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Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

STATION CASINOS, INC.

- ☐ Affects this Debtor
- ☒ Affects all Debtors
- ☐ Affects Northern NV Acquisitions, LLC
- ☐ Affects Reno Land Holdings, LLC
- ☐ Affects River Central, LLC
- ☐ Affects Tropicana Station, LLC
- ☐ Affects FCP Holding, Inc.
- ☐ Affects FCP Voteco, LLC
- ☐ Affects Fertitta Partners LLC
- ☐ Affects FCP MezzCo Parent, LLC
- ☐ Affects FCP MezzCo Parent Sub, LLC
- ☐ Affects FCP MezzCo Borrower VII, LLC
- ☐ Affects FCP MezzCo Borrower VI, LLC
- ☐ Affects FCP MezzCo Borrower V, LLC
- ☐ Affects FCP MezzCo Borrower IV, LLC
- ☐ Affects FCP MezzCo Borrower III, LLC
- ☐ Affects FCP MezzCo Borrower II, LLC
- ☐ Affects FCP MezzCo Borrower I, LLC
- ☐ Affects FCP Propco, LLC

Chapter 11

Case No. BK-09-52477

Jointly Administered
BK 09-52470 through BK 09-52487

DISCLOSURE STATEMENT TO ACCOMPANY JOINT CHAPTER 11 PLAN OF REORGANIZATION FOR STATION CASINOS, INC. AND ITS AFFILIATED DEBTORS (DATED JUNE 15, 2010)

(AFFECTS ALL DEBTORS)

Disclosure Statement Hearing

Hearing Date: July 15-16, 2010
Hearing Time: 10:00 a.m. (Pacific time)

Plan Confirmation Hearing

Hearing Date: August 27 and 30, 2010
Hearing Time: 10:00 a.m. (Pacific time)

THIS PROPOSED DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEVADA UNDER SECTION 1125(b) OF THE BANKRUPTCY CODE FOR USE IN THE SOLICITATION OF ACCEPTANCES OF THE PLAN DESCRIBED HEREIN. ACCORDINGLY, THE FILING AND DISTRIBUTION OF THIS PROPOSED DISCLOSURE STATEMENT IS NOT INTENDED, AND SHOULD NOT BE CONSTRUED, AS A SOLICITATION OF ACCEPTANCES OF SUCH PLAN. THE INFORMATION CONTAINED HEREIN SHOULD NOT BE RELIED UPON FOR ANY PURPOSE UNLESS AND UNTIL A DETERMINATION HAS BEEN MADE BY THE BANKRUPTCY COURT THAT THIS DISCLOSURE STATEMENT CONTAINS "ADEQUATE INFORMATION" WITHIN THE MEANING OF SECTION 1125(a) OF THE BANKRUPTCY CODE.

Legend to be removed upon entry of Disclosure Statement Order by the Clerk of the Bankruptcy Court.

PURSUANT TO BANKRUPTCY CODE SECTION 1128, A CONFIRMATION HEARING WILL BE HELD WITH RESPECT TO THE JOINT CHAPTER 11 PLAN OF REORGANIZATION FOR STATION CASINOS, INC. AND ITS AFFILIATED DEBTORS (THE "PLAN") ON AUGUST 27, 2010, AT 10:00 A.M. (PREVAILING PACIFIC TIME) AND, IF NECESSARY, CONTINUING ON AUGUST 30, 2010 AT 10:00 A.M. (PREVAILING PACIFIC TIME), BEFORE THE HONORABLE GREGG W. ZIVE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEVADA, 300 BOOTH STREET, RENO, NEVADA 89509 (THE "CONFIRMATION HEARING"). OBJECTIONS, IF ANY, TO CONFIRMATION OF THE PLAN MUST BE FILED AND SERVED ON OR BEFORE [_____], 2010 AT 4:00 P.M. (PREVAILING PACIFIC TIME). THE CONFIRMATION HEARING MAY BE ADJOURNED FROM TIME TO TIME WITHOUT FURTHER NOTICE EXCEPT FOR AN ANNOUNCEMENT MADE AT THE CONFIRMATION HEARING OR AT ANY SUBSEQUENT ADJOURNED DATE OF THE CONFIRMATION HEARING.

THIS DISCLOSURE STATEMENT (THE "DISCLOSURE STATEMENT") IS BEING DISTRIBUTED FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF THE PLAN FROM THE PARTIES ENTITLED TO VOTE ON THE PLAN. THE DEBTORS INTEND TO SEEK TO CONFIRM THE PLAN AND TO CAUSE THE EFFECTIVE DATE OF THE PLAN TO OCCUR AS PROMPTLY AFTER CONFIRMATION OF THE PLAN AS POSSIBLE, SUBJECT TO OBTAINING ANY NECESSARY GAMING REGULATORY APPROVALS AND TAX PLANNING CONSIDERATIONS. HOWEVER, THERE CAN BE NO ASSURANCE AS TO WHETHER OR WHEN THE CONFIRMATION OR THE EFFECTIVE DATE OF THE PLAN ACTUALLY WILL OCCUR.

THE PLAN CONTEMPLATES THE SALE OF THE NEW OPCO ACQUIRED ASSETS PURSUANT TO THE SUCCESSFUL BID THAT EMERGES FROM THE OPCO AUCTION. THE SUCCESSFUL BID MAY DIFFER IN A VARIETY OF RESPECTS FROM THE STALKING HORSE BID. TO THE EXTENT THE STALKING HORSE BID IS NOT THE SUCCESSFUL BID AND THE SUCCESSFUL BID VARIES IN TERMS OR STRUCTURE FROM THE STALKING HORSE BID, THE DEBTORS RESERVE THE RIGHT TO AMEND THE PLAN TO REFLECT THOSE VARIATIONS AS APPROPRIATE AND TO PROVIDE SUCH SUPPLEMENTAL DISCLOSURE OF THOSE AMENDMENTS AS THE BANKRUPTCY COURT MAY REQUIRE.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH BANKRUPTCY CODE SECTION 1125 AND BANKRUPTCY RULE 3016(b) AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NONBANKRUPTCY LAW. THIS DISCLOSURE STATEMENT HAS BEEN NEITHER REVIEWED NOR APPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. THE INFORMATION IN THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO SOLICITATION OF VOTES TO ACCEPT THE PLAN MAY BE MADE EXCEPT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE.

A COPY OF THE PLAN IS ATTACHED AS EXHIBIT A HERETO. ALL HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN ANY OF THE DEBTORS THAT ARE ENTITLED TO VOTE ON THE PLAN ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. UNLESS OTHERWISE SPECIFIED HEREIN, THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT WILL BE CORRECT AT ANY LATER DATE. IN THE EVENT OF ANY CONFLICT BETWEEN THIS DISCLOSURE STATEMENT AND THE TERMS OF THE PLAN, THE TERMS OF THE PLAN SHALL GOVERN.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT WILL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, OR AS A STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS

DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY BANKRUPTCY OR NONBANKRUPTCY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PARTY (OTHER THAN IN CONNECTION WITH APPROVAL OF THIS DISCLOSURE STATEMENT OR CONFIRMATION OF THE PLAN), NOR WILL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN THE DEBTORS. YOU ARE ADVISED TO OBTAIN INDEPENDENT EXPERT ADVICE ON SUCH SUBJECTS.

THE OFFER OF NEW DEBT INSTRUMENTS OR EQUITY SECURITIES TO HOLDERS OF CERTAIN CLASSES OF CLAIMS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (AS AMENDED, THE "SECURITIES ACT") OR SIMILAR STATE SECURITIES OR "BLUE SKY" LAWS. THE OFFERS AND ISSUANCES ARE BEING MADE IN RELIANCE ON THE EXEMPTION FROM REGISTRATION SPECIFIED IN SECTION 1145 OF THE BANKRUPTCY CODE OR OTHER EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT. NONE OF THE NEW DEBT INSTRUMENTS OR EQUITY SECURITIES TO BE ISSUED UNDER OR IN CONNECTION WITH THE PLAN OR UPON EXERCISE OF ANY WARRANTS OR OPTIONS CONTEMPLATED BY THE PLAN HAS BEEN APPROVED OR DISAPPROVED BY THE SEC OR BY ANY STATE SECURITIES COMMISSION OR SIMILAR PUBLIC, GOVERNMENTAL, OR REGULATORY AUTHORITY, AND NEITHER THE SEC NOR ANY SUCH STATE AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. NOTHING HEREIN SHALL BE DEEMED AN ACKNOWLEDGEMENT THAT DEBT INSTRUMENTS OFFERED OR ISSUED PURSUANT TO THE PLAN ARE SUBJECT TO THE SECURITIES ACT OR SIMILAR STATE OR "BLUE SKY" LAWS.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: ALL FORWARD-LOOKING STATEMENTS CONTAINED HEREIN OR OTHERWISE MADE BY THE DEBTORS INVOLVE MATERIAL RISKS AND UNCERTAINTIES AND ARE SUBJECT TO CHANGE BASED ON NUMEROUS FACTORS, INCLUDING FACTORS THAT ARE BEYOND THE DEBTORS' CONTROL. ACCORDINGLY, THE DEBTORS' FUTURE PERFORMANCE AND FINANCIAL RESULTS MAY DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED IN ANY SUCH FORWARD-LOOKING STATEMENTS. SUCH FACTORS INCLUDE, BUT ARE NOT LIMITED TO, THOSE DESCRIBED IN THIS DISCLOSURE STATEMENT. THE DEBTORS DO NOT UNDERTAKE TO PUBLICLY UPDATE OR REVISE FORWARD-LOOKING STATEMENTS EVEN IF EXPERIENCE OR FUTURE CHANGES MAKE IT CLEAR THAT ANY PROJECTED RESULTS EXPRESSED OR IMPLIED THEREIN WILL NOT BE REALIZED.

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 OR HAVE BEEN OR WILL BE SEPARATELY FILED WITH THE BANKRUPTCY COURT. 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 CONFLICT, INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION OF THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER SUCH DOCUMENTS, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN AND CONTROL FOR ALL PURPOSES. EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED, FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT. SUBJECT TO THE TERMS OF ANY DEFINITIVE DOCUMENTATION TO BE EXECUTED IN CONNECTION WITH THE PLAN, THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

HOLDERS OF CLAIMS AND EQUITY INTERESTS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN MUST RELY ON THEIR OWN EVALUATION OF THE DEBTORS AND THEIR OWN ANALYSES OF THE TERMS OF THE PLAN IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. IMPORTANTLY, PRIOR TO DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER OF A CLAIM OR AN EQUITY INTEREST IN A VOTING CLASS SHOULD REVIEW THE PLAN IN ITS ENTIRETY AND CONSIDER CAREFULLY ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT AND ANY EXHIBITS HERETO, INCLUDING THE RISK FACTORS DESCRIBED IN GREATER DETAIL IN SECTION VIII.A HEREIN, "RISK FACTORS – CERTAIN BANKRUPTCY CONSIDERATIONS."

EXCEPT AS OTHERWISE SPECIFICALLY NOTED, THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT AND HAS NOT NECESSARILY BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. [The Debtors must state the accounting and valuation methods used to produce financial information in the Disclosure Statement.]

IRS CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, HOLDERS OF CLAIMS AND INTERESTS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY HOLDERS OF CLAIMS OR INTERESTS FOR PURPOSES OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE DEBTORS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS OF CLAIMS AND INTERESTS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

DISCLOSURE STATEMENT TO ACCOMPANY JOINT CHAPTER 11 PLAN OF REORGANIZATION FOR STATION CASINOS, INC. AND ITS AFFILIATED DEBTORS

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SCHEDULES AND EXHIBITS

I. INTRODUCTION

A. The Plan, Generally.

Station Casinos, Inc. ("**SCI**"), FCP Propco, LLC ("**Propco**") and certain of their subsidiaries and affiliates, as debtors and debtors in possession (each, a "**Debtor**," and, collectively, the "**Debtors**"), submit this disclosure statement (the "**Disclosure Statement**") pursuant to section 1125 of title 11 of the United States Code (the "**Bankruptcy Code**") to holders of Claims against and Equity Interests in the Debtors in connection with: (i) the solicitation of acceptances of the Joint Chapter 11 Plan of Reorganization for Station Casinos, Inc. And Its Affiliated Debtors, dated June 15, 2010, as the same may be amended (the "**Plan**"), filed with the United States Bankruptcy Court for the District of Nevada (the "**Bankruptcy Court**"); and (ii) the hearing to consider confirmation of the Plan (the "**Confirmation Hearing**"), scheduled for August 27 and 30, 2010 at 10:00 a.m. (prevailing Pacific time). **Unless otherwise defined herein, all capitalized terms contained in this Disclosure Statement shall have the meanings ascribed to them in the Plan. Headings are for convenience of reference and will not affect the meaning or interpretation of the Disclosure Statement.**

This solicitation is being conducted at this time in order to obtain sufficient votes to enable the Plan to be confirmed by the Bankruptcy Court.

The Plan sets forth how the Debtors' assets and operations will be reorganized and how Claims against and Equity Interests in the Debtors will be treated if the Plan is confirmed by the Bankruptcy Court and is thereafter consummated. This Disclosure Statement describes certain aspects of the Plan and how it will be implemented if confirmed, the Debtors' business operations, significant events leading to and occurring during the Chapter 11 Cases, and related matters. **FOR A COMPLETE UNDERSTANDING OF THE PLAN, YOU SHOULD READ THIS DISCLOSURE STATEMENT, THE PLAN, THE PLAN SUPPLEMENT AND ALL RELATED EXHIBITS AND SCHEDULES IN THEIR ENTIRETY.**

Attached as Schedules and Exhibits to this Disclosure Statement are copies of the following documents:

- Schedule I — List of Debtors
- Schedule II — List of Non-Debtor Affiliates
- Exhibit A — The Plan
- Exhibit B — Schematic of Restructuring Transactions
- Exhibit C — Liquidation Analysis
- Exhibit D — Projected Financial Information

THE DEBTORS BELIEVE THAT THE PLAN COMPLIES WITH ALL PROVISIONS OF THE BANKRUPTCY CODE AND WILL ENABLE THEM TO RESTRUCTURE OR OTHERWISE SATISFY THEIR DEBT SUCCESSFULLY AND ACCOMPLISH THE OBJECTIVES OF CHAPTER 11. THE DEBTORS THEREFORE BELIEVE THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTORS, THE DEBTORS' ESTATES AND THEIR RESPECTIVE CREDITORS.

B. Support For The Plan From The Propco Creditors.

The Plan has the support of creditors holding substantially all the Claims against Propco and the Mezzco Debtors (as defined in the Plan). Those creditors include: (i) the Mortgage Lenders to Propco, who collectively are owed approximately $1.8 billion in principal amount; (ii) the lenders to each of the Mezzco Debtors (the "Mezzco Lenders"), who collectively are owed approximately $675 million in principal amount from their respective borrowers; and (iii) Propco's Swap Counterparty, which holds an unsecured Claim against Propco of approximately $144 million, which constitutes the only third party unsecured claim against Propco.

As described below, the Plan also has the support of the Consenting Opco Lenders, who in the aggregate hold approximately 60% in dollar amount of the Claims arising under the Prepetition Opco Credit Agreement, and the Holder of all of the Claims under the Prepetition Opco Swap Agreement.

