SO ORDERED.

SIGNED February 13, 2014.

ROBERT SUMMERHAYS
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION

In re:	§	**Case No. 12-51127**
	§	
Piccadilly Restaurants, LLC, *et al*.,	§	**(Joint Administration)**[1]
	§	
	§	**Chapter 11**
Debtors	§	
	§	**Judge Robert Summerhays**

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER CONFIRMING THE FIRST AMENDED JOINT CHAPTER 11 PLAN OF PICCADILLY INVESTMENTS, LLC, PICCADILLY RESTAURANTS, LLC, AND PICCADILLY FOOD SERVICE, LLC

Upon:

1. The above-captioned debtors and debtors in possession (collectively, the "Debtors") commencing the above-captioned voluntary petitions (the "Chapter 11 Cases") for

[1] Jointly administered with *In re Piccadilly Food Service, LLC*, 12-51128 (Bankr. W.D. La. 2012), and *In re Piccadilly Investments, LLC*, 12-51129 (Bankr. W.D. La. 2012).

#26947252

relief under Chapter 11 of Title 11 of the United States Code, as amended (the "Bankruptcy Code") on September 11, 2012 (the "Petition Date");

2. The Debtors continuing to operate their businesses and manage their properties as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code;

3. The September 27, 2013 submission by: (i) Atalaya Administrative LLC, Atalaya Funding II, LP, Atalaya Special Opportunities Fund IV, LP (Tranche B), and Atalaya Special Opportunities Fund (Cayman) IV, LP (Tranche B) (collectively, "Atalaya"); and (ii) the Official Committee of Unsecured Creditors (the "Committee," and collectively, with Atalaya, the "Plan Proponents") of the *Joint Chapter 11 Plan of Piccadilly Investments, LLC, Piccadilly Restaurants, LLC, and Piccadilly Food Service, LLC, Proposed by Atalaya Administrative LLC, Atalaya Funding II, LP, Atalaya Special Opportunities Fund IV, LP (Tranche B), Atalaya Special Opportunities Fund (Cayman) IV LP (Tranche B), and the Official Committee of Unsecured Creditors* (the "September Plan") [Docket No. 1123] and the *Disclosure Statement for the Joint Chapter 11 Plan of Piccadilly Investments, LLC, Piccadilly Restaurants, LLC, and Piccadilly Food Service, LLC, Proposed by Atalaya Administrative LLC, Atalaya Funding II, LP, Atalaya Special Opportunities Fund IV, LP (Tranche B), Atalaya Special Opportunities Fund (Cayman) IV LP (Tranche B), and the Official Committee of Unsecured Creditors* (the "September Disclosure Statement") [Docket No. 1124];

4. The Plan Proponents' September 30, 2013 submission of the *Plan Proponents' Joint Motion for Entry of an Order Approving (I) the Disclosure Statement, and (II) with respect to the Joint Reorganization Plan, (A) the Confirmation Hearing Notice, the Manner of Mailing and Service of the Solicitation Package and Notice to Non-Voting Classes, (B) the Procedures for Voting and Tabulation of Ballots, (C) the Forms of Ballots, and (D) the Procedures for*

Allowing Claims for Voting Purposes [Docket No. 1130] (the "Disclosure Statement Motion") [Docket No. 1130];

5. The November 14, 2013 submission by the Plan Proponents of the *First Amended Joint Chapter 11 Plan of Piccadilly Investments, LLC, Piccadilly Restaurants, LLC, and Piccadilly Food Service, LLC, Proposed by Atalaya Administrative LLC, Atalaya Funding II, LP, Atalaya Special Opportunities Fund IV, LP (Tranche B), Atalaya Special Opportunities Fund (Cayman) IV LP (Tranche B), and the Official Committee of Unsecured Creditors* (as may be amended, restated, and modified, the "Plan")[2] [Docket No. 1241] and the *First Amended Disclosure Statement for the First Amended Joint Chapter 11 Plan of Piccadilly Investments, LLC, Piccadilly Restaurants, LLC, and Piccadilly Food Service, LLC, Proposed by Atalaya Administrative LLC, Atalaya Funding II, LP, Atalaya Special Opportunities Fund IV, LP (Tranche B), Atalaya Special Opportunities Fund (Cayman) IV LP (Tranche B), and the Official Committee of Unsecured Creditors* (the "Disclosure Statement") [Docket No. 1242];

6. The Bankruptcy Court's entry of an order on November 13, 2013 approving the Disclosure Statement and the relief requested in the Disclosure Statement Motion, including the Plan Proponents' proposed procedures for soliciting acceptances of the Plan (the "Disclosure Statement Order") [Docket No. 1234];

7. The Plan Proponents' transmission of related notices of the Confirmation Hearing, forms, ballots, and other Plan solicitation materials, in accordance with the Disclosure Statement Order beginning on or about November 27, 2013, and continuing thereafter, consistent with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules")

[2] Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan.

and the Local Rules for the Bankruptcy Court (the "Local Rules"), as evidenced by, among other things, the *Affidavit of Service* BMC Group, Inc. [Docket No. 1339];

8. The Plan Proponents' submission of Exhibits 7.9 and 9.1 of the Plan on December 30, 2013 [Docket No. 1322]; and

9. The Plan Proponents' submission on January 9, 2013 of the *Certification and Declaration of Claims, Noticing and Balloting Agent Regarding Solicitation and Tatbulation of Votes in Connection with the First Amended Joint Plan of Reorganization* (the "Voting Certification") [Docket No. 1340];

10. The Plan Proponents' January 11, 2014 submission of the *Non-Material Modification to the First Amended Joint Chapter 11 Plan for the Debtors filed by the Official Committee of Unsecured Creditors and Atalaya Administrative LLC* [Docket No. 1345] (the "Non-Material Modification to Plan");

11. The Committee's January 31, 2014 submission of the *Amended Official Committee of Unsecured Creditors' Designation of Oversight Board and Administrator* [Docket No. 1372] (the "Amended Designation");

and this Bankruptcy Court having:

1. Set January 6, 2014 as the deadline for voting on the Plan and the deadline for filing objections in opposition to the Plan, as such dates may have been extended in particular instances with the Plan Proponents' consent (the "Plan Objection Deadline");

2. Set January 13 and 14, 2014 as the date for the commencement of a hearing to confirm the Plan pursuant to Bankruptcy Rules 3017 and 3018 and Sections 1126, 1128, and 1129 of the Bankruptcy Code (the "Confirmation Hearing");

3. Reviewed the Plan, the Voting Certification, and all pleadings, exhibits, statements, responses, and comments regarding entry of the confirmation order on the docket of the Bankruptcy Court in the Chapter 11 Cases (the "Confirmation"), including all objections, statements, and reservations of rights filed by parties in interest on the docket of the Bankruptcy Cases;

4. Held the Confirmation Hearing on January 13, 14, and 15, 2014;

5. Heard the statements, arguments, and objections made by counsel in respect of Confirmation;

6. Considered all oral representations, testimony, documents, filings, and other evidence regarding Confirmation; and

8. Overruled any and all objections to the Plan and to Confirmation and all statements and reservations of rights not consensually resolved or withdrawn unless otherwise indicated herein.

NOW, THEREFORE, the Bankruptcy Court having found that notice of the Confirmation Hearing and the opportunity for any party in interest to object to Confirmation was adequate and appropriate as to all parties affected or to be affected by the Plan and the transactions contemplated thereby, and that the legal and factual bases set forth in the documents filed in support of Confirmation and presented at the Confirmation Hearing establish just cause for the relief granted herein; and after due deliberation thereon and good cause appearing therefor, the Bankruptcy Court hereby makes and issues the following Confirmation Order:

I. FINDINGS OF FACT AND CONCLUSIONS OF LAW[3]

IT IS HEREBY DETERMINED, FOUND, ADJUDGED, DECREED, AND ORDERED THAT:

A. Jurisdiction, Venue, Core Proceeding (28 U.S.C. §§ 157(b)(2) and 1334(a)).

1. The Bankruptcy Court has jurisdiction over the Debtors' Chapter 11 Cases pursuant to 28 U.S.C. § 1334. Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. § 157(b), and the Bankruptcy Court has jurisdiction to enter a Final Order determining that the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed. Venue is proper before the Bankruptcy Court pursuant to 28 U.S.C. § 1408.

B. Eligibility for Relief.

2. The Debtors were, and are, entities eligible for relief under Section 109 of the Bankruptcy Code.

C. Judicial Notice.

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

D. Commencement of the Chapter 11 Cases and Filing of the Plan.

4. On September 11, 2012, the Debtors filed voluntary Chapter 11 Petitions in the Bankruptcy Court. By prior order of the Bankruptcy Court, the Bankruptcy Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to

[3] The findings and conclusions set forth herein constitute this Bankruptcy Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent that any of the following conclusions of law constitute findings of fact, they are adopted as such. Findings of fact and conclusions of law included in the record of the Confirmation Hearing are incorporated herein by reference.

