Debtors and the Creditors’ Committee pursuant to the PBGC Allowed Claim Distribution Agreement.

101. “*PBGC Allowed Priority Claim*” means the allowed priority claim in the amount of \$31,000.00 as set forth in that certain Stipulation Regarding Allowance of PBGC Claims, approved by order of the Bankruptcy Court on December 20, 2010 [D.I. 755].

102. “*PBGC Allowed Priority Claim Distribution Amount*” means the amount of \$31,000.00, representing the agreed amount of distribution payable to the PBGC under this Plan with respect to the PBGC Allowed Priority Claim, as agreed by the PBGC, the Debtors and the Creditors’ Committee pursuant to the PBGC Allowed Claim Distribution Agreement.

103. “*PBGC Claims*” means any and all Claims of the PBGC existing in the Chapter 11 Cases including, without limitation, the Debtors’ obligations to the PBGC arising from the Bankruptcy Court’s Order Granting Motion of Debtors and Debtors in Possession for Entry of an Order Approving the Agreement By and Between Debtors and Pension Benefit Guaranty Corporation entered on December 20, 2010 [D.I. 755].

104. “*Person*” shall mean any individual, corporation, limited liability company, general partnership, limited partnership, limited liability partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, government or any political subdivision thereof or other entity as such term is defined in section 101(15) of the Bankruptcy Code.

105. “*Petition Date*” means December 5, 2008, the date on which the Debtors filed the Chapter 11 Cases.

106. “*PFF Bank*” means PFF Bank & Trust, a federally chartered savings institution which was placed into receivership by the FDIC and sold to U.S. Bank on November 21, 2008.

107. “*PFF Real Estate*” means PFF Real Estate Services, Inc., a California corporation and one of the Debtors in these jointly administered Chapter 11 Cases.

108. “*PHJW*” means Paul, Hastings, Janofsky & Walker LLP, the court authorized tax and financial reporting counsel of the Debtors.

109. “*Plan Objection Deadline*” means the deadline of 4:00 p.m. prevailing Eastern Time on April 16, 2012 by which parties must file any objections they have to the Plan.

110. “*Plan Objections*” means objections to the Plan.

111. “*Plan*” means this joint plan of liquidation under chapter 11 of the Bankruptcy Code, either in its present form or as it may be altered, amended, modified or supplemented from time to time in accordance with the Bankruptcy Code, the Bankruptcy Rules or herewith, as the case may be.

112. “*Post-Confirmation Expense*” shall mean any fees, costs and expenses (including, without limitation, United States Trustee fees, Creditors Trustee fees, Indenture Trustee Fees, attorneys’ fees, the fees of other professionals, and any taxes imposed on the Reorganized Debtors or in respect of its assets) necessary to complete the liquidation and winding up of the Debtors, their Estates and the Reorganized Debtors after the Effective Date.

113. “*Priority Tax Claims*” means Claims of governmental units of the kind specified in section 507(a)(8) of the Bankruptcy Code.

114. “*Professional*” means any person or Entity employed pursuant to a Final Order in accordance with sections 327, 328 or 1103 of the Bankruptcy Code, and to be compensated for services rendered prior to and including the Effective Date pursuant to sections 327, 328, 329, 330 or 331 of the Bankruptcy Code.

115. “*Protected Parties*” means any of the Debtors, the Estates, the Creditors’ Committee, the Creditors Trustee and their respective officers, directors, current (but not former) employees, current (but not former) independent contractors, members, shareholders, advisors, attorneys, representatives, professionals and other agents.

116. “*RLF*” means Richards, Layton & Finger, P.A., the court authorized bankruptcy counsel of the Debtors.

117. “*Records*” means the Debtors’ books and records.

118. “*Recovery Amount*” means the amount that PBGC shall recover on account of the PBGC Claims pursuant to the terms of the PBGC Settlement.

119. “*Releasees*” means, collectively, officers and directors of the Debtors, the Debtors’ postpetition independent contractor, the Creditors’ Committee and each of their respective Representatives (each of the foregoing in its individual capacity as such).

120. “*Releasing Parties*” means, collectively, holders of Claims or Equity Interests voting to accept the Plan.

121. “*Reorganized Debtors*” means the Debtors in the period from the Effective Date through the date or dates of their respective dissolution.