Propco's obligations to the Mortgage Lenders are secured by Red Rock, Palace Station, Boulder Station, and Sunset Station (each as defined below) and certain related assets (collectively, the "**Propco Properties**"). Under the Plan, the Propco Properties will be transferred to New Propco or one or more of its Subsidiaries as the Mortgage Lenders' designee in satisfaction of the Mortgage Lenders' existing secured claims against Propco. New Propco will be an entity newly formed by the Mortgage Lenders to own and operate the Propco Properties upon consummation of the Plan. Under and subject to the terms of the Second Amended MLCA or the Stalking Horse APA, New Propco will also acquire certain additional assets from Propco (the **"New Propco Transferred Assets"**), and from SCI and certain of its affiliates (the **"New Propco Purchased Assets"** and the **"Landco Assets"**). **The Debtors have not subjected the New Propco Purchased Assets to a formal valuation or a market test and therefore the fair market value of the New Propco Assets is unknown.**

The Debtors are advised that, in conjunction with these transfers to New Propco under the Plan:

- the Mortgage Lenders have agreed to sell 50% of the equity in New Propco to an affiliate of Fertitta Gaming, LLC, a newly-formed entity owned by Frank Fertitta III and Lorenzo Fertitta ("**FG**"), for $85.6 million in cash (with a portion of that interest to be subsequently sold to an affiliate of Colony Capital, LLC, subject to the parties reaching agreement on the terms of any such sale);

- New Propco will enter into a new $1.6 billion credit facility with the Mortgage Lenders;

- New Propco will enter into a long-term management agreement with FG, whereby FG will operate the Propco Properties and provide comprehensive management services to New Propco in connection therewith; and

- the Mortgage Lenders have agreed to: (a) assign certain equity interests in New Propco to the Mezzco Lenders; and (b) assign $7.9 million of their cash recovery from Propco to Propco's Swap Counterparty.

The Debtors are further advised that the Mortgage Lenders, the Mezzco Lenders, the Swap Counterparty, FG and the Fertittas have entered into agreements (the "**Propco Lender Support Agreements**") **[this term must be consolidated with the definition of the term "PropCo PSA" in ¶ III.J or clarification must be provided as to contents of each referenced agreement]** outlining the terms and conditions of their agreement to support the Plan and the various transactions relating to the ownership and operation of New Propco upon consummation of the Plan. None of the Debtors are parties to those Propco Lender Support Agreements, but the Debtors have reviewed the Propco Lender Support Agreements and believe that the Plan is (and as amended as described below will be) consistent with the Propco Lender Support Agreements.

C. Support For The Plan From The Prepetition Opco Secured Lender Steering Committee.

The obligations of SCI and various subsidiaries under the Prepetition Opco Credit Agreement are secured by substantially all of the assets of SCI and those subsidiaries. The Plan contemplates that SCI and certain of its subsidiaries (collectively, the "**Opco Group Sellers**") will conduct an orderly sale process for substantially all of their assets (other than those assets that will be sold or transferred to Propco or New Propco and certain other Excluded Assets) (collectively, the "**New Opco Acquired Assets**") on a going concern basis, under the supervision of the Bankruptcy Court and in a manner designed to procure the highest and best transaction available (the "**Sale Process**"). The procedures and deadlines governing the Sale Process have been approved by the Bankruptcy Court in its "Order Establishing Bidding Procedures And Deadlines Relating To Sale Process For Substantially All of The Assets Of Station Casinos Inc. And Certain 'Opco' Subsidiaries" entered by the Bankruptcy Court on June 4, 2010 [Docket No. 1563] (the "**Bid Procedures Order**").

As authorized under the Bid Procedures Order, the Opco Group Sellers have accepted (subject to all requirements of the Sale Process) an offer from, and entered into an asset purchase agreement with, FG Opco Acquisitions LLC (the "**Stalking Horse Bid**," the "**Stalking Horse APA**," and the "**Stalking Horse Bidder**",

respectively). The Stalking Horse Bidder is an entity owned in whole or in part by FG and the Mortgage Lenders. The purchase price to be paid under the Stalking Horse APA is approximately $772 million, consisting of the following:

(1) an amount in cash equal to $317 million, plus the Gun Lake Reimbursement[1] proceeds in excess of $20 million, less the Excess AMT Amount, if any, less the Super Priority Principal Amount if the Stalking Horse Bidder has made the Super Priority Notes Election pursuant to the terms of the Stalking Horse APA;

(2) $430 million in aggregate principal amount of term loans less the Gun Lake Reimbursement proceeds in excess of $20 million, which term loans shall be subject to the terms of the New Opco Credit Agreement; provided that notwithstanding anything herein to the contrary, letters of credit issued and that remain undrawn under the Prepetition Opco Credit Agreement shall be replaced or backstopped by letters of credit issued under the New Opco Credit Agreement;

(3) $25 million in aggregate principal amount of term loans, which shall be subject to the terms of the New Opco PIK Credit Agreement; and

(4) If the Stalking Horse has made the Super Priority Notes Election pursuant to the terms of the Stalking Horse APA, then Deutsche Bank Trust Company Americas and JP Morgan Chase Bank, N.A., in their capacities as Prepetition Opco Secured Lenders, have consented to receive, and shall receive on the Effective Date, the Super Priority Notes in the Super Priority Principal Amount in lieu of their Pro Rata Share of Cash under clause (1) above.

The Bid Procedures Order provides for a competitive bidding process, culminating in the Opco Auction commencing on August 6, 2010. If the Stalking Horse Bid is not the Successful Bid as a result of the Opco Auction, the Debtors anticipate (a) amending the Plan to reflect and incorporate the terms and conditions of the Successful Bid, and (b) providing such supplemental disclosure of such amendments as the Bankruptcy Court may require.

The Consenting Opco Lenders (a group comprised of the members of the Steering Committee of Prepetition Opco Secured Lenders), certain Non-Debtor Affiliates, FG and the Fertittas have entered into an agreement (as amended, supplemented or otherwise modified from time to time, the "**Opco Lender Restructuring Support Agreement**") outlining the terms and conditions of their mutual agreements to support the Sale Process, the Plan and the various transactions relating thereto. None of the Debtors are parties to the Opco Lender Restructuring Support Agreement, but the Debtors have reviewed that agreement and believe that the Plan is consistent therewith.

D. The Committee Opposes the Plan.

The Official Committee of Unsecured Creditors (the "Committee") is opposed to confirmation of the Plan and recommends that all creditors vote to reject the Plan. The Committee believes that the Plan and the transactions contemplated therein fail to maximize the value of the Debtors' estates and therefore are not in the best interest of the Debtors' unsecured creditors.

The Plan contemplates that SCI and certain of its subsidiaries (collectively, the "Opco Group Sellers") will conduct a sales process for substantially all of their assets (other than those assets that will be sold or transferred to Propco or New Propco and certain other Excluded Assets) (collectively, the "New Opco Acquired Assets") on a going concern basis, under the supervision of the Bankruptcy Court. The procedures and deadlines governing the Sale Process have been approved by the Bankruptcy Court in its "Order Establishing Bidding Procedures And Deadlines Relating To Sale Process For Substantially All of The Assets Of Station Casinos Inc. And Certain 'Opco' Subsidiaries" entered by the Bankruptcy Court on June 4, 2010 [Docket No. 1563] (the "Bid Procedures Order"). The Committee has filed an appeal to the Bid Procedures

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[1] Capitalized terms used herein that are not otherwise defined herein or in the Plan shall have the meanings ascribed to them in the Stalking Horse APA.

Order and expects that once the Bankruptcy Court's decision to approve the Second Master Lease Compromise is entered that it will appeal that order as well.

Additional Assets for Distribution to Creditors

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[The Debtors should identify the unencumbered assets referenced in the liquidation analysis and their estimated value.]

The Debtors have a number of assets that they have not identified in the Plan that should be available for distribution to creditors. These assets include two copyrights registered with the United States Copyright Office that do not appear to have liens recorded against them in the United States Copyright Office by the Prepetition Opco Lenders. Absent perfection by a proper recording in the United States Copyright Office, the two copyrights are unencumbered.

In addition, the Committee believes that there are parcels of real property in Reno, Nevada that SCI transferred to Tropicana Station, LLC (which is a guarantor of SCI's obligations to the Prepetition OpCo Lenders) in January 2009 for which virtually no value was exchanged. This land was not, and does not appear to be, subject to any mortgage or other encumbrance. Thus, by transferring the land when it was not encumbered to a subsidiary that results in structural subordination detrimental to SCI's general unsecured creditors, and SCI was undoubtedly insolvent in January 2009 when it made the transfer, the transfer is easily avoidable. Tropicana Station, LLC's schedules indicate its total real property has a book value in excess of $11 million.

The Committee believes that since the Petition Date, SCI has engaged in the development of new intellectual property assets and acquired additional customers visiting and becoming patrons of SCI's casinos such that SCI's customer list has grown post-petition. The Committee believes that these assets provide a source of additional value to SCI's general unsecured creditors, which is not encumbered by any liens.

Since the Petition Date there have been approximately 32 new trademarks issued to or trademark applications submitted by SCI. The Committee also believes that SCI has applied for and/or been granted various patents postpetition.

Further, intellectual property developed postpetition includes promotions, new marketing programs designed to attract and retain customers, and innovative gaming strategies that are intended to identify and exploit customer preferences, all developed after the Petition Date, which may have resulted in new customers visiting and/or becoming patrons of SCI's casinos. To the extent the names of any individuals have been tracked or added to SCI's customer list post-petition,[2] the value of such information, along with the value of any post-petition intellectual property (which itself has been supported in case law), belongs to SCI's general unsecured creditors.

Furthermore, at a minimum, the Debtors should be required to disclose (a) the number of customers added to any customer databases postpetition; (b) its determination of the value of such customers; (c) the methodology it employed to determine such value; and (d) the identity of the entity/persons who performed valuation and date of valuation.

E. Purpose, Limitations and Structure of this Disclosure Statement

The purpose of this Disclosure Statement is to provide those holders of Claims against and Equity Interests in the Debtors that are entitled to vote on the Plan with adequate information to make an informed decision

[2] The Committee has reason to believe that significant numbers of customers are added to the SCI customer list on a continuous basis, and thus many customers have been added to the customer database postpetition. This can be witnessed by the procedure for transferring to PropCo its purported Primary Customer Database, as defined in Annex 1 to the Second Amended Master Lease Compromise, which calls for the repeated supplementing of the database to ensure all new customers of PropCo casinos are captured in the database prior to its transfer.

as to whether to accept or reject the Plan. The information in this Disclosure Statement may not be relied upon for any other purpose, and nothing contained in this Disclosure Statement shall constitute an admission of any fact or liability or as a stipulation or waiver by any party, or be admissible in any other case or any bankruptcy or nonbankruptcy proceeding involving any of the Debtors or any other party, or be deemed conclusive advice on the tax, securities or other legal effects of the Plan.

[On [__], 2010, after notice and a hearing, the Bankruptcy Court issued an order (the "**Disclosure Statement Order**") approving this Disclosure Statement as containing adequate information of a kind and in sufficient detail to enable a hypothetical, reasonable investor being solicited to make an informed judgment whether to accept or reject the Plan. **APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT CONSTITUTES A DETERMINATION THAT THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION REGARDING THE PLAN, BUT DOES NOT CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN.]**

Unless otherwise specified herein, the statements contained in this Disclosure Statement are made only as of the date hereof. Delivery of this Disclosure Statement after such date does not mean that the information set forth in this Disclosure Statement remains unchanged since such date or the date of the materials relied upon in preparing this Disclosure Statement. The Debtors have prepared the information contained in this Disclosure Statement in good faith, based upon the information available to them. Moreover, certain of the statements contained in this Disclosure Statement, by their nature, are forward-looking and contain estimates, assumptions and projections, and there can be no assurance that these forward-looking statements will be correct at any later date. Except as otherwise expressly stated, no audit of the financial information contained in this Disclosure Statement has been conducted.

If you are eligible to vote on the Plan, this Disclosure Statement and certain related solicitation materials should have been delivered to you. There are certain documents and other materials identified in this Disclosure Statement and the Plan that are not attached to this Disclosure Statement or the Plan (such documents and materials, the "**Plan Supplement**") **[The Debtors must provide a comprehensive list of all documents and materials to be disclosed in the Plan Supplement]**. The Plan Supplement will be filed with the Bankruptcy Court on or before the date that is ten (10) days prior to the deadline to vote to accept or reject the Plan. Once it is filed, the Plan Supplement may be inspected in the office of the Clerk of the Bankruptcy Court during normal court hours. You may obtain a copy of the Plan Supplement once it is filed, or any of the schedules and exhibits to this Disclosure Statement, by accessing the website of the claims agent appointed in these chapter 11 cases (the "**Chapter 11 Cases**"), at *www.kccllc.net/stationcasions*, or by sending a written request to the Debtors' counsel, Milbank, Tweed, Hadley & McCloy LLP, 601 South Figueroa Street, 30th Floor, Los Angeles, CA 90017, Attention: Robert C. Shenfeld, Esq.

If you have any questions about the packet of materials you have received, you may contact the Debtors' counsel by mail at the address listed above, or by phone at (213) 892-4000.

F. Summary of Classification and Treatment of Claims and Equity Interests Under the Plan

The Plan is proposed by SCI, Propco and the following affiliated debtors and debtors in possession:

- The three entities that own the existing equity interests in SCI (collectively, the "**Parent Debtors**"):
  - FCP Holding, Inc. (owner of 74.8294% of non-voting stock in SCI);
  - Fertitta Partners, LLC (owner of 25.1706% of non-voting stock in SCI); and
  - FCP VoteCo, LLC (owner of 100% of voting stock in SCI);
- Four entities that are direct or indirect wholly owned subsidiaries of SCI (collectively, the "**Other Opco Debtors**"):

- Northern NV Acquisitions, LLC;
- Tropicana Station, LLC;
- River Central, LLC; and
- Reno Land Holdings, LLC.

- The nine entities that comprise the "MezzCo" debtors (collectively, the "**Mezzco Debtors**"):
  - FCP MezzCo Parent, LLC;
  - FCP MezzCo Parent Sub, LLC;
  - FCP MezzCo Borrower VII, LLC;
  - FCP MezzCo Borrower VI, LLC;
  - FCP MezzCo Borrower V, LLC;
  - FCP MezzCo Borrower IV, LLC;
  - FCP MezzCo Borrower III, LLC;
  - FCP MezzCo Borrower II, LLC; and
  - FCP MezzCo Borrower I, LLC.

SCI also has various other direct and indirect subsidiaries and affiliates (collectively, the "**Non-Debtor Affiliates**") that have not filed for bankruptcy relief and have continued to operate their businesses in the ordinary course during the pendency of the Debtors' chapter 11 cases. If the Plan is confirmed, certain Non-Debtor Affiliates may file for bankruptcy relief in order to effectuate certain of the transactions contemplated by, or required under, the Plan. **[The Debtors should disclose the information contained in the APA regarding future subsidiary filings and whether any subsidiaries are anticipated to file for bankruptcy irrespective of who is the Successful Bidder.]** The Debtors expect that any such filings would not affect or disrupt the ordinary course operations of the Debtors or the Non-Debtor Affiliates in any material way. This Plan contemplates certain transactions involving the Debtors and various of the Non-Debtor Affiliates, including certain asset transfers, and other transactions, as part of the implementation of the Plan (including transactions that may be implemented in connection with bankruptcy filings by certain Non-Debtor Affiliates). For a description of those transactions, please see Article V of the Plan ("**Means for Implementation of the Plan**"), Section IV.C of this Disclosure Statement and Exhibit B to this Disclosure Statement, which contains a schematic outlining the various transactions that are proposed to implement the Plan.

Although the Chapter 11 Cases are jointly administered pursuant to an order of the Bankruptcy Court, the Debtors are not proposing the substantive consolidation of their respective bankruptcy estates. Thus, the Plan provides for the separate classification and treatment of creditors and equity holders for each of the respective eighteen Debtors. The Debtors are submitting the Plan jointly, covered by a single Disclosure Statement, to simplify drafting and to avoid duplicative costs relating to the preparation and distribution of multiple plans and disclosure statements. Accordingly, the Plan generally applies to all of the Debtors, except where otherwise indicated.