Bankruptcy Rule 1015. Since the Petition Date, the Debtors have operated their businesses and managed their properties as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Bankruptcy Cases.

E. Official Committee of Unsecured Creditors.

5. Pursuant to Section 1102(a)(1) of the Bankruptcy Code, on October 23, 2012, the Office of the United States Trustee for the Western District of Louisiana (the "U.S. Trustee") appointed an official committee of unsecured creditors (the "Committee"). The Committee is a joint proponent of the Plan.

F. Notice and Transmittal of Solicitation Materials; Adequacy of Solicitation Notices.

6. The Plan, the Disclosure Statement, the Disclosure Statement Order, the appropriate ballots for voting on the Plan (the "Ballots"), and the notice of the Confirmation Hearing were transmitted and served in compliance with the Bankruptcy Rules, including Bankruptcy Rules 3017 and 3018, with the Local Rules, and with the procedures set forth in the Disclosure Statement Order. Notice of the Confirmation Hearing was appropriate and satisfactory based upon the circumstances of the Debtors' Chapter 11 Cases. The transmittal and service of the Plan, the Disclosure Statement, the Disclosure Statement Order, the Ballots, and the notice of the Confirmation Hearing complied with the approved solicitation procedures set forth in the Disclosure Statement Order, was appropriate and satisfactory based upon the circumstances of the Chapter 11 Cases, was conducted in good faith, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and any other applicable rules, laws, and regulations. Because such transmittal and service were adequate and sufficient, no other or further notice is necessary or shall be required. The information contained in, and the disclosures made by, the Disclosure Statement were adequate, pursuant to section 1125 of the Bankruptcy Code, and the content and service of Exhibit F to the Disclosure

Statement (the "Retained Actions Exhibit") were: (1) sufficient to provide adequate notice to all relevant parties of the claims and Causes of Action being retained by the Reorganized Debtors, as applicable; and (2) sufficient to prevent the claims and Causes of Action retained by the Reorganized Debtors including, without limitation, those Causes of Action identified in the Retained Actions Exhibit, from being decided by or otherwise merged into this Confirmation Order and to bar any party against which such a claim or Cause of Action is asserted from defending against that claim or Cause of Action by contending that this Confirmation Order bars the claim or Cause of Action under the doctrine of *res judicata* or otherwise.

G. Voting.

7. As evidenced by the Voting Certification, votes to accept or reject the Plan have been solicited and tabulated fairly, in good faith, and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules, the Disclosure Statement Order, and the Local Rules.

H. Good Faith Solicitation (11 U.S.C. § 1125(e)).

8. Based on the record before the Bankruptcy Court in the Chapter 11 Cases, the Plan Proponents and their respective members, directors, officers, employees, representatives, attorneys, financial advisors, investment bankers, agents, restructuring advisors and other professionals have acted in "good faith" within the meaning of Section 1125(e) of the Bankruptcy Code and in compliance with the applicable provisions of the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules in connection with all of their respective activities relating to the solicitation of acceptances to the Plan and their participation in the Chapter 11 Cases and the activities described in Section 1125 of the Bankruptcy Code, and are entitled to the protections afforded by Section 1125(e) of the Bankruptcy Code.

I. Modifications to the Plan.

9. Any modifications to the Plan since the commencement of solicitation described or set forth herein, including the Non-Material Modification to Plan, constitute immaterial modifications, and do not materially or adversely affect or change the treatment of any Claims or Interests. Pursuant to Bankruptcy Rule 3019, these modifications do not require additional disclosure under Section 1125 of the Bankruptcy Code or the resolicitation of votes under Section 1126 of the Bankruptcy Code, nor do they require that the Holders of Claims or Interests be afforded an opportunity to change previously cast acceptances or rejections of the Plan.

J. Objections.

10. To the extent that any objections, reservations of rights, statements or joinders to Confirmation have not been resolved, withdrawn, waived, or settled prior to entry of this Confirmation Order or otherwise resolved as stated on the record of the Confirmation Hearing, they are hereby overruled on the merits, consistent with the Court's ruling announced in open court on February 4, 2014.

K. Burden of Proof.

11. The Plan Proponents, as the joint proponents of the Plan, have met their burden of proving the elements of Sections 1129(a) and (b) of the Bankruptcy Code by a preponderance of the evidence, which is the applicable evidentiary standard.

L. Bankruptcy Rule 3016.

12. The Plan is dated and identifies Atalaya and the Committee as the joint Plan Proponents, thereby satisfying Bankruptcy Rule 3016(a). The filing of the Disclosure Statement satisfied Bankruptcy Rule 3016(b).

M. Plan Compliance with the Bankruptcy Code (11 U.S.C. § 1129(a)(1)).

13. The Plan complies with the applicable provisions of the Bankruptcy Code, thereby satisfying Section 1129(a)(1) of the Bankruptcy Code.

a. Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)). As required by Section 1123(a)(1), in addition to Administrative Claims, Priority Tax Claims, DIP Financing Claims, and Professional Fee Claims, which need not be classified, Articles IV, V, and VI of the Plan designate 18 Classes of Claims and Interests. As required by Section 1122(a) of the Bankruptcy Code, the Claims and Interests placed in each Class are substantially similar to other Claims and Interests, as the case may be, in each such Class. Valid business, factual, and legal reasons exist for separately classifying the various Classes of Claims and Interests created under the Plan, and such Classes do not unfairly discriminate between Holders of Claims and Interests. Thus, the Plan satisfies Sections 1122 and 1123(a)(1) of the Bankruptcy Code.

b. Specified Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Articles IV, V, and VI of the Plan specify that Classes PR1, PR3, PR6, PR8, PFS1, PFS3, PFS8, PI1 and PI3 are Unimpaired under the Plan, thereby satisfying Section 1123(a)(2) of the Bankruptcy Code.

c. Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Articles IV, V, and VI of the Plan set forth the treatment of Classes PR2, PR4, PR5, PR7, PFS2, PFS5, PI2, PI5, and PI8, which are the Impaired Classes, thereby satisfying Section 1123(a)(3) of the Bankruptcy Code.

d. No Discrimination (11 U.S.C. § 1123(a)(4)). Articles IV, V, and VI of the Plan provide for the same treatment of each Claim or Interest in each respective

Class except to the extent that a Holder of a particular Claim or Interest has agreed to a less favorable treatment of such Claim or Interest, thereby satisfying Section 1123(a)(4) of the Bankruptcy Code.

e. Implementation of the Plan (11 U.S.C. § 1123(a)(5)). The Plan and the various documents contemplated therein provide adequate and proper means for implementation of the Plan, including, without limitation: (i) the restructuring of the Debtors' balance sheets and other financial transactions provided for by the Plan; (ii) the global settlement, through the Plan, of the Atalaya Adversary Proceeding and Atalaya's outstanding Claims against the Debtors; (iii) the cancellation of the equity Interests in Piccadilly Investments, LLC, as well as any equity Interests held by Yucaipa or any of its affiliates in any of the Debtors; (iv) the consummation of transactions contemplated by the Plan relating to the issuance new stock in Piccadilly Investments, LLC to Atalaya; (v) the cancellation of certain existing agreements, obligations, instruments, and Interests; (vi) the entrance into the Exit Facility; (vii) the continued vesting of the assets of the Debtors' Estates in the Reorganized Debtors; and (viii) the execution, delivery, filing, or recording of all contracts, instruments, releases, and other agreements or documents in furtherance of the Plan, thereby satisfying Section 1123(a)(5) of the Bankruptcy Code.

f. Non-Voting Equity Securities (11 U.S.C. § 1123(a)(6)). This Confirmation Order provides that the Reorganized Debtors' articles of incorporation, operating agreement, or other applicable organizational documents, shall prohibit the issuance of non-voting securities and provide an appropriate

distribution of voting power among the several classes of securities possessing such power. As such, the Plan satisfies the requirements of Section 1123(a)(6) of the Bankruptcy Code.

g. Designation of Directors and Officers (11 U.S.C. § 1123(a)(7)). The Debtors' initial managing members and officers, to the extent known, have been disclosed prior to the Confirmation Hearing in exhibits to the Plan. Selection of such managing members and officers was and is in compliance with the procedures set forth for selection in the Reorganized Debtors' governing documents. Such procedures are consistent with the interests of creditors and equity holders and public policy, thereby satisfying Section 1123(a)(7) of the Bankruptcy Code.

h. Additional Plan Provisions (11 U.S.C. § 1123(b)). The additional provisions of the Plan are appropriate and consistent with the applicable provisions of the Bankruptcy Code, and are therefore consistent with Section 1123(b) of the Bankruptcy Code.