122. “*Representatives*” means, with regard to an Entity, officers, directors, employees, advisors, attorneys, professionals, accountants, investment bankers, financial advisors, consultants, agents and other representatives (including their respective officers, directors, employees, independent contractors, members and professionals).

123. “*Sale*” means the sale of certain of the Debtors’ assets to California Financial Partners, Inc., pursuant to the APA.

124. “*Sale Order*” means the order of the Bankruptcy Court, entered in the Chapter 11 Cases, on January 7, 2009 [D.I. 56], approving the APA and the transactions contemplated thereby.

125. “*Sale Proceeds*” means the consideration received by the Debtors pursuant to the APA.

126. “*Schedules*” mean the schedules of assets and liabilities and statements of financial affairs filed by the Debtors pursuant to section 521 of the Bankruptcy Code.

127. “*Secured Claims*” means Claims against the Debtors that are secured by a lien on property in which the Estates have an interest, which liens are valid, perfected and enforceable under applicable law or by reason of a Final Order, or that are subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim holder’s interest in the Estates’ interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code.

128. “*Secured Lender*” means, collectively, the lender party to the Secured Term Loan and its successors and assigns.

129. “*Secured Term Loan*” means that certain promissory note dated September 28, 2007, issued by Bancorp to M&I Marshall & Isley Bank, as lender, together with that certain related letter agreement dated January

31, 2008, and that certain commercial pledge agreement dated September 28, 2007, and any other documents executed in connection therewith, each as amended, supplemented or otherwise modified from time to time.

130. “*Solicitation Package*” means the documents and materials described in Article I.F of the Disclosure Statement.

131. “*Solicitation Procedures*” means the solicitation procedures annexed as Exhibit 1 to the Disclosure Statement Order.

132. “*Stipulation*” means that certain stipulation dated January 23, 2009, among the Debtors, U.S. Bank, the FDIC and the Creditors’ Committee.

133. “*TruPS Capital Securities*” means, collectively, (i) the 30,000 Capital Securities of PFF Bancorp Capital Trust I MMCapSSM; (ii) the 25,000 Capital Securities of PFF Bancorp Capital Trust II MMCapSSM; and (iii) the 30,000 Capital Securities of PFF Bancorp Trust III MMCapSSM, issued by the Trust pursuant to the applicable Amended and Restated Declaration of Trusts.

134. “*TruPS Claims*” means any and all Claims that could be asserted against the Debtors by the holders of the TruPS Capital Securities or by Wilmington Trust, in its capacity as trustee, other than Wilmington Trust’s Indenture Trustee Fees, including any Claims related to or arising out of the TruPS Notes, the TruPS Indentures, the Trust Declarations, the TruPS Guarantees, and any related and ancillary documents and instruments which claims include, but are not limited to, principal and interest as of the Petition Date and, if applicable, post-petition interest.

135. “*TruPS Indentures*” means, collectively, (i) the Indenture dated as of September 30, 2004 (as amended and/or supplemented), between Bancorp, as issuer, and Wilmington Trust, as trustee, pursuant to which Bancorp issued the Floating Rate Junior Subordinated Debt Securities Due 2034; (ii) the Indenture dated as of September 16, 2005 (as amended and/or supplemented), between Bancorp, as issuer, and Wilmington Trust, as trustee, pursuant to which Bancorp issued the Floating Rate Junior Subordinated Debt Securities Due 2035; and (iii) the Indenture dated as of June 26, 2007 (as amended and/or supplemented), between Bancorp, as issuer, and Wilmington Trust, as trustee, pursuant to which Bancorp issued the Floating Rate Junior Subordinated Debt Securities Due 2037.

136. “*TruPS Guarantees*” means, collectively, (i) the Guarantee Agreement dated as of September 30, 2004 (as amended and/or supplemented) by Bancorp, as guarantor, and Wilmington Trust, as guarantee trustee); (ii) the Guarantee Agreement dated as of September 15, 2005 (as amended and/or supplemented) by Bancorp, as guarantor, and Wilmington Trust, as guarantee trustee); and (iii) the Guarantee Agreement dated as of June 26, 2007 (as amended and/or supplemented) by Bancorp, as guarantor, and Wilmington Trust, as guarantee trustee), pursuant to which Bancorp. agreed to, inter alia, guarantee payment of all amounts owed to the holders of the TruPS Capital Securities.