As described more fully in this Disclosure Statement, the Plan provides for significant distributions on account of certain Allowed Claims in the form of asset transfers, cash payments, assumption of specified liabilities, new debt instruments and new equity securities that will result from the Debtors' realization of value for their respective assets pursuant to various Plan-related transactions. The Plan distributions will be in various amounts and will take various forms, depending on the classification and treatment of any particular Claim against or Equity Interest in any particular Debtor. The following tables summarize the classification and treatment

of Claims and Equity Interests for each Debtor under the Plan. *For a more detailed description of the classification and treatment of Claims and Equity Interests under the Plan, please see Section IV.B*

1. **Claims and Equity Interests Against Parent Debtors**

(A) FCP Holding, Inc.

Class	Claim	Treatment	Status	Estimated Amount of Claims[3]	Estimated Recovery (as % of Claim amount)
FHI.1	Prepetition Mortgage Loan Guaranty Claims	See treatment of Class P.2 Claims below	Impaired	Contingent	[ ]
FHI.2	Prepetition Mezzanine Loan Guaranty Claims	Extinguished with no recovery	Impaired	Contingent	0%
FHI.3	Land Loan Guaranty Claims	Extinguished with no recovery	Impaired	Contingent	0%
FHI.4	General Unsecured Claims	Extinguished with no recovery	Impaired	0	0%
FHI.5	Intercompany Claims	Extinguished with no recovery	Impaired	0	0%
FHI.6	Equity Interests	Extinguished with no recovery	Impaired	—	0%

(B) Fertitta Partners LLC

Class	Claim	Treatment	Status	Estimated Amount of Claims	Estimated Recovery (as % of Claim amount)
FP.1	Prepetition Mortgage Loan Guaranty Claims	See treatment of Class P.2 Claims below	Impaired	Contingent	[ ]
FP.2	Prepetition Mezzanine Loan Guaranty Claims	Extinguished with no recovery	Impaired	Contingent	0%
FP.3	Land Loan Guaranty Claims	Extinguished with no recovery	Impaired	Contingent	0%
FP.4	General Unsecured Claims	Extinguished with no recovery	Impaired	0	0%
FP.5	Intercompany Claims	Extinguished with no recovery	Impaired	0	0%
FP.6	Equity Interests	Extinguished with no recovery	Impaired	0	0%

[3] These estimates were compiled based upon a review of the Debtors' schedules and filed proofs of claim. These estimates may change as the claims analysis and objection process proceeds.

(C) **FCP Voteco, LLC**

Class	Claim	Treatment	Status	Estimated Amount of Claims	Estimated Recovery (as % of Claim amount)
VC.1	Prepetition Mortgage Loan Guaranty Claims	See treatment of Class P.2 Claims below	Impaired	Contingent	[__]
VC.2	Prepetition Mezzanine Loan Guaranty Claims	Extinguished with no recovery	Impaired	Contingent	0%
VC.3	Land Loan Guaranty Claims	Extinguished with no recovery	Impaired	Contingent	0%
VC.4	General Unsecured Claims	Extinguished with no recovery	Impaired	0	0%
VC.5	Intercompany Claims	Extinguished with no recovery	Impaired	0	0%
VC.6	Equity Interests	Extinguished with no recovery	Impaired	—	0%

2. **Claims and Equity Interests Against Propco**

Class	Claim	Treatment	Status	Estimated Amount of Claims	Estimated Recovery (as % of Claim amount)
P.1	Other Secured Claims	Payment in full in Cash or otherwise left Unimpaired	Unimpaired	0	100%
P.2	Prepetition Mortgage Loan Claims	a. All New Propco Transferred Assets, delivered to New Propco as designee of Mortgage Lenders b. Pro Rata shares of Propco Excess Effective Date Cash and any recoveries received by Propco on account of its Claims against SCI	Impaired	$1,801,271,958.33	[__]
P.3	General Unsecured Claims	Extinguished with no recovery from Propco; to receive $7.9 million in cash from Mortgage Lenders	Impaired	$144,002,857.00	~~0.55~~5.5%
P.4	Intercompany Claims	Extinguished with no recovery	Impaired	$8,804,953.00	0%
P.5	Equity Interests	Surrendered to FCP MezzCo Borrower I, LLC in	Impaired	—	0%

Class	Claim	Treatment	Status	Estimated Amount of Claims	Estimated Recovery (as % of Claim amount)
		satisfaction of its pledge of those Equity Interests, then immediately shall be cancelled and extinguished with no recovery			

3. **Claims and Equity Interests Against Mezzco Debtors**

(A) FCP MezzCo Parent, LLC

Class	Claim	Treatment	Status	Estimated Amount of Claims	Estimated Recovery (as % of Claim amount)
MP.1	General Unsecured Claims	Extinguished with no recovery	Impaired	0	0%
MP.2	Intercompany Claims	Extinguished with no recovery	Impaired	$5,972,107.00	0%
MP.3	Equity Interests	Extinguished with no recovery	Impaired	n/a	0%

(B) FCP MezzCo Parent Sub, LLC

Class	Claim	Treatment	Status	Estimated Amount of Claims	Estimated Recovery (as % of Claim amount)
MS.1	General Unsecured Claims	Extinguished with no recovery	Impaired	0	0%
MS.2	Intercompany Claims	Extinguished with no recovery	Impaired	$5,972,107.00	0%
MS.3	Equity Interests	Extinguished with no recovery	Impaired	n/a	0%

(C) FCP Mezzco Borrower VII, LLC

Class	Claim	Treatment	Status	Estimated Amount of Claims	Estimated Recovery (as % of Claim amount)
M7.1	General Unsecured Claims	Extinguished with no recovery	Impaired	0	0%
M7.2	Intercompany Claims	Extinguished with no recovery	Impaired	$5,972,107.00	0%

Class	Claim	Treatment	Status	Estimated Amount of Claims	Estimated Recovery (as % of Claim amount)
M7.3	Equity Interests	Extinguished with no recovery	Impaired	n/a	0%

(D) FCP Mezzco Borrower VI, LLC

Class	Claim	Treatment	Status	Estimated Amount of Claim	Estimated Recovery (as % of Claim amount)
M6.1	General Unsecured Claims	Extinguished with no recovery	Impaired	0	0%
M6.2	Intercompany Claims	Extinguished with no recovery	Impaired	$5,972,107.00	0%
M6.3	Equity Interests	Extinguished with no recovery	Impaired	n/a	0%

(E) FCP Mezzco Borrower V, LLC

Class	Claim	Treatment	Status	Estimated Amount of Claim	Estimated Recovery (as % of Claim amount)
M5.1	General Unsecured Claims	Extinguished with no recovery	Impaired	—	0%
M5.2	Mezz IV Pledge Claims	Extinguished with no recovery	Impaired	—	0%
M5.3	Intercompany Claims	Extinguished with no recovery	Impaired	$5,972,107.00	0%
M5.4	Equity Interests	Extinguished with no recovery	Impaired	n/a	0%

(F) FCP Mezzco Borrower IV, LLC

Class	Claim	Treatment	Status	Estimated Amount of Claim	Estimated Recovery (as % of Claim amount)
M4.1	Mezz IV Loan Claims	Equity Interests in FCP Mezzco Borrower III, LLC; then extinguished and discharged with no recovery	Impaired	$150,437,940.76	0%
M4.2	General Unsecured Claims	Extinguished with no recovery	Impaired	$1,866.97	0%

Class	Claim	Treatment	Status	Estimated Amount of Claim	Estimated Recovery (as % of Claim amount)
M4.3	Intercompany Claims	Extinguished with no recovery	Impaired	$5,972,107.00	0%
M4.4	Equity Interests	Extinguished with no recovery	Impaired	n/a	0%

(G) FCP Mezzco Borrower III, LLC

Class	Claim	Treatment	Status	Estimated Amount of Claim	Estimated Recovery (as % of Claim amount)
M3.1	Mezz III Loan Claims	Equity Interests in FCP Mezzco Borrower II, LLC; then extinguished with no recovery	Impaired	$150,337,750.00	0%
M3.2	General Unsecured Claims	Extinguished with no recovery	Impaired	0	0%
M3.3	Intercompany Claims	Extinguished with no recovery	Impaired	$5,972,107.00	0%
M3.4	Equity Interests	Deemed surrendered to the Holders of Mezz IV Loan Claims in satisfaction of its pledge of those Equity Interests; extinguished with no recovery immediately upon such surrender	Impaired	n/a	0%

(H) FCP Mezzco Borrower II, LLC

Class	Claim	Treatment	Status	Estimated Amount of Claim	Estimated Recovery (as % of Claim amount)
M2.1	Mezz II Loan Claims	Equity Interests in FCP Mezzco Borrower I, LLC; then extinguished with no recovery	Impaired	$175,000,000.00	0%
M2.2	General Unsecured Claims	Extinguished with no recovery	Impaired	0	0%
M2.3	Intercompany Claims	Extinguished with no recovery	Impaired	$5,972,107.00	0%
M2.4	Equity Interests	Deemed surrendered to the Holders of Mezz III Loan	Impaired	n/a	0%

Class	Claim	Treatment	Status	Estimated Amount of Claim	Estimated Recovery (as % of Claim amount)
		Claims in satisfaction of its pledge of those Equity Interests; extinguished with no recovery immediately upon such surrender			

(I) FCP Mezzco Borrower I, LLC

Class	Claim	Treatment	Status	Estimated Amount of Claim	Estimated Recovery (as % of Claim amount)
M1.1	Mezz I Loan Claims	Equity Interests in Propco; then extinguished with no recovery	Impaired	$200,000,000.00	0%
M1.2	General Unsecured Claims	Extinguished with no recovery	Impaired	0	0%
M1.3	Intercompany Claims	Extinguished with no recovery	Impaired	$12,661,610.00	0%
M1.4	Equity Interests	Deemed surrendered to the Holders of Mezz II Loan Claims in satisfaction of its pledge of those Equity Interests; extinguished with no recovery immediately upon such surrender	Impaired	n/a	0%

4. **Claims and Equity Interests Against SCI**

Class	Claim	Treatment	Status	Estimated Amount of Claim	Estimated Recovery (as % of Claim amount)
S.1	Other Secured Claims	Paid in full in Cash or otherwise left Unimpaired	Unimpaired	0	100%
S.2	Prepetition Opco Secured Claims	Purchase Price consideration under Stalking Horse APA	Impaired	[ ]	[87%]
S.3	Master Lease Rejection Damage Claim	Transfer from SCI of all Master Lease Collateral	Impaired	[ ]	[ ]
S.4	General Unsecured Claims	No distribution under Stalking Horse Bid, subject	Impaired	[ ]	0%

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Class	Claim	Treatment	Status	Estimated Amount of Claim	Estimated Recovery (as % of Claim amount)
		to higher/better bids at Opco Auction			
S.5	Senior Notes Claims	No distribution under Stalking Horse Bid, subject to higher/better bids at Opco Auction	Impaired	$1,283,207,555.26	0%
S.6	Subordinated Notes Claims	No distribution under Stalking Horse Bid, subject to higher/better bids at Opco Auction	Impaired	$1,558,094,741.08	0%
S.7	Mortgage Lender Claims Against SCI	No distribution under Stalking Horse Bid, subject to higher/better bids at Opco Auction	Impaired	Unliquidated	0%
S.8	Intercompany Claims	Extinguished with no recovery	Impaired	Unliquidated	0%
S.9	Equity Interests	Extinguished with no recovery	Impaired	n/a	0%

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5. **Claims and Equity Interests Against Other Opco Debtors**

(A) Northern NV Acquisitions, LLC

Class	Claim	Treatment	Status	Estimated Amount of Claim	Estimated Recovery (as % of Claim amount)
NA.1	Other Secured Claims	Paid in full in Cash or otherwise left Unimpaired	Unimpaired		100%
NA.2	General Unsecured Claims	No distribution under Stalking Horse Bid, subject to higher/better bids at Opco Auction	Impaired	$21,734.72	0%
NA.3	Equity Interests	Extinguished with no recovery	Impaired	n/a	0%

(B) Reno Land Holdings, LLC

Class	Claim	Treatment	Status	Estimated Amount of Claim	Estimated Recovery (as % of Claim amount)
RL.1	Other Secured Claims	Paid in full in Cash or	Unimpaired	0	100%

Class	Claim	Treatment	Status	Estimated Amount of Claim	Estimated Recovery (as % of Claim amount)
		otherwise left Unimpaired			
RL.2	General Unsecured Claims	No distribution under Stalking Horse Bid, subject to higher/better bids at Opco Auction	Impaired	0	0%
RL.3	Equity Interests	Extinguished with no recovery	Impaired	n/a	0%

(C) River Central, LLC

Class	Claim	Treatment	Status	Estimated Amount of Claim	Estimated Recovery (as % of Claim amount)
RC.1	Other Secured Claims	Paid in full in Cash or otherwise left Unimpaired	Unimpaired	0	100%
RC.2	Prepetition Opco Credit Agreement Guaranty Claims	See treatment of Class S.2 Claims	Impaired		[__]
RC.3	General Unsecured Claims	No distribution under Stalking Horse Bid, subject to higher/better bids at Opco Auction	Impaired	0	0%
RC.4	Equity Interests	Extinguished with no recovery	Impaired	n/a	0%

(D) Tropicana Station, LLC

Class	Claim	Treatment	Status	Estimated Amount of Claim	Estimated Recovery (as % of Claim amount)
TS.1	Other Secured Claims	Paid in full in Cash or otherwise left Unimpaired	Unimpaired	0	100%
TS.2	Prepetition Opco Credit Agreement Guaranty Claims	See treatment of Class S.2 Claims	Impaired		[__]
TS.3	General Unsecured Claims	No distribution under Stalking Horse Bid, subject to higher/better bids at Opco Auction	Impaired	0	0%
TS.4	Equity Interests	Extinguished with no recovery	Impaired	n/a	0%

G. Voting on the Plan

The Disclosure Statement Order approved certain procedures governing the solicitation of votes on the Plan from holders of Claims against and Equity Interests in the Debtors, which procedures are described below.

The Debtors must provide all information on the proposed solicitation procedures, including all proposed ballots and notices, with sufficient time for interested parties to comment or object prior to any solicitation of creditors.

1. *Classes Entitled to Vote*

Pursuant to the provisions of the Bankruptcy Code, only holders of claims or interests that are members of a class that (a) is "impaired" within the meaning of section 1124 of the Bankruptcy Code (an "**Impaired Class**") and (b) is not deemed to have rejected the plan under section 1126(g) of the Bankruptcy Code are entitled to vote to accept or reject a plan of reorganization (each, a "**Voting Class**"). Classes of claims or interests that are not impaired under Bankruptcy Code section 1124 are conclusively presumed to have accepted the plan and are not entitled to vote to accept or reject the plan. Impaired Classes consisting of members that will receive no recovery under the plan are deemed to have rejected the plan under Bankruptcy Code section 1126(g) and are not entitled to vote to accept or reject the plan.

Only holders of record of Claims or Equity Interests as of the date of the entry of the Disclosure Statement Order (*i.e.* [_____], 2010) that are classified in Voting Classes have been sent a copy of this Disclosure Statement and an appropriately customized Ballot.

TBD: Under the Plan, the Voting Classes are Classes FHI.1, FP.1, VC.1, P.2, M5.2, M4.1, M3.1, M2.1, M1.1, S.2, S.3, ~~S.7,~~ RC.2 and TS.2.

TBD: Under the Plan, the Classes that are not entitled to vote (each, a "**Non-Voting Class**") are:

- FHI.2, FHI.3, FHI.4, FHI.5, and FHI.6
- FP.2, FP.3, FP.4, FP.5, and FP.6
- VC.2, VC.3, VC.4, VC.5, and VC.6
- P.1, P.3, P.4, and P.5
- MP.1, MP.2 and MP.3
- MS.1, MS.2 and MS.3
- M7.1, M7.2, and M7.3
- M6.1, M6.2, and M6.3
- M5.1, M5.3, and M5.4
- M4.2, M4.3, and M4.4
- M3.2, M3.3, and M3.4
- M2.2, M2.3, and M2.4
- M1.2, M1.3, and M1.4
- S.1, S.4, S.5, S.6, **S.7,** S.8, and S.9

chapter 11 is to promote equality of treatment for similarly situated creditors and similarly situated equity interest holders with respect to the distribution of the debtor's assets.