(i) Impairment/Unimpairment of Any Class of Claims or Interests (11 U.S.C. § 1123(b)(1)). Pursuant to the Plan, Classes PR1, PR3, PR6, PR8, PFS1, PFS3, PFS8, PI1, and PI3 are Unimpaired, and Classes PR2, PR4, PR5, PR7, PFS2, PFS5, PI2, PI5, and PI8 are Impaired as contemplated by Section 1123(b)(1) of the Bankruptcy Code.

(ii) Assumption and Rejection of Executory Contracts and Unexpired Leases (11 U.S.C. § 1123(b)(2)). Article IX of the Plan provides for the assumption of the Debtors' Executory Contracts and Unexpired Leases as of the Effective Date

unless such Executory Contract or Unexpired Lease: (i) was listed on Plan Exhibit 9.1 prior to the Effective Date; or (ii) was previously rejected by the Debtors, or is the subject of a pending motion to assume or reject on the Effective Date.

(iii) Retention of Claims (1123(b)(3)). In accordance with Section 1123(b)(3) of the Bankruptcy Code, the Plan provides that, except as otherwise provided in the Plan, the Reoragnized Debtors will retain and may enforce any and all Causes of Action.

(iv) Other Appropriate Provisions (11 U.S.C. § 1123(b)(6)). The Plan's other provisions are appropriate and consistent with the applicable provisions of the Bankruptcy Code, including, without limitation, provisions for (i) distributions to Holders of Claims and Interests, (ii) resolution of Disputed Claims, (iii) allowance of certain Claims, (iv) indemnification obligations, (v) releases by the Debtors of certain parties, (vi) consensual releases by certain third parties, (vii) exculpations of certain parties, (viii) the settlement and compromise of the Atalaya Adversary Proceeding; (ix) releases, exculpation and injunctions under the Plan; and (x) retention of Bankruptcy Court jurisdiction, thereby satisfying the requirements of Section 1123(b)(6).

i. Cure of Defaults (11 U.S.C. § 1123(d)). Article VI.C of the Plan provides for the satisfaction of cure Claims associated with each Executory Contract and Unexpired Lease to be assumed in accordance with Section 365(b)(1) of the Bankruptcy Code, in accordance with the procedures set forth in this Confirmation Order. Thus, the Plan complies with Section 1123(d) of the Bankruptcy Code.

N. The Plan Proponents' Compliance with the Bankruptcy Code (11 U.S.C. § 1129(a)(2)).

14. The Plan Proponents have complied with the applicable provisions of the Bankruptcy Code, as required by Section 1129(a)(2) of the Bankruptcy Code. Specifically:

a. the Plan Proponents have complied with applicable provisions of the Bankruptcy Code, including but not limited to Section 1125 of the Bankruptcy Code; and

b. the Plan Proponents have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules in transmitting the Plan, Disclosure Statement, Disclosure Statement Order, Ballots, and related documents and notices and in soliciting and tabulating the votes on the Plan.

O. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)).

15. The Plan Proponents have proposed the Plan (including all other documents necessary to effectuate the Plan) in good faith and not by any means forbidden by the law, thereby satisfying Section 1129(a)(3) of the Bankruptcy Code. In determining that the Plan has been proposed in good faith, the Bankruptcy Court has examined the totality of the circumstances surrounding the filing of the Chapter 11 Cases and the formulation of the Plan. The Plan Proponents' good faith is evident from the facts and record of the Chapter 11 Cases, the Disclosure Statement, and the record of the Confirmation Hearing and other proceedings held in the Chapter 11 Cases. The Plan was proposed with the legitimate and honest purpose of maximizing the value of the Debtors' Estates and to effectuate a successful reorganization of the Debtors. The Plan was the product of extensive negotiations conducted at arm's length among the Plan Proponents and their respective affiliates, members, directors, officers, employees, representatives, attorneys, financial advisors, investment bankers, agents, restructuring advisors

and other professionals. Further, the Plan's classification, indemnification, settlement (including, without limitation, settlement of the Atalaya Adversary Proceeding and Atalaya's outstanding claims against the Debtors), exculpation, release, and injunction provisions have been negotiated in good faith and at arm's length, are consistent with Sections 105, 1122, 1123(b)(6), 1129, and 1142 of the Bankruptcy Code, and are each necessary for the Debtors' successful reorganization. Accordingly, the requirements of Section 1129(a)(3) of the Bankruptcy Code are satisfied.

P. Payment for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)).

16. Any payment made or to be made by the Debtors, or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable, thereby satisfying Section 1129(a)(4) of the Bankruptcy Code.

Q. Managing Members, Officers, and Insiders (11 U.S.C. § 1129(a)(5)).

17. The Plan Proponents have complied with Section 1129(a)(5) of the Bankruptcy Code. The identity and affiliations of the persons proposed to serve as the initial managing members and officers of the Reorganized Debtors, to the extent known, after confirmation of the Plan have been fully disclosed in the Plan exhibits, and the appointment to, or continuance in, such offices of such persons is consistent with the interests of Holders of Claims against and Interests in the Debtors and with public policy. The identity of any insider that will be employed or retained by the Reorganized Debtors and the nature of such insider's compensation have also been fully disclosed. Accordingly, the Plan Proponents have satisfied the requirements of Section 1129(a)(5) of the Bankruptcy Code.

R. No Rate Changes (11 U.S.C. § 1129(a)(6)).

18. Section 1129(a)(6) of the Bankruptcy Code is satisfied because the Plan does not provide for any rate changes over which a governmental regulatory commission has jurisdiction.

S. Best Interests of Creditors (11 U.S.C. § 1129(a)(7)).

19. The Plan satisfies Section 1129(a)(7) of the Bankruptcy Code. The liquidation analysis set forth in Exhibit D to the Disclosure Statement and other evidence proffered or adduced at or in connection with the Confirmation Hearing, (a) are persuasive and credible, (b) have not been controverted by other evidence and (c) establish that each Holder of a Claim or Equity Interest in an Impaired Class either (i) has accepted the Plan or (ii) will receive or retain under the Plan, on account of such Claim or Equity Interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that such Holder would receive if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on such date.

T. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)).

20. Classes PR1, PR3, PR6, PR8, PFS1, PFS3, PFS8, PI1, and PI3 are Unimpaired by the Plan pursuant to Section 1124 of the Bankruptcy Code and, accordingly, Holders of Claims in such Classes are conclusively presumed to have accepted the Plan pursuant to Section 1126(f) of the Bankruptcy Code. Classes PR2, PR4, PR5, PFS2, PFS5, PI2, and PI5 are Impaired by the Plan and have voted to accept the Plan, as established by the Voting Certification. Class PR7 has voted to reject the Plan. Holders of Interests in Class PI8 will not receive or retain any property on account of their Claims or Interests and, accordingly, such Interests are Impaired and such Holders are deemed to have rejected the Plan pursuant to Section 1126(g) of the Bankruptcy Code.

U. Treatment of Administrative Claims, Priority Tax Claims, Secured Tax Claims, and Priority Non-Tax Claims (11 U.S.C. § 1129(a)(9)).

21. The treatment of Administrative Claims, DIP Financing Claims, and Priority Tax Claims pursuant to Articles III -VI of the Plan satisfies the requirements of Sections 1129(a)(9) of the Bankruptcy Code. Accordingly, the Plan Proponents have satisfied the requirements of Section 1129(a)(9) of the Bankruptcy Code.

V. Acceptance By At Least One Impaired Class of Claims (11 U.S.C. § 1129(a)(10)).

22. Classes PR2, PR4, PR5, PFS2, PFS5, PI2, and PI5 are Impaired by the Plan and have voted to accept the Plan, as established by the Voting Certification. Accordingly, the Plan satisfies Section 1129(a)(10) of the Bankruptcy Code.

W. Feasibility (11 U.S.C. § 1129(a)(11)).

23. The evidence proffered or adduced at the Confirmation Hearing and set forth in the Disclosure Statement is persuasive and credible and establishes that the Plan is feasible and that there is a reasonable prospect of the Reorganized Debtors being able to meet their financial obligations under the Plan. Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Reorganized Debtors, thereby satisfying the requirements of Section 1129(a)(11) of the Bankruptcy Code.

X. Payment of Fees (11 U.S.C. § 1129(a)(12)).

24. As set forth in Article III of the Plan, both pre-confirmation and post-confirmation U.S. Trustee Fees shall be paid timely and in full pursuant to all applicable provisions of the Bankruptcy Code and other statutory provisions. The Debtors shall also provide post-confirmation monthly disbursement to the United States Trustee.