137. “*TruPS Notes*” means the (i) Floating Rate Junior Subordinated Debt Securities Due 2034; (ii) Floating Rate Junior Debt Securities Due 2035; and (iii) the Floating Rate Junior Subordinated Debt Securities Due 2037.

138. “*Trust I*” means PFF Bancorp Capital Trust I, a statutory business trust, formed under Delaware law pursuant to that certain Amended and Restated Declaration of PFF Bancorp Capital Trust I dated as of September 30, 2004 (as amended and/or supplemented) by and among Wilmington Trust, as Delaware Trustee and Institutional Trustee, Bancorp, as sponsor, and the Administrators named therein (the “Trust I Declaration”), for the sole purpose of issues securities representing undivided beneficial interests in Trust I’s assets.

139. “*Trust II*” means PFF Bancorp Capital Trust II, a statutory business trust, formed under Delaware law pursuant to that certain Amended and Restated Declaration of PFF Bancorp Capital Trust II dated as of September 16, 2005 (as amended and/or supplemented) by and among Wilmington Trust, as Delaware Trustee and Institutional

Trustee, Bancorp, as sponsor, and the Administrators named therein (the “Trust II Declaration”), for the sole purpose of issues securities representing undivided beneficial interests in Trust II’s assets.

140. “*Trust III*” means PFF Bancorp Capital Trust III, a statutory business trust, formed under Delaware law pursuant to that certain Amended and Restated Declaration of PFF Bancorp Capital Trust III dated as of June 26, 2007 (as amended and/or supplemented) by and among Wilmington Trust, as Delaware Trustee and Institutional Trustee, Bancorp, as sponsor, and the Administrators named therein (the “Trust III Declaration”), for the sole purpose of issues securities representing undivided beneficial interests in Trust III’s assets.

141. “*Trust Declarations*” means, collectively, the Trust I Declaration, the Trust II Declaration and the Trust III Declaration.

142. “*Trusts*” means collectively Trust I, Trust II and Trust III.

143. “*U.S. Bank*” means the U.S. Bank National Association, a national banking association, and its successors and assigns.

144. “*U.S. Trustee*” means the United States Trustee appointed under Article 591 of title 28 of the United States Code to serve in the District of Delaware.

145. “*Unimpaired*” means not “impaired” within the meaning of sections 1123(a)(4) and 1124 of the Bankruptcy Code, with respect to a Claim, Equity Interest, or Class of Claims or Equity Interests.

146. “*Voting and Claims Agent*” means Kurtzman Carson Consultants LLC, the Court appointed claims, noticing and balloting agent in these jointly administered Chapter 11 Cases.

147. “*Voting Deadline*” means the deadline of 5:00 p.m. Prevailing Pacific Time on April 18, 2012 to accept or reject the Plan.

148. “*Voting Record Date*” means March 8, 2012, the date on which holders of Claims and holders of Equity Interests that are entitled to vote to accept or reject the Plan will be determined.

149. “*Wilmington Trust*” means Wilmington Trust Company, a Delaware chartered trust company, and its successors and assigns.

XVIII. CONCLUSION AND RECOMMENDATION

The Debtors believe the Plan is in the best interests of all holders of Claims and Equity Interests and urge all holders of Claims and Equity Interests entitled to vote to accept the Plan and to evidence such acceptance by returning their Ballots so they will be received by the Debtors’ Voting and Claims Agent no later than 5:00 p.m. (prevailing Pacific Time) on April 18, 2012.

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Dated: February 8, 2012

Respectfully submitted,

PFF BANCORP, INC.

By: /s/ Kevin McCarthy
Its: President and Chief Executive Officer

GLENCREST INVESTMENT ADVISORS, INC.

By: /s/ Kevin McCarthy
Its: President and CEO of PFF Bancorp, Inc., authorized individual

DIVERSIFIED BUILDER SERVICES, INC.

By: /s/ Kevin McCarthy
Its: President

PFF REAL ESTATE SERVICES, INC.

By: /s/ Kevin McCarthy
Its: President and Chief Executive Officer

GLENCREST INSURANCE SERVICES, INC.

By: /s/ Kevin McCarthy
Its: President

Prepared by:

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