The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of the debtor in property as of the Petition Date. The Bankruptcy Code provides that a debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

The consummation of a plan of reorganization is the principal objective of a chapter 11 reorganization case. A plan of reorganization sets forth the terms for satisfying claims against and equity interests in a debtor. Upon confirmation of a plan of reorganization, it is binding on the debtor, any issuer of securities under the plan, and any creditor or equity interest holder of the debtor. Subject to certain limited exceptions, the confirmation order discharges the debtor from any debts that arose prior to the date of confirmation of the plan and substitutes therefor the obligations specified under the confirmed plan.

After a chapter 11 plan has been filed, holders of certain claims against and equity interests in a debtor are permitted to vote to accept or reject such plan. Before soliciting acceptances of the proposed plan, however, a debtor is required under section 1125 of the Bankruptcy Code to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan.

The Debtors are submitting this Disclosure Statement to holders of Claims against and Equity Interests in the Debtors to satisfy the requirements of section 1125 of the Bankruptcy Code. This Disclosure Statement sets forth specific information regarding the pre-bankruptcy history of the Debtors (within the context of the greater Station Casinos enterprise), the nature and progress of the Chapter 11 Cases, and the anticipated organizational and capital structure and operations of the Station properties after confirmation of the Plan and emergence from chapter 11. This Disclosure Statement also describes the Plan, alternatives to the Plan, effects of confirmation of the Plan, certain risk factors associated with the debt and equity securities that will be issued to holders of certain Classes of Claims and Equity Interests, and the manner in which distributions will be made under the Plan. In addition, this Disclosure Statement discusses the confirmation process and the voting procedures that holders of Claims and Equity Interests entitled to vote must follow in order for their votes to be counted.

II. GENERAL INFORMATION ABOUT STATION CASINOS

The Debtors and each of their Non-Debtor Affiliates (listed in Schedule II hereto) form a consolidated gaming and entertainment enterprise that currently owns and operates ten major hotel/casino properties (two of which are 50% owned) under the SCI and Fiesta brand names and eight smaller casino properties (three of which are 50% owned) in the Las Vegas metropolitan area, as well as manages a casino for a Native American tribe (such consolidated enterprise, "**Station Casinos**").

A. Description and History of Station Casinos' Business

1. *Operations*

Station Casinos is a gaming and entertainment company that currently owns and operates ten major hotel/casino properties (two of which are 50% owned) under the Station and Fiesta brand names and eight smaller casino properties (three of which are 50% owned) in the Las Vegas metropolitan area. Station Casinos also manages a casino for a Native American tribe. Station Casinos' growth strategy includes the master-planned expansions of its existing gaming facilities in Nevada, the development of gaming facilities on certain real estate that it owns or is under contract to acquire in the Las Vegas valley and Reno, Nevada, the evaluation and pursuit of additional acquisition or development opportunities in Nevada and other gaming markets and the pursuit of additional management agreements with Native American tribes.

SCI and its subsidiaries own and operate Palace Station Hotel & Casino ("**Palace Station**"), Boulder Station Hotel & Casino ("**Boulder Station**"), Texas Station Gambling Hall & Hotel ("**Texas Station**"), Sunset Station Hotel & Casino ("**Sunset Station**"), Santa Fe Station Hotel & Casino ("**Santa Fe Station**"), Red Rock Casino Resort Spa ("**Red Rock**"), Fiesta Rancho Casino Hotel ("**Fiesta Rancho**"), Fiesta Henderson Casino Hotel ("**Fiesta Henderson**"), Wild Wild West Gambling Hall & Hotel ("**Wild Wild West**"), Wildfire Casino—

Rancho ("**Wildfire Rancho**"), Wildfire Casino—Boulder ("**Wildfire Boulder**"), Gold Rush Casino ("**Gold Rush**") and Lake Mead Casino. SCI and its subsidiaries also own a 50% interest in Green Valley Ranch Resort Spa Casino ("**Green Valley Ranch**"), Aliante Station Casino + Hotel ("**Aliante Station**"), Barley's Casino & Brewing Company ("**Barley's**"), The Greens Gaming and Dining ("**The Greens**") and Wildfire Lanes and Casino ("**Wildfire Lanes**"). Each of the Station casinos caters primarily to local Las Vegas area residents. In addition, SCI and its subsidiaries manage Thunder Valley Casino ("**Thunder Valley**") in Sacramento, California on behalf of the United Auburn Indian Community ("**UAIC**").

Properties

Set forth below is certain information as of December 31, 2009 concerning the Station Casinos properties, all of which are owned and/or operated by subsidiaries of SCI except as otherwise indicated. The properties are more fully described following the table.

	Hotel Rooms	Slots(1)	Gaming Tables(2)	Parking Spaces(3)	Acreage
Casino Properties					
Palace Station	1,000	1,722	46	2,600	30
Boulder Station	300	2,749	41	4,800	54
Texas Station	200	1,994	31	5,900	47
Sunset Station	457	2,463	41	5,500	82
Santa Fe Station	200	2,825	47	5,200	38
Red Rock	815	2,989	64	6,800	64
Green Valley Ranch (50% owned)	490	2,392	55	3,900	40
Aliante Station (50% owned)	202	2,013	44	4,800	40
Fiesta Rancho	100	1,412	16	2,050	25
Fiesta Henderson	224	1,628	19	3,000	46
Other Properties					
Wild Wild West	262	200	6	600	19
Wildfire Rancho	—	194	—	265	5
Wildfire Boulder	—	172	—	230	2
Gold Rush	—	154	—	125	1
Lake Mead Casino	—	75	—	64	3
Barley's (50% owned)	—	199	—	—	—
The Greens (50% owned)	—	36	—	—	—
Wildfire Lanes (50% owned)	—	196	—	—	—
Managed Properties					
Thunder Valley (4)	—	2,426	102	4,500	49

(1) Includes slot and video poker machines and other coin-operated devices.
(2) Generally includes blackjack ("21"), craps, roulette, pai gow poker, mini baccarat, let it ride, three-card poker, Texas hold'em and wild hold'em. The Casino Properties, with the exception of Green Valley Ranch, also offer a keno lounge and bingo parlor. The Casino Properties also offer a race and sports book and the Other Properties offer a sports book with the exception of The Greens and Lake Mead Casino.
(3) Includes covered parking spaces of 1,900 for Palace Station, 1,900 for Boulder Station, 3,500 for Texas Station, 2,900 for Sunset Station, 4,500 for Santa Fe Station, 5,100 for Red Rock, 2,700 for Green Valley Ranch, 3,300 for Aliante Station, 1,000 for Fiesta Rancho and 1,100 for Fiesta Henderson.
(4) A Non-Debtor Affiliate of SCI manages Thunder Valley on behalf of the UAIC.

Casino Properties

Palace Station

Palace Station is strategically located at the intersection of Sahara Avenue and Interstate 15, one of Las Vegas' most heavily traveled areas. Palace Station is a short distance from McCarran International Airport and

from major attractions on the Las Vegas Strip and downtown Las Vegas. Palace Station features a turn-of-the-20th-century railroad station theme with non-gaming amenities including newly remodeled hotel rooms, seven full-service restaurants, a 275-seat entertainment lounge, four additional bars, two swimming pools, an approximately 20,000-square-foot banquet and convention center, a gift shop and a non-gaming video arcade.

Boulder Station

Boulder Station, which opened in August 1994, is strategically located on Boulder Highway, immediately adjacent to the Interstate 515 interchange. Boulder Station is located approximately four miles east of the Las Vegas Strip and approximately four miles southeast of downtown Las Vegas. Boulder Station features a turn-of-the-20th-century railroad station theme with non-gaming amenities including five full-service restaurants, a 750-seat entertainment lounge, six additional bars, an 11-screen movie theater complex, a Kid's Quest child care facility, a swimming pool, a non-gaming video arcade and a gift shop.

Texas Station

Texas Station, which opened in July 1995, is strategically located at the corner of Lake Mead Boulevard and Rancho Drive in North Las Vegas. Texas Station features a friendly Texas atmosphere, highlighted by distinctive early Texas architecture with non-gaming amenities including five full-service restaurants, a Kid's Quest child care facility, a 300-seat entertainment lounge, a 1,700-seat event center, eight additional bars, an 18-screen movie theater complex, a swimming pool, a non-gaming video arcade, a gift shop, a 60-lane bowling center and approximately 40,000 square feet of meeting and banquet space.

Texas Station is subject to a ground lease. The landlord is Texas Gambling Hall & Hotel, Inc., which is an affiliate of a member of the Fertitta family but is not owned or controlled by Frank or Lorenzo Fertitta or FG. The ground lease contains a change of control provision that requires the lessee (Texas Station, Inc.) to purchase the ground lease property upon a change of control (the "Texas Put Right") if the landlord elects to exercise the Texas Put Right. The lessor has one year from the change of control to exercise the Texas Put Right. The ground lease provides that the purchase price would be calculated based upon a net present value calculation of the remaining rent due under the ground lease. The amount of the forced purchase price thus would depend upon, among other things, the remaining term of the ground lease at the time of the triggering change of control, as well as the discount factor used in the net present value calculation. In connection with negotiations regarding the Sale Process and potential bids for the New Opco Acquired Assets, the landlord~~.~~, the Mortgage Lenders, and the current tenant under the ground lease, Texas Station LLC entered into a binding settlement ~~has agreed~~ to avoid the process of determining the net present value of the rental stream~~, with all of the attendant potential disputes,~~ and to fix the cost of purchasing the Texas Station real estate upon a change of control resulting from the Sale Process as follows: (i) if the Acquisition is consummated and the Stalking Horse Bidder is the Successful Bidder and provided that New Propco acquires the New Propco Purchased Assets pursuant to the Second Amended MLCA, the Texas Put will be extinguished and no longer exercisable; (ii) if a person other than the Stalking Horse Bidder is selected as the Successful Bidder for the Opco assets, the price for the settlement of the Texas Put will be $75 million and shall be required to be paid at closing of purchase pursuant to such bid; and (iii) if the Plan is not confirmed, a person other than the Stalking Horse Bidder is not selected as the successful bidder under the Plan and the Asset Transfers occur, the price for the settlement of the Texas Put will be $75 million and shall not be required to be paid until the first anniversary of the consummation of the transfer of the New Propco Purchased Assets.~~at $75 million, provided that New Propco acquires the New Propco Purchased Assets pursuant to the Second Amended MLCA. Further, the landlord has agreed that if the Successful Bidder is the Stalking Horse Bidder, then the Texas Put Right will not be exercised and will be extinguished altogether.~~

The Committee has disputed the bona fides of the settlement of the Texas Put Right and has appealed the Bankruptcy Court's approval of the inclusion of the settlement of the Texas Put Right in the Bidding Procedures Order and expects to raise the same issue in its appeal of the Second Amended MLCA.

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Sunset Station

Sunset Station, which opened in June 1997, is strategically located at the intersection of Interstate 515 and Sunset Road. Multiple access points provide customers convenient access to the gaming complex and parking areas. Situated in a highly concentrated commercial corridor along Interstate 515, Sunset Station has

voluntarily resigned from the Board of Directors upon the consummation of the 2007 Going Private Transaction. During that period, he was the Chairman of the Audit Committee and served on the Governance and Compensation Committee. He is currently a member of the Audit Committee. Dr. Nave has been an owner of the Tropicana Animal Hospital since 1974 and has been the owner and manager of multiple veterinary hospitals since 1976. Dr. Nave has also served on the Board of Directors of Bank West of Nevada since 1994, where he also serves as Chairman of the Site Committee. Dr. Nave has served on the Board of Directors of Western Alliance Bancorporation since 2003, where he also serves as a member of the Audit and Compensation Committees. Dr. Nave is also the Globalization Liaison Agent for Education and Licensing for the American Veterinary Medical Association and was the Chairperson of the National Commission for Veterinary Economics Issues from 2001 through July 2007. In addition, Dr. Nave is a member and past President of the Nevada Veterinary Medical Association, the Western Veterinary Conference and the American Veterinary Medical Association. He is also a member of the Clark County Veterinary Medical Association, the National Academy of Practitioners, the American Animal Hospital Association and the Executive Board of the World Veterinary Association. Dr. Nave was a member of the University of Missouri, College of Veterinary Medicine Development Committee from 1984 to 1992. He was also a member of the Nevada State Athletic Commission from 1988 to 1999 and served as its chairman from 1989 to 1992 and from 1994 to 1996.

Other Debtors. Each of the other Debtors is managed by its own board of directors, board of managers or members, as applicable. In some cases, persons currently serving on the managing body of a Debtor are officers of SCI or members of the Board of Directors of SCI. FCP MezzCo Borrower V, LLC, FCP MezzCo Borrower IV, LLC, FCP MezzCo Borrower III, LLC, FCP MezzCo Borrower II, LLC, FCP MezzCo Borrower I, LLC and FCP Propco, LLC are each member managed, subject to the requirement that specified actions are approved by a board of directors consisting of a majority of members that qualify as independent pursuant to the terms of the organizational documents of such entities. The members of the boards of managers of each of Propco and the MezzCo Debtors are Richard J. Haskins, Robert A. Kors and Robert J. White.

4. *Employees*

As of January 31, 2010, Station Casinos had approximately 11,689 employees in Nevada, which includes employees of Green Valley Ranch, Aliante Station, Barley's, and The Greens and Wildfire Lanes. From time to time, certain of Station Casinos' employees are contacted by unions and Station Casinos engages in discussions with such employees regarding establishment of collective bargaining agreements.

On May 28, 2010, the National Labor Relations Board filed a 127 count complaint against SCI alleging various unfair labor practices. A hearing on the complaint is scheduled for August 16, 2010.

B. The Debtors' Prepetition Financing Arrangements

1. *Prepetition Opco Credit Agreement*

In connection with the 2007 Going Private Transaction, SCI, as borrower, entered into a $900 million senior secured credit agreement (the "**Prepetition Opco Credit Agreement**") consisting of a $650 million revolving facility (the "**Revolver**") and a $250 million term loan (the "**Term Loan**"). The maturity date for both the Term Loan and the Revolver is August 7, 2012 subject to a single 15-month extension. The obligations of SCI under the Prepetition Opco Credit Agreement are guaranteed by certain Debtors and non- Debtor subsidiaries of SCI. The obligations of SCI under the Prepetition Opco Credit Agreement are secured by a first priority security interest in certain real property owned by SCI and the guarantors under the Prepetition Opco Credit Agreement, pledges of certain equity interests owned by SCI and the guarantors and tangible and intangible personal property owned by SCI and the guarantors, other than excluded assets.

Other parties to the Prepetition Opco Credit Agreement include Deutsche Bank Trust Company Americas, as Administrative Agent, Deutsche Bank Securities and J.P. Morgan Securities Inc., as Joint Lead Arrangers and Joint Bookrunners, JPMorgan Chase Bank, N.A., as Syndication Agent, Bank of Scotland plc, Bank of America, N.A., and Wachovia Bank, N.A., as Co- Documentation Agents, and the lenders party thereto from time to time.

subordinated in right of payment to senior debt of SCI. As of the Petition Date, $450 million in principal amount of the 2014 Subordinated Notes, $700 million in principal amount of the 2016 Subordinated notes and $300 million in principal amount of the 2018 Subordinated Notes were outstanding.

6. *Land Loan*

On February 7, 2008, CV Propco, LLC, a wholly-owned, indirect subsidiary of SCI that is a Non-Debtor Affiliate, as borrower, entered into a $250 million delay-draw term loan which is secured by land located on the southern end of Las Vegas Boulevard at Cactus Avenue and land surrounding Wild Wild West in Las Vegas, Nevada (the "**Land Loan**"). The Land Loan contains no principal amortization and matures on February 7, 2011. In addition, the borrower entered into two interest rate swap agreements with notional amounts of $200 million as required by the terms of the Land Loan. Those swap agreements were terminated as of November 19, 2009.