Y. Retiree Benefits (11 U.S.C. § 1129(a)(13)).

25. There are no existing retiree benefits that require funding by the Reorganized Debtors. Therefore, Section 1129(a)(13) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

Z. No Domestic Support Obligations (11 U.S.C. § 1129(a)(14)).

26. The Debtors are not required by a judicial or administrative order, or by statute, to pay a domestic support obligation. Accordingly, Section 1129(a)(14) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

AA. The Debtors Are Not Individuals (11 U.S.C. § 1129(a)(15)).

27. The Debtors are not individuals, and, accordingly, Section 1129(a)(15) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

BB. No Applicable Nonbankruptcy Law Regarding Transfers (11 U.S.C. § 1129(a)(16)).

28. Each of the Debtors is a moneyed, business, or commercial corporation, and, accordingly, Section 1129(a)(16) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

CC. Confirmation of Plan Over Non-Acceptance of Impaired Classes (11 U.S.C. § 1129(b)).

29. For the reasons set forth in the Court's ruling announced in open court on February 4, 2014, which is fully incorporated herein by reference, the Plan may be confirmed pursuant to Section 1129(b) of the Bankruptcy Code notwithstanding that the requirements of Section 1129(a)(8) have not been met, because the Debtors have demonstrated by a preponderance of the evidence that the Plan (a) satisfies all of the other requirements of Section 1129(a) of the Bankruptcy Code and (b) does not "discriminate unfairly" and is "fair and equitable" with respect to Classes PR7 and PI8 (collectively, the "Rejecting Classes").

30. The Plan is "fair and equitable" with respect to Class PR7 because no junior Class of Claims or Interests will receive or retain any property under the Plan on account of such Claims or Interests. Moreover, the Plan does not "discriminate unfairly" with respect to Class PR7 because the Plan Proponents have reasonable bases for separately classifying Unliquidated Tort Claims including, but not limited to, the need to separately classify disputed, unliquidated tort claims from other "trade" type claims customarily incurred in the ordinary course of business, which "trade" relationships will be essential to the success of the Debtors' reorganization efforts.

31. For the reasons set forth in the Court's ruling on February 4, 2014, the Plan is "fair and equitable" with respect to Class PI8 because the holder of any Interest that is junior to the Interests of such Class will not receive or retain under the Plan any property, and the Plan provides that each holder of an Interest in Class PI8 will receive or retain on account of such Interest property of a value, as of the Plan's Effective Date, equal to the value of such Interest.

32. The Plan, therefore, satisfies the requirements of Section 1129(b) of the Bankruptcy Code and may be confirmed despite the fact that not all Impaired Classes have voted to accept the Plan.

DD. Only One Plan (11 U.S.C. § 1129(c)).

33. The Plan is the only plan pending for consideration in the Chapter 11 Cases, and, accordingly, Section 1129(c) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

EE. Principal Purpose of the Plan (11 U.S.C. § 1129(d)).

34. The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act of 1933, thereby satisfying Section 1129(d) of the Bankruptcy Code.

FF. Not Small Business Cases (11 U.S.C. § 1129(e)).

35. These Chapter 11 Cases are not small business cases, and accordingly, Section 1129(e) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

GG. Plan Implementation.

36. The terms of the Plan, including, without limitation, all exhibits and schedules thereto, and all other documents filed in connection with the Plan and/or executed or to be executed in connection with the transactions contemplated by the Plan and all amendments and modifications of any of the foregoing made pursuant to the provisions of the Plan governing such amendments and modifications, including but not limited to, the Non-Material Modification to Plan and the Amended Designation (collectively, the "Plan Documents"), are incorporated by reference, are approved in all respects, and constitute an integral part of this Confirmation Order.

HH. Binding and Enforceable.

37. The Plan and all other documents to be executed in connection therewith have been negotiated in good faith and at arm's length and, subject to the occurrence of the Effective Date, shall bind any Holder of a Claim or Interest and such Holder's respective successors and assigns, whether or not the Claim or Interest is Impaired under the Plan, whether or not such Holder has accepted the Plan, and whether or not such Holder is entitled to a distribution under the Plan. The Plan and all other documents to be executed in connection therewith constitute legal, valid, binding, and authorized obligations of the respective parties thereto and shall be enforceable in accordance with their terms. Pursuant to Section 1142(a) of the Bankruptcy Code, the Plan and the Plan Documents shall apply and be enforceable notwithstanding any otherwise applicable nonbankruptcy law.

II. Vesting of Assets.

38. Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated herein, on the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, Causes of Action, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

JJ. Approval of Exit Facility, Term A Note, Term B Note, and General Unsecured Creditor Note.

39. The Exit Facility, Term A Note, Term B Note, and General Unsecured Creditor Note are essential elements of the Plan, and execution of the Exit Facility agreement, Term A Note, Term B Note, General Unsecured Creditor Note and the other documents contemplated therein in accordance with the terms and conditions set forth in the Plan is in the best interests of the Debtors and their Estates. The Plan Proponents have exercised reasonable business judgment in determining to incorporate the Exit Facility, Term A Note, Term B Note, and General Unsecured Creditor Note into the Plan, and have provided sufficient and adequate notice of the material terms of the Exit Facility, Term A Note, Term B Note, and General Unsecured Creditor Note which material terms were described in the Plan. The terms and conditions of the Exit Facility, Term A Note, Term B Note, and General Unsecured Creditor Note, as described in the Plan, are fair and reasonable, and such terms and conditions were negotiated in good faith and at arm's length. The Debtors are authorized, without further approval of the Bankruptcy Court or

any other party, to execute and deliver all agreements, documents, instruments, and certificates relating to the Exit Facility, Term A Note, Term B Note, and General Unsecured Creditor Note, and to perform their obligations thereunder, including the payment of all fees, indemnities and expenses provided therein in accordance with the terms and conditions set forth in the Plan.

KK. Issuance and Sale of New Equity Interests.

40. The issuance and sale of new equity interests in the Reorganized Debtors to Atalaya, including but not limited to the issuance of 100% of the equity interests in Reorganized Piccadilly Investments, LLC to Atalaya, are essential elements of the Plan and in the best interests of the Debtors, their Estates, and their creditors. Pursuant to Section 1145 of the Bankruptcy Code, issuance under the Plan of such equity interests to Atalaya (or any of its affiliates) is exempt from the requirements of the Securities Act of 1933, as amended, and all rules and regulations promulgated thereunder, and applicable state securities laws.

LL. Executory Contracts and Unexpired Leases.

41. The Plan Proponents have exercised sound business judgment in determining whether to assume or reject each of the Debtors' Executory Contracts and Unexpired Leases pursuant to Sections 365 and 1123(b)(2) of the Bankruptcy Code, Article IX of the Plan, and all Plan exhibits. Following compliance with the cure procedures set forth herein, the Debtors have cured or provided adequate assurance that the Debtors will cure defaults (if any) under or relating to each Executory Contract or Unexpired Lease assumed under the Plan.

42. Nothing in the Plan or the Confirmation Order shall prevent a party to an Executory Contract rejected pursuant to the Plan from filing a Proof of Claim based on such rejection within the later of (a) the Bar Date established in the Chapter 11 Cases, (b) 30 days after the entry of any order authorizing the rejection of such Executory Contract or Unexpired Lease and (c) 30 days after the Effective Date. Nothing in the Plan or the Confirmation Order

shall prevent a party to an Executory Contract assumed pursuant to the Plan, or otherwise, from continuing to prosecute an objection to the cure cost related to such assumed Executory Contract if such objection is timely in accordance with the procedures set forth herein, but not resolved before the Effective Date.

MM. Jurisdiction With Respect to Release, Exculpation, and Injunction Provisions.

43. The Bankruptcy Court has jurisdiction under Sections 1334(a) and (b) of Title 28 of the United States Code to approve the exculpations, injunctions, and releases set forth in Article XI of the Plan. Based upon the record of the Chapter 11 Cases, the Bankruptcy Court finds that the exculpations, injunctions, and releases set forth in Article XI of the Plan are consistent with the Bankruptcy Code and applicable law. Further, the releases, injunctions and exculpations contained in Article XI of the Plan are integral components of the Plan.

NN. Debtor Release.

44. The releases and discharges of Claims and Causes of Action by the Debtors described in Article XI of the Plan (the "Debtor Release") pursuant to Section 1123(b)(3)(A) of the Bankruptcy Code represent a valid compromise of such released Claims and Causes of Action.