7. *Headquarters Lease*

In November 2007, SCI entered into a sale-leaseback agreement related to its corporate office building with a third-party real estate investment firm. SCI sold the corporate office building for approximately $70 million and subsequently entered into a lease with the purchaser for an initial period of 20 years with four options to extend the lease, each option for an extension of five years.

C. Pending Litigation and Other Legal Matters

In the ordinary course of business, the Debtors are party to various lawsuits, legal proceedings and claims arising out of their respective businesses. The Debtors cannot predict with certainty the outcome of these lawsuits, legal proceedings and claims. Nevertheless, they do not believe that the outcome of any currently existing proceeding, even if determined adversely, would have a material adverse effect on their business, financial condition or results of operations.

With certain exceptions, the filing of the Chapter 11 Cases operates as a stay with respect to the commencement or continuation of litigation against the Debtors that was or could have been commenced before the commencement of the Chapter 11 Cases. In addition, to the stay of any litigation upon the commencement of the Chapter 11 Cases, the Debtors' liability for any such litigation is subject to discharge in connection with the confirmation of a plan of reorganization, with certain exceptions. Therefore, certain litigation claims against the Debtors may be subject to compromise in connection with the Chapter 11 Cases. This may reduce the Debtors' exposure to losses in connection with adverse determination of such litigation.

National Labor Relations Board Litigation

On May 28, 2010, the National Labor Relations Board filed a 127 count complaint against SCI alleging various unfair labor practices. A hearing on the complaint is scheduled for August 16, 2010.

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Luckevich, Scott and St. Cyr Litigation

On February 4, 2008, Josh Luckevich, Cathy Scott and Julie St. Cyr filed a purported class action complaint against SCI and certain of its subsidiaries in the United States District Court for the District of Nevada, Case No. CV-00141 (the "Federal Court Action"). The plaintiffs are all former employees of SCI or its subsidiaries. The complaint alleged that SCI (i) failed to pay its employees for all hours worked, (ii) failed to pay overtime, (iii) failed to timely pay wages and (iv) unlawfully converted certain earned wages. The complaint in the Federal Court Action sought, among other relief, class certification of the lawsuit, compensatory damages in excess of $5,000,000, punitive damages and an award of attorneys' fees and expenses to plaintiffs' counsel.

On October 31, 2008, SCI filed a motion for judgment on the pleadings. During a hearing on that motion, the United States District Court questioned whether it had jurisdiction to adjudicate the matter. After briefing regarding the jurisdiction question, on May 16, 2009, the United States District Court dismissed the Federal Court Action for lack of jurisdiction and entered a judgment in SCI's favor. Subsequently, on July 21, 2009, the plaintiffs filed a purported class action complaint against SCI and certain of its subsidiaries in the District Court of

occur and the terms and conditions under which that purchase price will be paid; and

- The Revised Second Compromise Agreement also recognizes that the assets of SCI, the Parent Debtors, the Other Opco Debtors and the Non-Debtor Affiliates, excluding the SCI Retained Assets (the "**Opco Assets**") and the Propco Assets may remain under common ownership and management if FG and the Mortgage Lenders are the winning bidder for the New Opco Acquired Assets and provides for that alternative as well.

A hearing on SCI's and Propco's joint motion to approve the Revised Second Compromise Agreement was held on May 4 and 5, 2010. The Court deferred ruling on the joint motion in order to allow the Committee and the Independent Lenders to conduct further discovery and submit additional briefings regarding their opposition. Following an additional hearing on May 27, 2010, the Court granted the joint motion to approve the Revised Second Compromise Agreement on May 28, 2010. The Court found that, among other things, SCI and Propco exercised proper business judgment in entering into the Revised Second Compromise Agreement, and that the elements of compromise were adequately satisfied under Bankruptcy Rule 9019.

H. The Committee's Motion to Obtain Standing to Assert Claims Relating to the 2007 Going Private Transaction

1. *The Committee's Status Report and Demand for Authority to Prosecute Derivative Claims Derived from the 2007 Going Private Transaction and Sale Leaseback*

On November 18, 2009 – before the SLC had finished its investigation into the Sale and Leaseback or issued its Supplemental SLC Report – the Committee filed a "Status Report Regarding the Investigation into the 2007 Leveraged Buyout Transaction and Characterization of the Master Lease Transaction" (the "Committee Status Report") [Docket No. 580]. In the Committee Status Report, the Committee asserted that there are colorable fraudulent conveyance actions to pursue related to the 2007 Going Private Transaction.

On December 8, 2009, the Committee sent a letter to the Debtors demanding that the Debtors consent ~~within just a few days~~ to the Committee prosecuting ~~such claims. For the following two weeks, the Committee and the Debtors exchanged letters in which the Debtors sought to better understand the basis of the demand and the factual information upon which the Committee purported to rely in coming to a conclusion that differed from the conclusion reached by the SLC and the SLC Professionals after their extensive investigation. On December 28, 2009, without having provided the factual information requested by the Debtors or waiting for Debtors to respond to the demand~~certain claims. On December 28, 2009, the Committee filed a motion seeking standing and authority (the "**Committee Standing Motion**") to prosecute civil actions on behalf of the Debtors' e~~E~~states attacking (1) the 2007 Going Private Transaction; and (2) the Sale and Leaseback. The claims alleged in the Committee Standing Motion included claims that: (a) various components of the 2007 Going Private Transaction constituted actual fraudulent conveyances, constructive fraudulent conveyances, ~~or~~including constructive fraudulent transfers under the newly added Bankruptcy Code Section 548(a)(1)(B)(ii)(IV) or were otherwise avoidable transactions; ~~and~~ (b) the Master Lease should be recharacterized as a secured financing transaction and/or was an actual and constructive fraudulent conveyance; (c) insiders of SCI breached their fiduciary duties to SCI and its creditors through pursuing the 2007 Going Private Transaction; and (d) claims raised by the named defendants against the Debtors' estate should be equitably subordinated. ~~The entirety of the Committee's allegations are contained in~~

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The Committee Standing Motion is the result of the Committee's investigation, which investigation was not permitted to include any formal discovery, and did not include any opportunities to conduct witness interviews. The redacted versions of the Committee Standing Motion, ~~and the various supporting papers filed therewith, which are~~ supporting papers, and replies, are available on the Docket as Docket Nos. # 737-743, 746-748, 884-888, 894-899, 901. On July __, 2010, the Committee filed a supplement to the Standing Motion, which is available on the Docket as Docket No. __~~items 738 through 742, and 747~~. The Committee Standing

Motion was opposed by the Debtors (represented by Milbank),[6] Frank and Lorenzo Fertitta, the SLC, the Administrative Agent on behalf of the Prepetition Opco Lenders and the Mortgage Lenders. The oppositions are available on the Docket as items 807, 804, 826, and 828.

The Committee Standing Motion is currently sub judice.

2. *The Court Ruling on the Standing Motion*

At the conclusion of hearing on the Committee Standing Motion, the Bankruptcy Court elected to defer its ruling on the Committee Standing Motion until the time of the hearing on the Disclosure Statement.

I. Bidding Procedures for the New Opco Acquired Assets

An essential component of the Plan is the sale of the New Opco Acquired Assets (i.e. the assets of the Opco Group Sellers other than those assets that will be sold or transferred to Propco or New Propco and certain other excluded Assets) to the highest bidder in a sale process that will run contemporaneously with the solicitation of votes on the Plan, culminating in an auction shortly before the confirmation hearing on the Plan, but sufficiently in advance of the confirmation hearing so that the terms of the proposed sale to the highest bidder will be known and available for the Court's consideration and approval at the time of the confirmation hearing. The Debtors established a series of procedures by which bids for the New Opco Acquired Assets would be solicited and accepted, which the Court has approved in the Bidding Procedures Order (the "**Bidding Procedures**"). The Bidding Procedures were developed following consultation with the Debtors' legal and financial professionals. The Debtors believe that the adoption of the Bidding Procedures will provide interested parties with ample opportunity to formulate bids for the New Opco Acquired Assets and will facilitate the solicitation, submission and evaluation of bids for the New Opco Acquired Assets in a manner that will maximize the value of the New Opco Acquired Assets for the Debtors' Estates.

The Debtors have not subjected the New Propco Purchased Assets to a formal valuation or a market test and therefore the fair market value of the New Propco Assets is unknown.

[The Debtors must provide the value of the assets not included in the auction. The Debtors must describe what they intend to do with OpCo's joint ventures (e.g., Green Valley Ranch and Aliante) and any plans for distribution of the assets held by these joint ventures.[¶ III.I]

The Debtors, under the direction of SCI's independent director, and their advisors believe they are in a position to solicit interest in the New Opco Acquired Assets from all parties who may potentially have a serious interest in submitting bids. Among other things, the Bidding Procedures provide that:

- Potential Bidders shall have until June 30, 2010 to submit a preliminary letter of intent and certain other information necessary for the Debtors' to assess the Potential Bidders interest in and ability to consummate a transaction regarding the New Opco Acquired Assets;
- Potential Bidders that are designated Qualified Bidders shall have until the Bid Deadline, July 30, 2010, to submit to the Debtors their definitive bid materials, which shall include, among other things, a duly authorized and executed purchase agreement for the subject New Opco Acquired Assets that will serve as an irrevocable offer pending the Debtors' selection of a Successful Bidder for such assets;
- A Qualified Bid will be valued based upon several factors including, without limitation, items such as the amount of the purchase price, the type of consideration constituting the purchase price and the net value (including assumed liabilities and the other obligations to be performed or assumed by the

[6] PropCo, represented by Gibson, Dunn, did not file any independent opposition to the Committee Standing Motion.

bidder) provided by such bid, the claims likely to result from or be created by such bid in relation to other bids, the relative ability of the counterparties to the Sale proposed by the Qualified Bidder to consummate such Sale, the nature and extent of any proposed revisions to the Purchase Agreement, the effect of the proposed Sale on the value of the ongoing businesses of the Debtors (including ongoing relationships with customers and suppliers), other factors affecting the speed, certainty and value of the proposed Sale (including Nevada Gaming Commission, National Indian Gaming Commission or other regulatory or other approvals required to close the Sale), any assets excluded from the bid, the transition services required from the Debtors post-closing and any related restructuring costs, and the likelihood and timing of consummating such Sale (including an evaluation of closing conditions), each as determined by the Debtors following consultation with the Consultation Parties;

- If the Debtors do not receive any Qualified Bids, the Debtors shall proceed as set forth in the "No Qualified Bids" section of the Bidding Procedures which, among other things, reserve to the Debtors the right to terminate the sale process or extend the deadlines for receiving, evaluating and selecting a Successful Bid, in each case, subject to the terms of the Bidding Procedures;

- If multiple Qualified Bids are submitted for the same or for overlapping subsets of the New Opco Acquired Assets, the Debtors, under the direction of SCI's independent director, will conduct an auction under the supervision of the Court in accordance with the Bidding Procedures to determine the highest or otherwise best offer for such assets following competitive bidding;

- Subject to the terms of the Bidding Procedures, if the Debtors receive a single Qualified Bid, the Debtors reserve the right, in consultation with the Consultation Parties, to terminate the sale process or extend, subject to the terms hereof, the deadlines set forth in the Bidding Procedures without further notice in an effort to solicit and obtain competing Qualified Bids. Alternatively, Debtors may evaluate the single Qualified Bid on its own merit to determine whether such single Qualified Bid is a Successful Bid;

- Once a Successful Bid or Successful Bids are selected, the Debtors will promptly seek Court approval of the selected transaction(s) as part of the hearing on confirmation of the Joint Plan.

Following the Debtors' submission of the Bidding Procedures to the Court, further negotiations ensued amongst the Debtors, the Opco Agent, the Opco Steering Committee, the Mortgage Lenders, and FG. A revised version of the Bidding Procedures (the "Revised Bidding Procedures") was filed on April 19, 2010 [Docket No. 1214]. The Revised Bid Procedures reflect the following changes to the Bidding Procedures:

- The members of the Opco Steering Committee support the Revised Bidding Procedures.

- With the support of the Opco Steering Committee, the Revised Bidding Procedures reflect the adoption of a Stalking Horse Bid (as defined in the Revised Bidding Procedures) for the Opco Assets.

- The Stalking Horse Bid provides for a purchase price of $772,000,000 for the Opco Assets.

- The Stalking Horse Bidder is an entity owned in whole or in part by FG and the Mortgage Lenders.

- The Stalking Horse Bid shall be subject to overbids by Qualified Bidders, with initial letters of intent due June 30, 2010 and definitive bids due July 30, 2010.

- If the Stalking Horse Bidder is not the successful bid and an alternate bid is selected and consummated, the Stalking Horse Bidder shall be entitled to reimbursement of reasonable out-of-pocket expenses not to exceed $4 million, but will not be entitled to any break-up fee.

- The sale process contemplated by the Revised Bidding Procedures will be conducted by SCI, under the direction of SCI's independent director and in consultation with the Opco Agent, the Opco Steering Committee and the official committee of unsecured creditors appointed in the Chapter 11 Cases.

A hearing on the motion to approve the Revised Bidding Procedures was held on May 4 and 5, 2010. The Court deferred ruling on the motion in order to allow the Committee and the Independent Lenders to conduct further discovery and submit additional briefings regarding their opposition. Following an additional hearing on May 27, 2010, the Court granted the motion to approve the Revised Bidding Procedures on May 28, 2010. The Court found that Opco stands to receive significant benefits under the Revised Bidding Procedures, particularly by securing a stalking horse and in the resolution regarding the value of the Texas Put. The Court also found, among other things, that uncertainty on that matter would likely chill potential bids for the New Opco Acquired Assets.

Further, the Court found that the Revised Bidding Procedures were negotiated in good faith and at arm's length. The Order Establishing Bidding Procedures and Deadlines Relating to Sale Process for Substantially All of the Assets of Station Casinos, Inc. and Certain "Opco" Subsidiaries (the "**Bidding Procedures Order**") was entered on June 4, 2010 [Docket No. 1563].

J. Restructuring Support Agreement

The Joint Plan and the Plan Facilitation Motions were filed with the support of the Propco Lenders. In addition, the Propco Lenders and FG have entered into a plan support agreement of their own (the "**Propco PSA**") **[this term must be consolidated with the definition of the term "PropCo Lender Support Agreements" in ¶ I.B or clarification must be provided as to contents of each referenced agreement]** that sets forth their agreement to support the Joint Plan and to take certain actions to facilitate confirmation and consummation of the transactions contemplated by the Joint Plan. A copy of the Propco PSA will be included in the Plan Supplement. At the time the Plan and the motions to approve the Second Compromise Agreement and Bidding Procedures were filed (the "**Plan Facilitation Motions**"), the Debtors had the support of the Propco Lenders but did not have corresponding support from the Opco Lenders. The Opco Lenders had expressed their desire for a sale of the Opco Assets, but there was no agreement as to how the Opco Sale Process would be conducted, what the Excluded Assets would be and how they would be treated, or how the issues relating to the Second Compromise Agreement would be resolved (collectively, the "**Opco/Propco Separation Issues**"). To the contrary, the Opco Agent and Opco Lender Steering Committee informed the Debtors that the Plan Facilitation Motions would receive vigorous opposition from the Opco Agent and Opco Lender Steering Committee, as would the Plan, if the Opco/Propco Separation Issues were not resolved consensually and quickly.

The Debtors believe that resolution of the Opco/Propco Separation Issues was essential to the Debtors' efforts to proceed with a plan that maximizes value, preserves jobs and satisfies regulatory requirements. The Debtors further believe that a negotiated resolution of those issues that had the support of both the Propco Lenders and the Opco Lenders was critical, because complex and protracted litigation over the Opco/Propco Separation Issues would be extremely costly and would jeopardize both the Propco Restructuring and the Debtors' ability to conduct an orderly and value-maximizing Opco Sale Process. The Propco Lenders, in supporting the Plan Facilitation Motions, agreed with the Debtors' view, and the Opco Agent and Opco Lender Steering Committee also shared that view. Immediately after the Plan Facilitation Motions were filed, the parties undertook around-the-clock negotiations in a final attempt to try to reach acceptable resolutions of the Opco/Propco Separation Issues.

The parties' extraordinary efforts proved to be successful. On April 16, 2010, the members of the Opco Lender Steering Committee, the Opco Debtors and certain of SCI's non-debtor subsidiaries, FG and the FG

Principals entered into the Opco Lender Support Agreement. A copy of the Opco Lender Support Agreement will be included in the Plan Supplement. The Debtors' entry into the Opco Lender Support Agreement was expressly conditioned on receiving Court approval thereof, and the Debtors filed a motion seeking such Court approval on April 19, 2010 [Docket No. 1219]. Although the Court did not ultimately authorize the Debtors' entry into the Opco Lender Support Agreement, it remains in full force and effect with respect to the other parties thereto. In addition to agreement on the Opco Lender Support Agreement and the Term Sheet annexed thereto, the parties also reached agreement on revisions to the Bidding Procedures and the Second Compromise Agreement that will permit the Debtors to enjoy the support of the Opco Agent and the Opco Steering Committee for both of the Plan Facilitation Motions. The Propco PSA and Opco Lender Support Agreement are back-to-back support agreements that, taken in tandem, evidence the support of the Propco Lenders and the Opco Lenders Steering Committee for the reorganization path that has been chosen by the Debtors.

The Opco Lender Support Agreement serves two basic purposes: (a) it evidences the agreement of the Consenting Lenders to support the Plan and the Plan Facilitation Motions, as well as the continued use of cash collateral by Opco and its non-debtor subsidiaries and affiliates and the requested extension of the Debtors' exclusive right to file a plan, among other things; and (b) it sets forth the Consenting Lenders' agreement to the designation of the bid for the Opco Assets that has been submitted by FG and the Mortgage Lenders (together, the "**Purchaser**") as the stalking horse bid in the Opco Sale Process (the "**Stalking Horse Bid**"), subject to the terms of the Bid Procedures. The Opco Lender Support Agreement provides the framework for the Purchaser to acquire the Opco Assets and assume certain liabilities pursuant to the Term Sheet annexed to the Opco Lender Support Agreement (the "**Term Sheet**"). The Bidding Procedures unequivocally provide, however, that the Stalking Horse Bid will be subject to overbid pursuant to the terms and conditions of the Opco Sale Process. Accordingly, the Debtors believe that the Bidding Procedures and the conduct of the Opco Sale Process, each as modified, will maximize the value of the Opco Debtors' Estates, for the benefit of creditors of the Opco Debtors.

The Term Sheet sets forth the fundamental terms of the Stalking Horse Bid. The highlights of the bid are as follows:

- Purchase price of $772,000,000 for the Opco Assets.
- Purchase Price consists of $317 million in cash and $455 million in new debt.
- The new debt will be comprised of a $430 million term loan, secured by substantially all of the Opco Assets, and a $25 million land loan secured by Opco's existing unencumbered land parcels (other than the Wild Wild West property). The terms and conditions of the new loans are summarized in separate loan term sheets that are annexed to the Term Sheet.
- If the Stalking Horse Bidder is not the successful bid and an alternate bid is selected and consummated, the Stalking Horse Bidder shall be entitled to reimbursement of reasonable out-of-pocket expenses not to exceed $4 million and to the consensual transfer and purchase of the Excluded Assets on the terms and conditions set forth in the Revised Compromise Agreement, but will not be entitled to any break-up fee.

The Stalking Horse Bid has since been fully documented in the Stalking Horse APA. The Stalking Horse APA provided the Debtors and their estates with "downside" protection and a purchase price "floor" by locking in a $772 million bid for the Opco Assets. The Debtors anticipate that the modifications to the Bidding Procedures to incorporate the Stalking Horse Bid and the orderly auction process described above will greatly enhance the Opco Sale Process and the Debtors' efforts to maximize the value of the Opco Assets for the benefit of the Opco Debtors' Estates.

The Stalking Horse Bid will provide a recovery to the Prepetition Opco Secured Lenders of approximately 87%. That bid, however, will not be sufficient to generate recoveries for unsecured creditors. The Debtors believe there may be some unencumbered assets that do not serve as collateral for the Prepetition Opco Secured Claims, but the Debtors believe those assets likely are encumbered by the replacement liens and superpriority claims of the Prepetition Opco Secured Lenders under the Final DIP Order and are not of sufficient

value to generate any recovery for unsecured creditors. The Debtors nonetheless continue to analyze those assets to assess what value, if any, might be available for unsecured creditors.

A hearing on the Debtors' motion seeking Court approval of the Opco Lender Support Agreement was held on May 4 and 5, 2010. The Court deferred ruling on the motion in order to allow the Committee and the Independent Lenders to conduct further discovery and submit additional briefings regarding their opposition. Following an additional hearing on May 27, 2010, the Court denied the motion to approve Opco Lender Support Agreement on May 28, 2010, but that agreement remains binding among all of the non-Debtor parties thereto.

K. Extension of Exclusivity

After a fulsome hearing, the Court entered an order extending the Debtors' initial exclusive plan filing period from November 25, 2009 to March 25, 2010, and the initial exclusive plan solicitation period from January 24, 2010 to May 24, 2010 [Docket No. 703]. On April 7, 2010, the Debtors filed a motion seeking an additional extension of the exclusive plan solicitation period from May 24, 2010 to the dates on which the Court schedules confirmation hearings on the Plan [Docket No. 1172]. By order entered on May ____, 2010 [Docket No. _____], the Court granted the Debtors' request and extended the Debtors' exclusivity through the Confirmation Hearing Date, subject to the Exclusive Period being terminated by subsequent order of the Court for cause shown, whether such request for termination was brought by motion or made *sua sponte*.

L. Bar Date and Summary of Claims

1. *Schedules and Statements*

On October 20, 2009, the Debtors filed with the Bankruptcy Court their respective Statements of Financial Affairs and Schedules of Assets and Liabilities (collectively, as amended, the "**Schedules**").

2. *Bar Date*

By order dated November 20, 2009 (the "**Bar Date Order**"), pursuant to Bankruptcy Rule 3003(c)(3), the Bankruptcy Court set January 15, 2010 at 5:00 p.m. (prevailing Pacific time) (the "**Bar Date**"), as the date and time by which general proofs of claim were required to be filed by substantially all claimants of the Debtors. Unless specifically exempted by the Bar Date Order, all potential creditors were required to file proofs of claim notwithstanding section 1111(a) of Bankruptcy Code and Bankruptcy Rule 3003(c)(2), which generally requires a proof of claim be filed only with respect to prepetition claims that are not scheduled in the Debtors' Schedules or which is listed in the Schedules as disputed, contingent or unliquidated.

Notice of the Bar Date and a proof of claim form were mailed to (i) all creditors and other known holders of claims, including all creditors listed in the Debtors' Schedules; (ii) all parties to executory contracts and unexpired leases of the Debtors; (iii) all parties to litigation with the Debtors; (iv) all members of the Creditors' Committee; (v) all persons and entities included in the Debtors' Master Service List; and (vi) all persons and entities requesting notice pursuant to Bankruptcy Rule 2002 as of the entry of the Bar Date Order.

3. *Summary of Claims*

[SUMMARY OF CLAIMS REGISTER TO COME – DEBTORS MUST PROVIDE]

M. Financial Performance During the Chapter 11 Cases

[The Debtors must provide information regarding financial performance during the chapter 11 cases including a summary of accounts receivable and the collectability of the same.]

IV. THE PLAN

THIS SECTION DESCRIBING THE STRUCTURE AND MEANS FOR IMPLEMENTATION OF THE PLAN PROVIDES A SUMMARY OF THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN. THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT, TO THE EXHIBITS ATTACHED

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HERETO, AND TO THE PLAN SUPPLEMENT. IN THE EVENT OF ANY INCONSISTENCIES, THE PROVISIONS OF THE PLAN SHALL GOVERN.

THE PLAN ITSELF AND THE DOCUMENTS REFERRED TO THEREIN CONTROL THE ACTUAL TREATMENT OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS UNDER THE PLAN AND WILL, UPON THE EFFECTIVE DATE, BE BINDING UPON ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS.

Although the Chapter 11 Cases are jointly administered pursuant to an order of the Bankruptcy Court, the Debtors are not proposing the substantive consolidation of their respective bankruptcy estates. Thus, the Plan is really 18 distinct chapter 11 plans, one separate plan for each Debtor. However, because many of the procedural provisions of those separate plans are the same, and to save the Debtors' Estates the cost of duplicative efforts to draft multiple disclosure statements and separately solicit approval of multiple plans, the Debtors are submitting a single Plan and this Disclosure Statement.

A. Administrative Claims, Priority Tax Claims and Other Priority Claims

Pursuant to Bankruptcy Code section 1123(a)(1), the Claims against each of the Debtors set forth in this Article 2 are not classified within any Classes. The Holders of such Claims are not entitled to vote on the Plan. The treatment of the Claims set forth below is consistent with the requirements of Bankruptcy Code section 1129(a)(9).

The Chapter 11 Cases for each of the Debtors will not be substantively consolidated. Accordingly, Holders of unclassified Claims again a particular Debtor shall have their Claim allowed and treated in such respective Debtor's Estate. As such, for each category of unclassified Claims, a sub-category shall be deemed to exist for each Debtor.

1. **Administrative Claims**

[The Debtors must provide an estimate of all administrative expenses, including attorney's fees and financial advisor's fees.]

Except as otherwise provided herein, on the later of the Effective Date or the date on which an Administrative Claim becomes an Allowed Administrative Claim, or, in each such case, as soon as practicable thereafter, each Holder of an Allowed Administrative Claim other than the Holder of the DIP Facility Claims will receive, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim either (i) payment in full in Cash from the Debtor(s) against which the Administrative Claim is Allowed for the unpaid portion of such Allowed Administrative Claim; or (ii) such other less favorable treatment as agreed to in writing by such Holder.

Notwithstanding anything herein to the contrary but subject to the immediately following paragraph, to the extent applicable, all Allowed Administrative Claims (including, without limitation, professional fees and expenses, whether incurred on an hourly, monthly, "success" or other basis) shall be subject to an allocation among SCI and the Other Opco Debtors, on the one hand, and Propco, the Parent Debtors and the Mezzco Debtors, on the other hand, to ensure that the Allowed Administrative Claims are being allocated to the Debtor(s) that incurred the obligations or received the benefit thereof. Such allocation will be either acceptable to the Required Consenting Lenders and the Holders of the Prepetition Mortgage Loan Claims or ordered by the Bankruptcy Court following notice and a hearing; provided further that, any expense reimbursement payable pursuant to the Bid Procedures Order shall constitute an Allowed Administrative Claim against SCI and its Estate only.

Notwithstanding anything herein to the contrary, the Allowed Administrative Claim of Lazard Frères & Co. LLC (*"Lazard"*) for any *"Restructuring Fee"* (as that term is defined in the Order approving Lazard's retention [Docket No. 326] (the *"Lazard Retention Order"*)) as Debtors' financial advisor and investment banker shall be subject to the following allocation: (i) SCI and the Other Opco Debtors, shall be responsible for payment of half of the Restructuring Fee on the one hand, and (ii) Propco, the Parent Debtors and the Mezzco Debtors, shall be responsible for payment of the other half of the Restructuring Fee on the other hand. **[The Debtors must explain the methodology for the allocation of professional fees between the Propco and Opco entities, including but not limited to Lazard's fees.]** For the avoidance of doubt, none of Lazard's other fees, including without limitation

its Monthly Fees (as that term is defined in the Lazard Retention Order), shall be allocated, and SCI and the Other Opco Debtors shall remain obligated to pay such fees to the extent Allowed.

All Superpriority Claims under, and as defined in the Opco Cash Collateral Order, and any other Administrative Claims relating to SCI's adequate protection obligations arising under the Opco Cash Collateral Order shall be afforded the treatment set forth in Article III.B.4. under the heading "Prepetition Opco Secured Claims against SCI." All Administrative Claims relating to SCI's and Propco's respective adequate protection obligations arising under the Propco Cash Collateral Order shall be afforded the treatment set forth in Article III.B.2 under the hearing "Prepetition Mortgage Loan Claims against Propco."

The DIP Facility Claims held by Vista Holdings, LLC and Past Enterprises, Inc. shall receive no distribution under the Plan and shall be extinguished and discharged upon the Effective Date, without payment of any consideration.

(A) Bar Date for Administrative Claims

Except as otherwise provided in Section IV.A of the Plan, unless previously Filed or paid, requests for payment of Administrative Claims must be Filed and served on the Debtors pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than the Administrative Claims Bar Date. Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims but do not File and serve such a request by the Administrative Claims Bar Date shall be forever barred, estopped and enjoined from asserting such Administrative Claims and such Administrative Claims shall be deemed extinguished as of the Effective Date.

(B) Professional Compensation and Reimbursement Claims

Professionals or other Entities asserting a Professional Fee Claim for services rendered before the Effective Date must File an application for final allowance of such Professional Fee Claim against the applicable Debtor and its estate no later than the Professional Fees Bar Date; provided that any Professional who may receive compensation or reimbursement of expenses pursuant to the Ordinary Course Professionals Order may continue to receive such compensation and reimbursement of expenses for services rendered to the Debtors before the Effective Date in accordance with the terms of the Ordinary Course Professionals Order and without further Bankruptcy Court order.

2. **Priority Tax Claims**

The legal, equitable and contractual rights of the Holders of Priority Tax Claims are unaltered by the Plan. Subject to Article VIII of the Plan, on, or as soon as reasonably practicable after, the later of (i) the Effective Date or (ii) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Priority Tax Claim, at the election of the Debtors: (a) Cash in an amount equal to the amount of such Allowed Priority Tax Claim; (b) such other less favorable treatment as agreed to in writing by such Holder; or (c) pursuant to and in accordance with Bankruptcy Code sections 1129(a)(9)(C) and (D), Cash in an aggregate amount of such Allowed Priority Tax Claim payable in regular installment payments over a period ending not more than five years after the Petition Date; provided, further, that Priority Tax Claims incurred by the Debtors in the ordinary course of business may be paid in the ordinary course of business in accordance with such applicable terms and conditions relating thereto in the discretion of the Debtors or the Plan Administrator without further notice to or order of the Bankruptcy Court.

3. **Other Priority Claims**

Each Allowed Other Priority Claim, if any, shall, in full and final satisfaction of such Claim, be paid in full in Cash by the applicable Debtor or Plan Administrator upon the latest of: (i) the Effective Date or as soon thereafter as practicable; (ii) such date as may be fixed by the Bankruptcy Court; (iii) the eleventh (11th) Business Day after such Claim is Allowed; and (iv) such date as agreed upon by the Holder of such Claim and the applicable Debtor.

Voting: Class M1.3 is Impaired. The Holders of Class M1.3 Claims will not receive any distributions from any of the Debtors' Estates and therefore are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Consequently, the Holders of Class M1.3 Claims are not entitled to vote to accept or reject the Plan.

Class M1.4 — Equity Interests In FCP MezzCo Borrower I, LLC

Treatment: On the Effective Date, all Equity Interests in FCP MezzCo Borrower I, LLC shall be deemed to be surrendered to the Holders of Mezz II Loan Claims in satisfaction of its pledge of those Equity Interests. Immediately upon such surrender, those Equity Interests shall be cancelled and extinguished. Holders of Class M1.4 Equity Interests shall not receive or retain any other property from any Debtor on account of their Claims under the Plan.