45. The Debtor Release is: (a) in exchange for the good and valuable consideration provided by the parties released thereby, (b) a good faith settlement and compromise of the Claims released by the Debtor Release; (c) in the best interests of the Debtors and all Holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after reasonable analysis by the Plan Proponents and after notice and opportunity for hearing; and (f) a bar to any of the Debtors, or the Reorganized Debtors asserting any Claim released by the Debtor Release against any of the parties released thereby.

46. The Debtor Release is critically important to the success of the Plan, which embodies the settlement of certain Claims with the Debtors' primary stakeholders and reflects and implements the concessions and compromises made by the parties to the restructuring transactions contemplated by the Plan. The Plan reflects the settlement and resolution of several complex issues, and the Debtor Release is an integral part of the consideration to be provided in exchange for the compromises and resolutions embodied in the Plan.

47. Notwithstanding anything to the contrary herein, neither the Debtor Release, nor any other provision of the Plan, has released any Claims or Causes of Action that the Debtors or Reorganized Debtors may possess against Yucaipa, California Management Association, LLC, or any of their respective officers, directors, agents, successors, assigns, and/or affiliates.

OO. Third Party Releases.

48. The Holders of Claims providing releases pursuant to Article XI of the Plan include Holders of Impaired Claims, each of which was served with a solicitation package, including a customized Ballot, pursuant to the Disclosure Statement Order, that voted in favor of the Plan. For all of the foregoing reasons, the Bankruptcy Court finds that the releases granted to third parties by holders of Impaired and Unimpaired Claims are consensual. Based on the record of the Chapter 11 Cases and the evidence proffered, adduced and/or presented at the Confirmation Hearing, the Bankruptcy Court finds that the non-debtor releases set forth in Article XI of the Plan are consistent with the Bankruptcy Code and applicable law, except as specifically set forth in this Confirmation Order. Each of the Releasees shares an identity of interest with the Debtors, was instrumental to the successful prosecution of the Chapter 11 Cases and/or provided essential consideration that would not otherwise be available but for the agreement of such Releasees. Such releases (the "Consensual Releases") are, individually and collectively, integral to, and necessary for the successful implementation of, the Plan, essential to

the Debtors' reorganization, and supported by reasonable consideration. Such releases are binding upon the Releasing Parties and were appropriately disclosed under the Plan.

PP. Exculpation.

49. The exculpation provisions set forth in Article XI of the Plan (the "Exculpation Provisions"), were proposed in good faith, are essential to the Plan, and are intended to promote finality and prevent parties from attempting to circumvent the Plan's discharge injunction. The Exculpation Provisions are consistent with Section 1125(e) of the Bankruptcy Code and are appropriately tailored to protect the Exculpated Parties from inappropriate litigation and to exclude any causes of action determined by a Final Order to arise from acts or omissions that constitute gross negligence or willful misconduct.

QQ. Injunction.

50. The injunction provisions set forth in Article XI of the Plan (the "Injunction Provisions"), are essential to the Plan and are necessary to preserve and enforce the Debtor Release and the Exculpation Provisions in Article XI of the Plan, and are narrowly tailored to achieve that purpose.

51. Each of the Debtor Release, Consensual Release, Exculpation Provisions and Injunction Provisions set forth in the Plan: (a) is within the jurisdiction of the Bankruptcy Court under 28 U.S.C. §§ 1334(a), 1334(b), and 1334(d); (b) is an essential means of implementing the Plan pursuant to Section 1123(a)(6) of the Bankruptcy Code; (c) is an integral element of the transactions incorporated into the Plan; (d) confers material benefits on, and is in the best interests of, the Debtors, the Estates and their creditors; (e) is important to the overall objectives of the Plan to finally resolve all Claims among or against the parties in interest in the Chapter 11 Cases with respect to the Debtors; and (f) is consistent with Sections 105, 1123 and 1129 of the Bankruptcy Code, any other provisions of the Bankruptcy Code and any other applicable law.

The record of the Confirmation Hearing and the Chapter 11 Cases is sufficient to support the Debtor Release, the Consensual Release, the Exculpation Provisions, and the Injunction Provisions contained in Article XI of the Plan.

RR. Global Settlement of Atalaya's Claims and the Atalaya Adversary Proceeding.

52. In the Atalaya Adversary Proceeding, the Committee alleged, *inter alia*, that: (a) Atalaya does not have a perfected security interest in the Debtors' commercial tort claims, because they were not described with particularity; (b) Atalaya does not have a perfected security interest in the Debtors' insurance policies and proceeds because such policies prohibit assignment absent consent of the insurer; (c) the Liens and security interests in the Debtors' deposit accounts were invalid and/or unperfected as of the Petition Date; (d) any obligations due under the L/C are not secured by the Debtors' property; and (e) that Atalaya provide an accounting for the indebtedness asserted under the Atalaya Loan Documents and that a determination of the amount of Atalaya's secured indebtedness be made.

53. In order to resolve such allegations, the Plan incorporates a global settlement of the Atalaya Adversary Proceeding and Atalaya's outstanding Claims against the Debtors under Bankruptcy Rule 9019. Under that settlement, in exchange for the treatment afforded to Atalaya's Claims under the Plan, proceeds of the BP Tort Claim shall be used to satisfy General Unsecured Claims and a first priority lien and security interest in the BP Tort Claim shall secure the General Unsecured Creditor Note, payments of more than $6,000,000 will be made with respect to General Unsecured Claims, and Atalaya will convert more than $9,000,000 of its prepetition secured claims into equity in the Reorganized Debtors.

54. Each component of the global of settlement of the Atalaya Adversary Proceeding and Atalaya's outstanding Claims against the Debtors is an integral and inextricable part of the Plan, which cannot be severed without unraveling the entire Plan. This global settlement is: (a)

the result of good faith arm's length negotiations; (b) is in the best interests of the Debtors, the Estates, the Plan Proponents, the Debtor's creditors, and all other parties-in-interest; (c) has been the subject of reasonable and appropriate notice and opportunity for hearing; and (d) is fair, equitable, and within the range of reasonableness.

55. In approving the global settlement of the Atalaya Adversary Proceeding and Atalaya's outstanding Claims against the Debtors, the Court considered all factors pertinent to such settlement including: (a) the probability of success in the underlying disputes; (b) the complexity and duration of the underlying disputes and any attendant expense; and (c) all other factors relevant to the proposed compromise.

SS. Valid Issuance.

56. When issued on or after the Effective Date, the new equity interests in the Reorganized Debtors issued to Atalaya shall be duly and validly authorized, fully paid and non-assessable, and free and clear of all taxes, liens, preemptive rights, rights of first refusal and subscription rights, other than the rights and restrictions under the Plan, the other documents executed in connection therewith, and applicable state and federal securities laws.

TT. Retention of Jurisdiction.

57. The Bankruptcy Court may properly retain jurisdiction over the matters set forth in Article XII of the Plan consistent with Section 1142 of the Bankruptcy Code.

UU. Good Faith.

64. The Plan Proponents have proposed the Plan in good faith, with the legitimate and honest purposes of maximizing the value of each of the Debtors' Estates for the benefit of their stakeholders. Accordingly, the Plan Proponents, the DIP Lenders, Atalaya, and the Committee (and all of their respective stockholders, members, officers, directors, agents, financial advisers, attorneys, employees, partners, Affiliates, and representatives) have been, are, and will continue

to act in good faith if they proceed to: (a) consummate the Plan and the agreements, settlements, transactions, and transfers contemplated thereby; and (b) take the actions authorized and directed or contemplated by this Confirmation Order. Therefore, the Plan has been proposed in good faith to achieve a result consistent with the objectives and purposes of the Bankruptcy Code and the aforementioned parties have acted in good faith within the meaning of Section 1126(e) of the Bankruptcy Code.

II. ORDER

BASED ON ALL OF THE FORGOING, IT IS HEREBY ORDERED THAT:

A. Confirmation.

1. The Plan, including all exhibits and non-material modifications to the Plan, shall be, and hereby is, confirmed under Section 1129 of the Bankruptcy Code. The terms of the Plan, the Plan Documents, all exhibits thereto, and all documents to be executed in connection with the Plan are incorporated by reference into, and are an integral part of, the Plan and this Confirmation Order and are authorized and approved, and the Debtors and the Plan Proponents are authorized to implement their provisions and consummate the Plan without any further authorization except as expressly required by the Plan or this Confirmation Order.

B. Objections.

2. All objections, responses, reservations, statements, and comments in opposition to the Plan are overruled on the merits.

C. Plan Implementation.

a. General Authorization. The transactions described in the Plan are hereby approved. On or before the Effective Date, and after the Effective Date, as necessary, and without any further order of the Bankruptcy Court or other authority, the Debtors, the Reorganized Debtors, the Plan Proponents, and their

respective directors, officers, members, agents, attorneys, financial advisors, and investment bankers are authorized and empowered pursuant to Section 1142(b) of the Bankruptcy Code and applicable state laws to and shall (i) grant, issue, execute, deliver, file, or record any agreement, document, or security, and the documents contemplated in the Plan (as modified, amended, and supplemented pursuant to the provisions of the Plan governing such modifications, amendments, and supplements), or any other documents related thereto and (ii) take any action necessary or appropriate to implement, effectuate, and consummate the Plan in accordance with its terms. All such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without further approval, act, or action under any applicable law, order, rule, or regulation, including, among other things, (i) all transfers of assets that are to occur pursuant to the Plan, (ii) the incurrence of all obligations contemplated by the Plan and the making of all distributions under the Plan, (iii) the consummation of all settlements contemplated within the Plan including, without limitation, the settlement Atalaya Adversary Proceeding and settlement of Atalaya's outstanding Claims; and (iv) entering into any and all transactions, contracts, leases, instruments, releases, and other documents and arrangements permitted by applicable law, order, rule, or regulation. The approvals and authorizations specifically set forth in this Confirmation Order are nonexclusive and are not intended to limit the authority of the Plan Proponents or the Debtors or any officer thereof to take any and all actions necessary or appropriate to implement, effectuate, and consummate any and all documents or transactions contemplated

by the Plan or this Confirmation Order pursuant to Section 1142(b) of the Bankruptcy Code. Pursuant to Section 1142 of the Bankruptcy Code, to the extent that, under applicable nonbankruptcy law or the rules of any stock exchange, any of the foregoing actions that would otherwise require approval of the equity holders or directors (or any equivalent body) of the Debtors, such approval shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to the applicable law of the jurisdiction of incorporation or formation without any requirement of further action by the equity holders or directors (or any equivalent body) of the Debtors. On the Effective Date, or as soon thereafter as is practicable, the Debtors shall, if required, file any documents required to be filed in such jurisdictions so as to effectuate the provisions of the Plan. Any or all documents contemplated herein shall be accepted by each of the respective filing offices and recorded, if required, in accordance with applicable law and shall become effective in accordance with their terms and the provisions of such applicable law. All counterparties to any documents described in this paragraph are hereby directed to execute such documents as may be required or provided by such documents, without any further order of the Bankruptcy Court.

b. No Action. Pursuant to the appropriate provisions of applicable state law no action of the respective directors, managing members, or equity holders of the Debtors shall be required to authorize the Debtors to enter into, execute, deliver, file, adopt, amend, restate, consummate, or effectuate, as the case may be, the Plan and any contract, instrument, or other document to be executed, delivered, adopted, or amended in connection with the implementation of the Plan.

D. Binding Effect.

3. On the date of and after entry of this Confirmation Order and subject to the occurrence of the Effective Date, the provisions of the Plan shall bind the Debtors, the Reorganized Debtors, the Plan Proponents, and all Holders of Claims against, and Interests in, the Debtors to the maximum extent permitted by applicable law, whether or not such Holder: (a) will receive or retain any property or Interests in property under the Plan; (b) has filed a Proof of Claim or Interest in the Chapter 11 Cases; or (c) failed to vote to accept or reject the Plan or voted to reject the Plan.

E. Plan Classification Controlling.

4. The terms of the Plan shall solely govern the classification of Claims and Interests for purposes of the distributions to be made thereunder. The classifications set forth on the Ballots tendered to or returned by the Holders of Claims or Interests in connection with voting on the Plan: (a) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan; (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims and Interests under the Plan for distribution purposes; (c) may not be relied upon by any Holder of a Claim or Interest as representing the actual classification of such Claim or Interest under the Plan for distribution purposes; and (d) shall not be binding on the Debtors or Plan Proponents except for voting purposes.

F. Operation as of the Effective Date.

5. Notwithstanding Bankruptcy Rules 3020(e), 6004(h), 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan shall be immediately effective, enforceable and deemed binding upon the Debtors, the Reorganized Debtors, the Plan Proponents, and any and all Holders of Claims against or Interests in the Debtors (irrespective of whether their Claims or Interests are deemed to have accepted the Plan), all Entities that are

parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors. Unless ordered otherwise by this Bankruptcy Court or another Court having jurisdiction, this Confirmation Order shall not be stayed and the terms and conditions of this Confirmation Order shall be immediately effective and enforceable upon its entry.

G. Retained Assets.

6. To the extent retention by the Reorganized Debtors of assets held immediately prior to emergence in accordance with the Plan is deemed, in any instance, to constitute a "transfer" of property, such transfer of property to the Debtors (a) is or shall be a legal, valid, and effective transfer of property, (b) vests or shall vest the Reorganized Debtors with good title to such property, free and clear of all liens, charges, Claims, encumbrances, or Interests, except as expressly provided in the Plan or this Confirmation Order, (c) does not and shall not constitute an avoidable transfer under the Bankruptcy Code or under applicable nonbankruptcy law, and (d) does not and shall not subject the Reorganized Debtors to any liability by reason of such transfer under the Bankruptcy Code or under applicable nonbankruptcy law, including by laws affecting successor or transferee liability.

H. Treatment of Executory Contracts and Unexpired Leases.

7. Assumption of the Executory Contracts and Unexpired Leases as contemplated in Article IX of the Plan is hereby authorized. All Executory Contracts and Unexpired Leases that (a) have not been previously rejected by the Debtors pursuant to a Final Order of the Bankruptcy Court prior to Confirmation, (b) are not subject to a motion to reject filed prior to Confirmation, or (c) are not listed on Plan Exhibit 9.1 (as that exhibit may be amended prior to the Effective

Date) are hereby assumed, pursuant to Plan Section 9.1, subject to compliance with the following cure notice procedures:

a. Within fourteen (14) business days after the entry of this Confirmation Order, the Plan Proponents will serve on each of the non-debtor counterparties to each of the Executory Contracts or Unexpired Leases to be assumed under the Plan a notice specifying: (i) the Debtors' intent to assume such agreements; and (ii) the Debtors' proposed cure cost associated with the assumption of such Executory Contract and/or Unexpired Lease (such notice, an "Assumption Notice").

b. The non-debtor counterparties to such Executory Contracts or Unexpired Leases shall have fourteen (14) days from the date of service of the Assumption Notice to file an objection to the Debtors' proposed assumption of such Executory Contract or Unexpired Lease (or the cure payment proposed in connection therewith). Such objections must be served upon counsel for both of the Plan Proponents, in writing, via first class mail or electronic mail, at the addresses set forth for such parties in the Plan.

c. As to any counterparty to an Executory Contract or Unexpired Lease that receives an Assumption Notice and fails to submit a timely objection to such Assumption Notice, then the Debtors shall be authorized, without further order of the Bankruptcy Court, to assume such Executory Contracts or Unexpired Leases, and shall have assumed such Executory Contracts or Unexpired Leases following remittance of the cure payment (if any) set forth in the Assumption Notice.

d. Should a counterparty to an Executory Contract or Unexpired Lease file a timely objection to an Assumption Notice, the counterparty to such agreement and the Plan Proponents shall confer in good faith in an attempt to resolve any such objections without Court intervention. If such parties determine that the objection cannot be resolved without Court intervention, then final resolution of such dispute will be made by the Bankruptcy Court at the earliest available hearing date available to resolve such dispute.

8. Executory Contracts and Unexpired Leases entered into by the Debtors after the Petition Date are not being assumed or rejected pursuant to the Plan and remain enforceable after the Effective Date by all parties pursuant to their terms.

I. Exit Facility, Term A Note, Term B Note, General Unsecured Creditor Note.

9. The Exit Facility, Term A Note, Term B Note, General Unsecured Creditor Note and all transactions contemplated thereby, including any supplemental or additional syndication of the Exit Facility, Term A Note, Term B Note, and/or General Unsecured Creditor Note are hereby approved, and the Debtors are authorized to enter into, execute, and perform under such documents and transactions as may be required to effectuate the Exit Facility, Term A Note, Term B Note, and General Unsecured Creditor Note, in accordance with the terms and conditions described in the Plan, including granting such liens and security interests as are contemplated by the Plan. The financial accommodations to be extended pursuant to the Exit Facility, Term A Note, Term B Note, and General Unsecured Creditor Note are being extended, and shall be deemed to have been extended, in good faith and for reasonably equivalent value. Notwithstanding anything to the contrary in this Confirmation Order or the Plan, the Bankruptcy Court's retention of jurisdiction shall not govern the enforcement of the Exit Facility, Term A

Note, Term B Note, General Unsecured Creditor Note, or any other documents executed in connection therewith or any rights or remedies related thereto.