Voting: Class M1.4 is Impaired, and the Holders of Class M1.4 Equity Interests are deemed to have rejected the Plan.

4. **Claims and Equity Interests Against SCI**

Class S.1 – Other Secured Claims against SCI

Classification: Each Class S.1 Claim is an Other Secured Claim. This Class will be further divided into subclasses designated by letters of the alphabet (Class S.1A, Class S.1B and so on), so that each holder of any Other Secured Claim against this Debtor is in a Class by itself, except to the extent that there are Other Secured Claims that are substantially similar to each other and may be included within a single Class.

Treatment: The legal, equitable and contractual rights of the Holders of Class S.1 Claims are unaltered by the Plan. Subject to Article VIII hereof, on, or as soon as reasonably practicable after, the later of the Effective Date or the date on which such Class S.1 Claim becomes an Allowed Claim, each Holder of an Allowed Class S.1 Claim shall either (at the election of the Debtor): (a) receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class S.1 Claim, payment in full in Cash; or (b) otherwise be left Unimpaired through assumption of such Claim and retention of all existing liens to secure such Claim, in either case upon the latest of: (i) the Effective Date or as soon thereafter as practicable; (ii) such date as may be fixed by the Bankruptcy Court; (iii) the eleventh (11th) Business Day after such Claim is Allowed; and (iv) such date as agreed upon by the Holder of such Claim and the applicable Debtor.

Voting: Class S.1 is an Unimpaired Class, and the Holders of Class S.1 Claims are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class S.1 Claims are not entitled to vote to accept or reject the Plan.

Class S.2 – Prepetition Opco Secured Claims against SCI

Allowance: On the Effective Date, the Prepetition Opco Secured Claims shall be deemed Allowed in the aggregate principal amount of not less than [$_____], plus all interest accrued and unpaid thereon as of the Effective Date, and all unpaid fees, costs, expenses and other charges, claims and obligations (including indemnification claims) required to be paid or reimbursed, as applicable, pursuant to the Prepetition Opco Credit Agreement and the Prepetition Opco Swap Agreement. To the extent the value of the Collateral securing Prepetition Opco Secured Claims is less than the amount of those Claims, such deficiency shall be classified as a General Unsecured Claim in Class S.4.

Treatment: On the Effective Date, Holders of Allowed Claims arising under the Prepetition Opco Credit Agreement and the Prepetition Opco Swap Agreement shall receive on account, and in full satisfaction, of those Claims and their Superpriority Claims (as defined in the Opco Cash

Collateral Order) and any other Administrative Claims arising under the Opco Cash Collateral Order, their respective Pro Rata shares of:

(a) If the Stalking Horse Bidder is the Successful Bidder (with capitalized terms having the meanings ascribed to them in the Stalking Horse APA):

(1) an amount in cash equal to $317 million, plus the Gun Lake Reimbursement proceeds in excess of $20 million, less the Excess AMT Amount, if any, less the Super Priority Principal Amount if the Stalking Horse Bidder has made the Super Priority Notes Election pursuant to the terms of the Stalking Horse APA;

(2) $430 million in aggregate principal amount of term loans less the Gun Lake Reimbursement proceeds in excess of $20 million, which term loans shall be subject to the terms of the New Opco Credit Agreement; provided that notwithstanding anything herein to the contrary, letters of credit issued and that remain undrawn under the Prepetition Opco Credit Agreement shall be replace or backstopped by letters of credit issued under the New Opco Credit Agreement;

(3) $25 million in aggregate principal amount of term loans, which shall be subject to the terms of the New Opco PIK Credit Agreement; and

(4) if the Stalking Horse has made the Super Priority Notes Election pursuant to the terms of the Stalking Horse APA, then Deutsche Bank Trust Company Americas and JP Morgan Chase Bank, N.A., in their capacities as Prepetition Opco Secured Lenders, have consented to receive, and shall receive on the Effective Date, the Super Priority Notes in the Super Priority Principal Amount in lieu of their Pro Rata Share of Cash under clause (1) above.

(b) If the Successful Bidder is a Person other than the Stalking Horse Bidder:

[SUPPLEMENTAL DISCLOSURE TO COME FOLLOWING OPCO AUCTION]

Voting: Class S.2 is Impaired, and Holders of Class S.2 Claims are entitled to vote to accept or reject this Plan.

Reserved Claims: SCI reserves the right to set off against distributions to be made under this Section III.B.4 to any Non-Funding Lender (as defined in the Opco Cash Collateral Order) any amounts recoverable by SCI on account of any Reserved Claims (as defined in the Opco Cash Collateral Order) against any such Non-Funding Lender.

Class S.3 – Master Lease Rejection Damage Claim against SCI

Treatment: On the Effective Date, Propco, in its capacity as Holder of the Master Lease Rejection Damage Claim, shall receive from SCI and the Operating Subtenants a transfer of all of the Master Lease Collateral in full satisfaction of the secured portion of the Master Lease Rejection Damage Claim. If the Stalking Horse Bid is the Successful Bid, Propco will not receive any other distributions on account of its Allowed Class S.3 Claim.

Voting: Class S.3 is Impaired and Holders of Class S.3 Claims are entitled to vote to accept or reject the Plan.

Class S.4 – General Unsecured Claims against SCI

Treatment: If the Stalking Horse Bid is the Successful Bid, the Holders of Class S.4 Claims will not receive any distributions from any of the Debtors' Estates on account of those Claims. If the

Stalking Horse Bid is not the Successful Bid, this Plan will be modified as appropriate to incorporate the terms of the Successful Bid.

Voting: Holders of Class S.4 Claims are not expected to receive or retain any property under the Plan. Class S.4 is therefore deemed to have rejected this Plan pursuant to Bankruptcy Code section 1126 (g), and the Holders of Class S.4 Claims are not entitled to vote to accept or reject this Plan.

Class S.5 – Senior Notes Claims against SCI

Treatment: If the Stalking Horse Bid is the Successful Bid, the Holders of Class S.5 Claims will not receive any distributions from any of the Debtors' Estates on account of those Claims. If the Stalking Horse Bid is not the Successful Bid, this Plan will be modified as appropriate to incorporate the terms of the Successful Bid.

Voting: Holders of Class S.5 Claims are not expected to receive or retain any property under the Plan. Class S.5 therefore is deemed to have rejected this Plan pursuant to Bankruptcy Code section 1126(g), and the Holders of Class S.5 Claims are not entitled to vote to accept or reject this Plan.

Class S.6 – Subordinated Notes Claims against SCI

Treatment: If the Stalking Horse Bid is the Successful Bid, the Holders of Class S.6 Claims will not receive any distributions from any of the Debtors' Estates on account of those Claims. If the Stalking Horse Bid is not the Successful Bid, this Plan will be modified as appropriate to incorporate the terms of the Successful Bid.

Voting: Holders of Class S.6 Claims are not expected to receive or retain any property under the Plan. Class S.6 therefore is deemed to have rejected this Plan pursuant to Bankruptcy Code section 1126(g), and the Holders of Class S.6 Claims are not entitled to vote to accept or reject this Plan.

Class S.7 – Mortgage Lender Claims against SCI

Treatment: If the Stalking Horse Bid is the Successful Bid, the Holders of Class S.7 Claims will not receive any distributions from any of the Debtors' Estates on account of those Claims. If the Stalking Horse Bid is not the Successful Bid, this Plan will be modified as appropriate to incorporate the terms of the Successful Bid.

[The Debtors must explain the basis for Class S.7 being separately classified from the unsecured claims in Class S.4.]

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Voting: Holders of Class S.7 Claims are not expected to receive or retain any property under the Plan. Class S.7 therefore is deemed to have rejected this Plan pursuant to Bankruptcy Code section 1126(g), and the Holders of Class S.7 Claims are not entitled to vote to accept or reject this Plan.

Class S.8 – Intercompany Claims against SCI

Treatment: Holders of Class S.8 Claims shall not receive or retain any property on account of their Claims under this Plan.

Voting: Class S.8 is Impaired. The Holders of Class S.8 Claims will not receive any distributions from any of the Debtors' Estates and therefore are conclusively deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Consequently, the Holders of Class S.8 Claims are not entitled to vote to accept or reject this Plan.

Classification: Each Class TS.1 Claim is an Other Secured Claim. This Class will be further divided into subclasses designated by letters of the alphabet (Class TS.1A, Class TS.1B and so on), so that each holder of any Other Secured Claim against this Debtor is in a Class by itself, except to the extent that there are Other Secured Claims that are substantially similar to each other and may be included within a single Class.

Treatment: The legal, equitable and contractual rights of the Holders of Class TS.1 Claims are unaltered by the Plan. Subject to Article VIII hereof, on, or as soon as reasonably practicable after, the later of the Effective Date or the date on which such Class TS.1 Claim becomes an Allowed Claim, each Holder of an Allowed Class TS.1 Claim shall either (at the election of the Debtor): (a) receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Class TS.1 Claim, payment in full in Cash; or (b) otherwise be left Unimpaired through assumption of such Claim and retention of all existing liens to secure such Claim, in either case upon the latest of: (i) the Effective Date or as soon thereafter as practicable; (ii) such date as may be fixed by the Bankruptcy Court; (iii) the eleventh (11th) Business Day after such Claim is Allowed; and (iv) such date as agreed upon by the Holder of such Claim and the applicable Debtor.

Voting: Class TS.1 is an Unimpaired Class, and the Holders of Class TS.1 Claims are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class TS.1 Claims are not entitled to vote to accept or reject the Plan.

Class TS.2 – Prepetition Opco Credit Agreement Claims Against Tropicana Station, LLC

Treatment: Same treatment as that provided for Allowed Class S.2 Claim Holders under Section III.B.4 above.

Voting: Class TS.2 is Impaired, and Holders of Class TS.2 are entitled to vote to accept or reject this Plan.

Class TS.3 – General Unsecured Claims against Tropicana Station, LLC

Treatment: If the Stalking Horse Bid is the Successful Bid, the Holders of Class TS.3 Claims will not receive any distributions from any of the Debtors' Estates on account of those Equity Interests. If the Stalking Horse Bid is not the Successful Bid, this Plan will be modified as appropriate to incorporate the terms of the Successful Bid.

Voting: Holders of Class TS.3 Claims are not expected to receive or retain any property under the Plan. Class TS.3 therefore is deemed to have rejected this Plan pursuant to Bankruptcy Code section 1126(g), and the Holders of Class TS.3 Claims are not entitled to vote to accept or reject this Plan.

Class TS.4 – Equity Interests in Tropicana Station, LLC

Treatment: If the Stalking Horse Bid is the Successful Bid, the Holders of Class TS.4 Equity Interests will not receive any distributions from any of the Debtors' Estates on account of those Claims. If the Stalking Horse Bid is not the Successful Bid, this Plan will be modified as appropriate to incorporate the terms of the Successful Bid.

Voting: Class TS.4 is Impaired. Holders of Allowed Class TS.4 Equity Interests are entitled to vote to accept or reject the Plan.

C. Means For Implementation of the Plan

1. **Transfers Under the Plan, Generally.**

As described in detail below, implementation of the Plan will include, among other things, numerous conveyances, assignments, transfers and deliveries among various parties. All conveyances, assignments, transfers and deliveries to any transferee pursuant to the transactions described under Section V.B.3, Section V.B.4, Section V.B.5, Section V.B.7 and Section V.B.8 below shall be made, and such assets shall vest in the applicable transferee, free and clear of all Liens, Claims, Equity Interests, and any other interests asserted by the Debtors, any creditors of the Debtors, or other Persons (including, without limitation, any Liens, Claims, Equity Interests, or other interests, whether presently known or unknown, in any way relating to or arising from the operations of the Debtors prior to the Effective Date), in accordance with and as contemplated by, among others, sections 105(a), 363, 1123 and 1129 of the Bankruptcy Code, save and excepting any specific obligations expressly undertaken by such transferee or its designee in the Plan or in any document to which such transferee is a party (including the New Opco Purchase Agreement) and which is necessary for Consummation of the Plan. No such transferee or any of its Subsidiaries, creditors or equity holders shall be or be deemed to be a successor of any of the Debtors or any of the Non-Debtor Affiliates by reason of any theory of law or equity and shall not have any successor or transferee liability of any kind, nature or character, including liabilities arising or resulting from or relating to the transactions contemplated hereby.

The transactions consummated pursuant to the Plan, the New Opco Purchase Agreement, the New Propco Purchase Agreement, the New Propco Transfer Agreement and the Landco Asset Transfer Agreement shall not constitute a de facto merger, or a merger, as between any Debtors or any of the Non-Debtor Affiliates and any transferee pursuant to the Plan, the New Opco Purchase Agreement, the New Propco Purchase Agreement, the New Propco Transfer Agreement and the Landco Asset Transfer Agreement under any applicable law (including Nevada law)..

Except for any specific obligations expressly undertaken by such transferee or its designee(s) in the Plan or in any agreement or other document to which such transferee or designee is a party and which is entered into in connection with the Consummation of the Plan, none of such transferee, Holdco, Voteco, New Propco or its Subsidiaries, New Opco or its Subsidiaries, the Mortgage Lenders, the Landco Lenders, the Successful Bidder, any of the Subsidiaries of the Successful Bidder or any of their respective designees or affiliates shall have any liability, obligation or responsibility with respect to any Claims against or Equity Interests in any of the Debtors or any of the Non-Debtor Affiliates, including without limitation any amounts owed by the Debtors to holders of Claims or Equity Interests or any obligations of the Debtors pursuant to the Plan.

After the Effective Date, each such transferee and its designated subsidiaries will own the assets conveyed to it and operate its business and manage its affairs free of any restrictions contained in the Bankruptcy Code. The terms, provisions and conditions of the agreements governing the transactions described in Section V.B.3, Section V.B.4, Section V.B.5, Section V.B.7 and Section V.B.8 below shall govern the obligations of the Debtors and the other parties thereto and to the extent inconsistent with the Plan, such agreements shall control.

Without further approvals or notice, the Debtors, the Administrative Agent and any other applicable Person shall have the power and authority to terminate and discharge (and to consent to terminate and discharge) Liens on any assets to effectuate the terms hereof and the terms of the New Opco Purchase Agreement and the New Propco Purchase Agreement on the Effective Date; provided, that such order shall not provide that the sale of any property that constitutes New Opco Acquired Assets is free and clear of any environmental liability imposed by a Governmental Unit arising from or related to such property to the extent that the Bankruptcy Court determines that such property cannot be sold to the Successful Bidder free and clear of such liability pursuant to the Bankruptcy Code.

2. **Plan Transactions.**

The following transactions shall be consummated as specified below in the order specified below or in such other order as is set forth in the Plan Supplement:

(A) Formation of New Propco Entities.

On or prior to the Effective Date, Holdco, Voteco, New Propco and the following direct or indirect Subsidiaries shall be formed for the purpose of acquiring all of New Propco Acquired Assets and all of the equity interests in CV Propco, LLC as owner of the Landco Assets. New Boulder LLC, New Red Rock LLC, New Palace,

LLC, New Sunset, LLC, New Tropicana, LLC, and New Landco Holdco, LLC. (The legal names of these entities may differ from the names specified herein.)

(B) Subsidiary Bankruptcy Filings

To the extent required under the New Opco Purchase Agreement, the New Propco Purchase Agreement, the New Propco Transfer Agreement, the Landco Asset Transfer Agreement or otherwise necessary to Consummate the Plan and the sale of the New Opco Acquired Assets or the sale or transfer of the New Propco Acquired Assets hereunder, following the entry of the Confirmation Order, certain or all of the Non-Debtor Affiliates that are direct or indirect subsidiaries of SCI, all of which are Opco Group Sellers, shall commence voluntary chapter 11 cases in the Bankruptcy Court for the purpose of effectuating the sale of all or a portion of their assets pursuant to and in accordance with the New Opco Purchase Agreement and the Second Amended MLCA, the New Propco Purchase Agreement or the New Propco Transfer Agreement, as the case may be.