J. Global Settlements.

10. The Plan's global settlement of the Atalaya Adversary Proceeding and Atalaya's outstanding Claims against the Debtors is hereby approved pursuant to Section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019. Each provision of such global settlement is non-severable from the other and the remaining terms of the Plan. The global settlement of the Atalaya Adversary Proceeding and Atalaya's outstanding Claims against the Debtors is fair, equitable, and within the range of reasonableness if such issues were litigated. The Debtors and Plan Proponents, as applicable, are duly authorized and directed to execute, deliver, implement, and fully perform any and all obligations, instruments, documents, and papers, including each of the Plan Documents, and to take any and all actions reasonably necessary or appropriate to consummate the Plan's global settlement of the Atalaya Adversary Proceeding and Atalaya's outstanding Claims.

11. In accordance with Section 1123 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, upon consummation, constitute a good faith compromise of all Claims and Interests and other controversies resolved pursuant to the Plan. All such compromises or settlements are fair, equitable, and reasonable, and are approved as being in the best interests of the Debtors, their Estates, and Holders of Claims and Interests.

K. Managers, Managing Members, and Officers of Reorganized Debtors.

12. The managers and managing members of the Debtors shall be deemed to have resigned as managers and/or managing members of the Debtors upon the occurrence of the Effective Date. The appointment of the initial managers and managing members of the

Reorganized Debtors is hereby approved without the necessity for consent or approval of any of the Debtors' stakeholders or equity holders, as of and immediately following the Effective Date. The initial managers and/or managing members of the Reorganized Debtors shall be considered to have taken office at a point in time immediately following the Effective Date.

L. Exemption from Transfer Taxes.

13. In accordance with Section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of notes or equity interests under or in connection with the Plan, the creation and recording of any mortgage, deed of trust, or other security interest as collateral for the Exit Facility, Term A Notes, Term B Notes, General Unsecured Creditor Note, or otherwise, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any merger agreements or agreements of consolidation, deeds, bills of sale, or assignments executed in connection with any of the transactions contemplated under the Plan shall not be subject to any stamp or similar tax.

M. Governmental Approvals Not Required.

14. Except as otherwise provided for in the Plan, this Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules, or regulations of any state or any other governmental authority with respect to the implementation or consummation of the Plan and all transactions contemplated therein.

N. Filing and Recording.

15. This Confirmation Order is and shall be binding upon and shall govern the acts of all persons or entities including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all

other persons and entities who may be required, by operation of law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any document or instrument. Each and every federal, state, and local government agency is hereby directed to accept any and all documents and instruments necessary, useful, or appropriate (including financing statements under the applicable uniform commercial code) to effectuate, implement, and consummate the transactions contemplated by the Plan and this Confirmation Order without payment of any stamp tax or similar tax imposed by state or local law.

O. Discharge of Claims and Termination of Interests.

16. Pursuant to Article XI of the Plan, except as provided in the Plan or this Confirmation Order, the rights afforded in and the payments and distributions to be made under the Plan shall discharge the Debtors as of the date of this Confirmation Order from all existing debts and Claims and terminate any and all Interests of any kind, nature, or description whatsoever against or in the Debtors or any of their assets or properties to the fullest extent permitted by Section 1141 of the Bankruptcy Code. Except as provided in the Plan or this Confirmation Order, upon the Effective Date, all existing Claims against and Interests in the Debtors shall be, and shall be deemed to be, satisfied and terminated, the Debtors shall be discharged, and all Holders of such Claims and Interests shall be precluded and enjoined from asserting against the Debtors, the Reorganized Debtors, the Plan Proponents, their successors or assignees, or any of their assets or properties, any other or further Claim or Interest based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such Holder has filed a proof of Claim or Interest and whether or not the facts or legal bases therefor were known or existed prior to the Effective Date.

P. Notice of Entry of Confirmation Order and Occurrence of the Effective Date.

17. On or before the date that is 10 business days after occurrence of the Effective Date, the Reorganized Debtors shall file with the Bankruptcy Court and serve by first class mail or the Bankruptcy Court's ECF System a notice of the entry of this Confirmation Order and occurrence of the Effective Date, in substantially the form annexed hereto as **Exhibit 1** (the "Confirmation Notice"), on each of the following at their respective addresses last known to the Debtors: (a) the Office of the United States Trustee; (b) counsel to the Plan Proponents; (c) all parties that have filed notices of appearances in these cases; (g) all creditors or Interest holders listed in the Debtors' schedules of assets and liabilities, or any amendments thereto; and (h) any other known Holders of Claims or Interests; *provided*, that the Confirmation Notice shall not be served upon any person or entity to whom the Debtors have mailed other notices during the Chapter 11 Cases that have been returned as undelivered, unless the Debtors have been informed in writing by such person or entity of that person or entity's new address. Such service shall constitute adequate and sufficient notice pursuant to Bankruptcy Rule 2002(f)(7), 2002(i)-(l) and 3020(c) of the confirmation of the Plan, the entry of this Confirmation Order and occurrence of the Effective Date.

Q. Professional Fee Claims.

18. All entities seeking allowance by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date under Sections 327, 328, 330, and 331 of the Bankruptcy Code shall (a) file, within sixty (60) days after the Effective Date, their respective applications for final allowances of compensation for services rendered and reimbursement of expenses incurred and (b) be paid in full, in Cash, as soon as practicable following the later of (i) the Effective Date and (ii) the date

upon which any such Administrative Expense Claim becomes an Allowed Administrative Expense Claim.

R. Effect of Confirmation Order on Other Orders.

19. Unless expressly provided for herein, nothing in the Plan or this Confirmation Order shall affect any orders entered in the Chapter 11 Cases pursuant to Section 365 of the Bankruptcy Code or Bankruptcy Rule 9019.

S. Other Matters Relating to Confirmation

20. With respect to the affiliates of AIG Property Casualty, Inc. ("AIG PC"), the Debtors' discharge and release from all Claims and Interests, under the Plan, shall not diminish or impair the enforceability of any insurance policy that may cover Claims against the Debtors, the Reorganized Debtors (including, without limitation, its officers and directors) or any other person or entity. Notwithstanding any other provision of the Plan or the Confirmation Order, nothing in the Plan shall (i) impair (v) AIG PC's rights to collect amounts due, if any, in the ordinary course of business, even if now in default (with both the Debtors and AIG PC reserving all rights with respect to such amounts), (w) AIG PC's right to defend against any claim asserted against it, (x) AIG PC's status as a secured creditor to the extent applicable under the terms of the Plan, including the right to recover from any Collateral (in accordance with the applicable insurance policy), (y) AIG PC's right to draw on third-party letters of credit (in accordance with the terms of the applicable insurance policy and letter of credit) or (z) AIG PC's right of setoff pursuant to section 553 of the Bankruptcy Code, recoupment, or subrogation to the extent applicable and/or (ii) affect AIG PC's right to seek arbitration of disputes between the Debtors and it to the extent provided for under the terms of the applicable insurance agreement. Upon the Effective Date, AIG PC shall withdraw any and all Claims (other than any Cure Amount Claim it may have) it has or may have in the Bankruptcy Cases and shall not seek any recoveries

provided for under the Plan as a general unsecured creditor. For the avoidance of doubt, AIG PC shall not be deemed to have waived any Cure Amount Claim it may have.

21. Nothing contained in the Disclosure Statement or Plan shall in any way impair, limit, alter or restrict the rights of The Merchants Company, d/b/a Merchants Foodservice and its Affiliates ("Merchants") under that certain *Final Order, Pursuant to Sections 503(b)(9), 363(b), and 105(a) of the Bankruptcy Code, (1) Granting Critical Vendor Status,(2) Authorizing Debtors to Enter into a Distribution Agreement with The Merchants Company, d/b/a Merchants Foodservice, and its Affiliates, (3) Authorizing the Immediate Cash Payment of a Portion of the Pre-Petition Claim of Merchants, (4) Authorizing the Reapplication of Certain of the Debtors' Post-Petition Payments to Certain Pre-Petition Invoices of The Merchants Company, (5) Allowing Merchants' Section 503(b)(9) Claim and PACA Claims, and (6) Granting Related Relief* entered by the Bankruptcy Court on December 19, 2012 [Dkt. # 412] (the "Merchants Critical Vendor Order").

22. Nothing in the Plan or this Confirmation Order, including any releases, injunctions, or waivers contained therein, shall: (i) in any way moot, adversely affect, or prevent any landlord from asserting claims for year-end adjustments and reconciliations of such claims, provided such matters are the subject of a timely proof of claim filed by such landlord; (ii) in any way moot, adversely affect, or prevent any landlord that timely filed a proof of claim asserting any valid right of setoff or recoupment that it may have pursuant to the terms of its lease(s) with any of the Debtors from asserting such right; or (iii) release the Debtors' insurers from any claims that might be asserted directly against such insurers by any of the landlords, solely to the extent of available coverage. Notwithstanding the foregoing, the Administrator and Reorganized Debtors reserve any and all rights to object, contest, resolve or compromise any adjustment,

reconciliation, setoff, recoupment, or claim of any kind asserted by any landlord against or related to the Debtors, their Estates, the Reorganized Debtors, or their respective insurers.

T. Inconsistency.

23. In the event of any inconsistency between the Plan and this Confirmation Order, this Confirmation Order shall govern.

U. Injunctions and Automatic Stay.

24. The Injunction Provisions, including the following injunction contained in Section 11.2 of the Plan:

> **Section 11.2. Injunction.** Except as otherwise expressly provided in the Joint Plan or the Confirmation Order, as of the Effective Date, any Entity that has held, currently holds or may hold a Claim or other debt or liability or Interest that is discharged, released, waived, settled or deemed satisfied in accordance with the Joint Plan will be permanently enjoined from taking any of the following actions on account of any such Claims, debts, liabilities, Interests or rights: (a) commencing or continuing in any manner any action or Cause of Action or other proceeding against the Debtors, the Reorganized Debtors, or the property of either of them, other than to enforce the Joint Plan; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors, the Reorganized Debtors, or the property of any of them, other than as permitted pursuant to (a) above; (c) creating, perfecting or enforcing any Lien or encumbrance of any kind against the Debtors, the Reorganized Debtors, or the properties of either of them, other than as permitted pursuant to (a) above; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or Reorganized Debtors; (e) commencing or continuing any action or Cause of Action, in any manner, in any place that does not comply with or is inconsistent with the Joint Plan; and (f) all Entities shall be precluded from asserting and shall be permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) against the Administrator or its assets or properties, or Claims based upon any act, omission, transaction or other activity of any kind or nature that occurred before the Effective Date.

are approved. From and after the Effective Date, any Entity that has held, currently holds, or may hold a Claim or other debt or liability or Interest will be subject to the Injunction Provisions, including, without limitation, the injunction contained within Section 11.2 of the Plan.

25. Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to Sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect through and including the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

V. Authorization to Consummate.

26. The Debtors are authorized to consummate the Plan at any time after the entry of the Confirmation Order subject to satisfaction or waiver (by the required parties) of the conditions precedent set forth in the Plan.

W. Substantial Consummation.

27. On the Effective Date, the Plan shall be deemed to be substantially consummated under Sections 1101 and 1127(b) of the Bankruptcy Code.

X. Severability.

28. Each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is (i) valid and enforceable in accordance with its terms, (ii) integral to the Plan and may not be deleted or modified except in accordance with Section 13.3 of the Plan, and (iii) nonseverable and mutually dependent.

Y. References to Plan Provisions.

29. The failure specifically to include or to refer to any article, section, or provision in the Plan, or any document to be executed in connection therewith, in this Confirmation Order shall not diminish or impair the effectiveness of such article, section or provision.

End of Order

<u>Exhibit 1</u>
Confirmation Notice

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION

In re:	§	**Case No. 12-51127**
	§	
Piccadilly Restaurants, LLC, *et al*.,	§	**(Joint Administration)**[4]
	§	
	§	**Chapter 11**
Debtors	§	
	§	**Judge Robert Summerhays**

NOTICE OF (A) ENTRY OF ORDER CONFIRMING THE FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF PICCADILLY INVESTMENTS, LLC, PICCADILLY RESTAURANTS, LLC, AND PICCADILLY FOOD SERVICE, LLC, AND (B) NOTICE OF OCCURRENCE OF THE EFFECTIVE DATE TO ALL CREDITORS, INTEREST HOLDERS, AND OTHER PARTIES IN INTEREST:

PLEASE TAKE NOTICE that an order [Docket No. ___] (the "Confirmation Order") confirming the *First Amended Joint Chapter 11 Plan of Piccadilly Investments, LLC, Piccadilly Restaurants, LLC, and Piccadilly Food Service, LLC, Proposed by Atalaya Administrative LLC, Atalaya Funding II, LP, Atalaya Special Opportunities Fund IV, LP (Tranche B), Atalaya Special Opportunities Fund (Cayman) IV, LP (Tranche B), and the Official Committee of Unsecured Creditors* (as may be modified from time to time, the "Plan"), was entered by the Honorable Robert Summerhays, United States Bankruptcy Judge, and docketed by the Clerk of the United States Bankruptcy Court for the Western District of Louisiana (the "Bankruptcy Court") on February [___], 2014. Unless otherwise defined in this notice, capitalized terms used in this notice shall have the meanings ascribed to them in the Plan and the Confirmation Order.

PLEASE TAKE FURTHER NOTICE that copies of the Confirmation Order, the Plan, and the related documents, are available for free by visiting: www.bmcgroup.com/piccadilly.

PLEASE TAKE FURTHER NOTICE that the Effective Date of the Plan occurred on February [____], 2014.

PLEASE TAKE FURTHER NOTICE that the Plan and its provisions are binding on the Debtors, the Reorganized Debtors, the Plan Proponents, any Holder of a Claim against, or Interest in, the Debtors and such Holder's respective successors and assigns, whether or not the Claim or Interest of such Holder is Impaired under the Plan and whether or not such Holder or Entity voted to accept the Plan.

[4] Jointly administered with *In re Piccadilly Food Service, LLC*, 12-51128 (Bankr. W.D. La. 2012), and *In re Piccadilly Investments, LLC*, 12-51129 (Bankr. W.D. La. 2012).

#26947252

Dated: February [__], 2014

/s/
HOLLAND & KNIGHT LLP
Robert W. Jones
(Texas State Bar No. 10951200)
Brent R. McIlwain
(Texas State Bar No. 24013140)
300 Crescent Court, Suite 1100
Dallas, Texas 75201-8001
Telephone: 214-964-9500
Fax: 214-964-9501

And

David F. Waguespack, T.A. (#21121)
CARVER, DARDEN, KORETZKY, TESSIER, FINN, BLOSSMAN & AREAUX, L. L. C.
1100 Poydras Street, Suite 3100
New Orleans, LA 70163
Telephone: (504) 585-3800
Fax: (504) 585-3801

Attorneys for Atalaya Administrative LLC, Atalaya Funding II, LP, Atalaya Special Opportunities Fund IV LP (Tranche B), and Atalaya Special Opportunities Fund (Cayman) IV LP (Tranche B)

/s/
GREENBERG TRAURIG, LLP
Shari L. Heyen (Admitted *Pro Hac Vice*)
HeyenS@gtlaw.com
Texas State Bar No. 09564750
David R. Eastlake (Admitted *Pro Hac Vice*)
EastlakeD@gtlaw.com
Texas State Bar No. 24071465
1000 Louisiana, Suite 1700
Houston, TX 77002
Telephone: 713-374-3564
Facsimile: 713-374-3505

And

David B. Kurzweil (Admitted *Pro Hac Vice*)
KurzweilD@gtlaw.com
Lee B Hart (Admitted *Pro Hac Vice*)
Terminus 200
3333 Piedmont Rd, NE, Suite 2500
Atlanta, GA 30327
Telephone: 678-553-2100
Facsimile: 678-553-2269

Counsel for the Official Committee of Unsecured Creditors

Notice Recipients

District/Off: 0536−4	User: lchamp	Date Created: 2/13/2014
Case: 12−51127	Form ID: pdf4	Total: 10

Recipients submitted to the BNC (Bankruptcy Noticing Center) without an address:

tr	DIP

TOTAL: 1

Recipients of Notice of Electronic Filing:

ust	Office of U. S. Trustee	USTPRegion05.SH.ECF@usdoj.gov
aty	Elizabeth J. Futrell	efutrell@joneswalker.com
aty	Gail Bowen McCulloch	gail.mcculloch@usdoj.gov
aty	Mark A. Mintz	mmintz@joneswalker.com
aty	Patrick L. McCune	pmccune@joneswalker.com
aty	R. Patrick Vance	pvance@joneswalker.com
aty	Tyler J. Rench	trench@joneswalker.com

TOTAL: 7

Recipients submitted to the BNC (Bankruptcy Noticing Center):

db	Piccadilly Restaurants, LLC	c/o Jones Walker et al	201 St. Charles Ave #5100	New Orleans, LA 70170
aty	Jones, Walker, Waechter, Poitevent, Carrere & Denegre, LLP	201 St. Charles Avenue, 51st Floor	New Orleans, LA 70170	

TOTAL: 2