[The Debtors should disclose the information contained in the APA regarding future subsidiary filings and whether any subsidiaries are anticipated to file for bankruptcy irrespective of who is the Successful Bidder.]

(C) Transfer of Master Lease Collateral to Propco.

On the Effective Date, pursuant to the New Propco Transfer Agreement, SCI and any Non-Debtor Affiliates (including the Operating Subtenants) that own assets that are included in the Master Lease Collateral shall convey, assign, transfer and deliver all such assets to Propco in satisfaction of Propco's lien on such assets under the Master Lease and License and in partial satisfaction of the Master Lease Rejection Damage Claim.

(D) Landco Assets.

On or prior to the Effective Date, pursuant to the Landco Assets Transfer Agreement and the Second Amended MLCA: (a) all of the Landco Assets not then owned by CV Propco, LLC shall be conveyed, assigned, transferred and delivered to CV Propco, LLC; and (b) all of the equity interests in CV Propco, LLC shall be conveyed, assigned, transferred and delivered by CV Holdco, LLC to the designee of the Landco Lenders, subject to the New Land Loan Agreement.

(E) Transfer of New Propco Transferred Assets from Propco to New Propco Entities.

On the Effective Date, in accordance with the Second Amended MLCA and pursuant to the New Propco Transfer Agreement and in implementation of the distributions to the Mortgage Lenders provided for in Section III.B.2 above on account of their Allowed Class P.2 Claims, all of the New Propco Transferred Assets shall be conveyed, assigned, transferred and delivered to New Propco or any of its designated Subsidiaries, each in their capacities as designee of the Mortgage Lenders.

(F) Mezzco Debtors.

On the Effective Date, the distributions to the holders of Class M5.2 Claims, Class M4.1 Claims, Class M3.1 Claims, Class M2.1 Claims and Class M1.1 Claims provided for in Section III.B.3(e) through Section III.B.3(h) shall be made, and the Equity Interests so distributed shall be cancelled and extinguished as provided for in such Sections.

(G) Transfer of New Propco Purchased Assets from Opco Entities to New Propco Entities.

On the Effective Date and subject to the receipt by the Holders of the Prepetition Opco Secured Claims consideration set forth in Section III.B.4, pursuant to the Second Amended MLCA and the New Opco Purchase Agreement (if the Stalking Horse Bidder is the Successful Bidder) or the New Propco Purchase Agreement (if the Stalking Horse Bidder is not the Successful Bidder), for good and valuable consideration set forth in the Second Amended MLCA, all of the New Propco Purchased Assets shall be sold, conveyed, assigned, transferred and delivered to New Propco or its applicable designated Subsidiaries.

(H) Transfer of New Opco Acquired Assets to New Opco.

On the Effective Date and subject to the Holders of the Prepetition Opco Secured Claims receipt of the consideration set forth in Section III.B.4, for good and valuable consideration, all of the New Opco Acquired Assets shall be sold, conveyed, assigned, transferred and delivered to the Successful Bidder or its designee(s) pursuant to and in accordance with the New Opco Purchase Agreement. To the extent necessary to effectuate distributions to Holders of Claims or Equity Interests in SCI or the Other Opco Debtors under this Plan, the Bankruptcy Court shall determine an appropriate allocation of the New Opco Plan Consideration among the New Opco Acquired Assets.

(I) License of IP Assets to New Propco.

If the Successful Bidder is any Person or Persons other than the Stalking Horse Bidder, to the extent required by the Second Amended MLCA on the Effective Date the Successful Bidder shall license the IP Assets to New Propco and its designated subsidiaries pursuant to the IP License Agreement.

(J) New Propco Transactions in Connection with Receipt of New Propco Acquired Assets.

In connection with Consummation of the Plan and New Propco's receipt of the New Propco Acquired Assets, Voteco, Holdco and New Propco will enter into or cause to be entered into a number of agreements and transactions designed to allow New Propco to operate the New Propco Acquired Assets as a going concern business. Those agreements and transactions will include, without limitation, the following:

a. The New Propco LLCA.

b. The New FG Management Agreement.

c. The New Propco Credit Agreement.

d. The IP License Agreement.

e. The New Propco Non-Compete Agreement.

[The Debtors must provide copies of these agreements or information regarding the contents of such agreements.]

(K) New Propco Employment Related Matters

Upon or promptly following the Effective Date of the Plan, New Propco contemplates taking steps to mitigate the impact on SCI employees of the restructuring process. Specifically, New Propco plans to make offers of employment to SCI's hourly employees (a) at not less than the same hourly wage rate and position in effect for the respective employee immediately prior to the Effective Date, (b) with substantially similar benefits as the current Section 401(k) plan of SCI, and (c) with health and welfare benefits that in the aggregate are substantially similar to those provided by SCI under its broad-based employee benefit plans in effect immediately prior to the Effective Date.

(L) New Opco Transactions in Connection with Receipt of New Opco Acquired Assets.

In connection with Consummation of the Plan and New Opco's receipt of the New Opco Acquired Assets, New Opco will enter into or cause to be entered into a number of agreements and transactions designed to allow New Opco to operate the New Opco Acquired Assets as a going concern business. Those agreements and transactions will include, without limitation, the following:

a. The New Opco Credit Agreement.

b. The New Opco PIK Credit Agreement.

c. The New FG Management Agreement.

d. The IP License Agreement.

[The Debtors have must provide copies of these agreements or information regarding the contents of such agreements.]

(M) The New Opco Credit Agreement and the New Opco PIK Credit Agreement

The collateral agent under the New Opco Credit Agreement and the New Opco PIK Credit Agreement shall have valid, binding and enforceable liens on the collateral specified in the relevant agreements executed by New Opco and its Subsidiaries in connection with the New Opco Credit Agreement and the New Opco PIK Credit Agreement. The guarantees, mortgages, pledges, liens and other security interests granted pursuant to the New Opco Credit Agreement and the New Opco PIK Credit Agreement are granted in good faith as an inducement to the lenders to extend credit thereunder and shall be, and hereby are, deemed not to constitute a fraudulent conveyance or fraudulent transfer, shall not otherwise be subject to avoidance, and the priorities of such liens and security interests shall be as set forth in the definitive documentation executed in connection therewith. The New Opco Credit Agreement and the New Opco PIK Credit Agreement together with all notes, documents or agreements delivered in connection therewith shall be valid, binding and enforceable in accordance with their terms on and after the Effective Date. Notwithstanding anything to the contrary in this Confirmation Order or the Plan, the Court's retention of jurisdiction shall not govern the enforcement of the loan documentation executed in connection with the New Opco Credit Agreement and the New Opco PIK Credit Agreement or any rights or remedies related thereto.

(N) Second Amended MLCA

If the Stalking Horse Bidder is the Successful Bidder, then, notwithstanding anything to the contrary in the Second Amended MLCA, the entry of the Confirmation Order will not automatically trigger a Transition Event and the obligation of SCI and its Subsidiaries to provide transition services thereunder shall be suspended (other than such services as are required during the "Deferral Period" (as defined therein)) and the "Deferral Period" shall be deemed to continue for all purposes under the Second Amended MLCA, including with respect to the payment of Reduced Rent, and the Initial Transition Services Period shall not be deemed to commence, until the date on which a Transition Event (other than due solely to the occurrence of the Confirmation Date) occurs.

3. **Total Consideration Exchanged in Restructuring Transactions**

[The Debtors must disclose the total consideration exchanged by the Debtors in the restructuring transactions contemplated by the Plan.]

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D. Comprehensive Settlement And Releases

As expressly set forth in the Plan, pursuant to Bankruptcy Code section 1123 and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan, including the exculpation and release provisions contained in Article X of the Plan, constitute a good faith compromise and settlement of all Claims or controversies relating to the rights that a Holder of a Claim or Interest may have with respect to any Claim or Interest against any Debtor, any distribution to be made pursuant to the Plan on account of any such Claim or Interest, and any and all Claims or Causes of Action of any party arising out of or relating to the Going Private Transaction and all transactions relating thereto. The entry of the Confirmation Order constitutes the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such Claims, Interests or controversies and the Bankruptcy Court's finding that all such compromises or settlements are in the best interests of (x) the Debtors and their respective Estates, the Non-Debtor Affiliates and any of their respective property, and (y) Claim and Interest Holders, and are fair, equitable and reasonable. Any distributions to be made pursuant to the Plan shall be made on account of and in consideration of this comprehensive settlement, which, upon the Effective Date, the settlement shall be binding on all Persons, including the Debtors and their respective Estates, the Non-Debtor Affiliates, all Holders of Claims or Interests (whether or not Allowed), and all Persons entitled to receive any payments or other distributions under the Plan.

E. Gaming Regulatory Compliance

To the extent the distribution of any Plan Consideration under the Plan requires the approval of the Nevada Gaming Commission or other gaming regulatory authorities, including any distribution, issuance or sale to any entity required to be found suitable by the Nevada Gaming Commission or other gaming regulatory authorities, such Plan Consideration will not be distributed, issued or sold until such time as such finding of suitability has been made or the Nevada Gaming Commission or other gaming regulatory authorities have approved such distribution as applicable.

F. Officers of New Propco and New Opco

[The Debtors must provide the identity and compensation of the officers and directors of the reorganized debtors.]

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G. Cancellation of Existing Securities and Agreements

Pursuant to the Plan, on the Effective Date, any document, agreement or Instrument evidencing a Claim or Equity Interest, other than (a) a Claim that is reinstated and rendered unimpaired under the Plan or (b) Equity Interest held by a Debtor in another Debtor other than equity interests held by the Opco Debtors in the Propco Debtors will be deemed cancelled without further act or action under any applicable agreement, law, regulation, order or rule and the obligations of the Debtors under such documents, agreements or Instruments evidencing such Claims and Equity Interest, as the case may be, will be discharged.

H. Surrender of Securities

Unless otherwise provided in the Plan, as a condition precedent to receiving any distribution under the Plan, each registered holder of a [__] (or other Instrument evidencing a [___]) must surrender to the Debtors or the applicable [Trustee] all Instruments or other documents representing or evidencing such Claim. Any holder of a Claim that fails to (i) surrender such Instrument or (ii) execute and deliver to the Disbursing Agent an affidavit of loss and/or indemnity reasonably satisfactory to the Debtors by the later to occur of (a) the first Effective Date Anniversary and (b) six months following the date such holder's Claim becomes an Allowed Claim, will be deemed to have forfeited all rights and Claims with respect thereto, may not participate in any distribution under the Plan on account thereof, and all Cash, securities and other property owing with respect to such Allowed Claims will be retained by [_____] and any equity securities owing with respect to such Allowed Claims will be cancelled and be of no further force of effect.

I. Provisions for Resolving and Treating Disputed Claims

If any portion of a Claim is Disputed, no payment or distribution provided under the Plan will be made on account of that Claim unless and until, and only to the extent, such Claim becomes Allowed. At the time that a Disputed Claim becomes an Allowed Claim, the holder of that Allowed Claim will be entitled to receive a distribution equal in percentage of recovery to the distribution(s) made to date on previously-allowed Allowed Claims of the same priority without interest.

1. *Objections*

As of the Effective Date, the Plan Administrator will have the right, to the exclusion of all others (except as to applications for allowances of compensation and reimbursement of expenses under sections 328, 330, 331 and 503 of the Bankruptcy Code), to make, file and prosecute objections to Claims. The Debtors will serve a copy of each objection upon the holder of the Claim to which the objection is made as soon as practicable (unless such Claim was already the subject of a valid objection by the Debtors), but in no event will the service of such an objection be later than 120 days after the Effective Date, unless such date is extended by order of the Bankruptcy Court. The Bankruptcy Court, for cause, may extend the deadline on the *ex parte* request of the Debtors.

2. *Estimation of Claims*

The Plan Administrator may, at any time, request the Bankruptcy Court to estimate any Claim, pursuant to section 502(c) of the Bankruptcy Code, regardless of whether the Plan Administrator previously has objected to such Claim, and the Bankruptcy Court will retain jurisdiction to estimate any Claim, at any time, including during litigation concerning any objection to such Claim. In the event that the Bankruptcy Court estimates any Disputed Claim, that estimated amount may constitute either the Allowed amount of such Claim or a maximum limitation on the Allowed amount of such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the Allowed amount of such Claim, the applicable Plan Administrator may elect to pursue any supplemental proceedings to object to any ultimate payment of such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another.

3. *Other Provisions Relating to Disputed Claims*

If, on or after the Effective Date, any Disputed Claim (or portion thereof) becomes an Allowed Claim, the applicable Plan Administrator will, as soon as practicable following the date on which the Disputed Claim becomes an Allowed Claim, except as otherwise provided in the Plan, distribute to the holder of such Allowed Claim an amount, without any interest thereon, that provides such holder with the same percentage recovery, as of the Effective Date, as holders of Claims in the class that were Allowed on the Effective Date.

To the extent that a Disputed Claim is expunged or reduced, the holder of such Claim will not receive any distribution on account of the portion of such Claim that is disallowed. Any Disputed Claim, for which a proof of claim has not been deemed timely filed as of the Effective Date, will be disallowed.

J. Treatment of Executory Contracts and Unexpired Leases

The Bankruptcy Code grants the Debtors the power, subject to the approval of the Bankruptcy Court, to assume or reject executory contracts and unexpired leases. If an executory contract or unexpired lease is rejected, the counterparty to such executory contract or unexpired lease may file a claim for damages incurred by reason of the rejection. In the case of rejection of leases of real property, damage claims are subject to certain limitations imposed by the Bankruptcy Code. To assume an executory contract or an unexpired lease, the debtor may be required cure all outstanding defaults (a "**Cure Amount**") (subject to certain exceptions) and provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code). If there is a dispute regarding (i) the nature or size of any Cure Amount; (ii) the ability of the Debtors or any assignee to provide adequate assurance of future performance under the contract or lease to be assumed; or (iii) any other matter pertaining to assumption, the Cure Amount will occur following the entry of a Final Order resolving the dispute and approving the assumption (or assumption and assignment, as the case may be).

The Plan provides that, on the Effective Date, all Executory Contracts and Unexpired Leases identified on the Schedule of Executory Contracts and Unexpired Leases To Be Assumed will be deemed assumed by the applicable Debtor in accordance with, and subject to, the provisions and requirements of Sections 365 and 1123 of the Bankruptcy Code. The Plan further provides that, on the Effective Date, any Executory Contract or Unexpired Lease will be deemed rejected if such Executory Contract or Unexpired Lease: (a) is not listed on the Schedule of Executory Contracts and Unexpired Leases To Be Assumed; (b) has been rejected by order of the Bankruptcy Court; (c) is the subject of a motion to reject pending on the Effective Date; (d) is identified in the Plan Supplement as a contract or lease to be rejected; (e) is rejected pursuant to the terms of this Plan; (e) expired by its own terms on or prior to the Effective Date; or (f) has not been assumed or is not the subject of a motion to assume pending on the Effective Date.

The Debtors reserve the right, on or prior to the Effective Date, to (i) modify the Cure Amount for any executory contract or unexpired lease set forth in the Schedule of Executory Contracts and Unexpired Leases To Be Assumed or (ii) amend such Schedule to add or delete any executory contract or unexpired lease, in which event such executory contract(s) or unexpired lease(s) will be deemed to be, respectively, assumed or rejected. The Debtors will provide notice of any amendments to the Schedule to the parties to the executory contracts and unexpired leases affected thereby. The listing of a document on the Schedule of Executory Contracts and Unexpired Leases To Be Assumed will not constitute an admission by the Debtors that such document is an executory contract or an unexpired lease or that the Debtors have any liability thereunder.

Unless otherwise specified on the Schedule of Executory Contracts and Unexpired Leases To Be Assumed, each executory contract and unexpired lease listed or to be listed therein will include modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease, without regard to whether such agreement, instrument or other document is listed on the Schedule of Executory Contracts and Unexpired Leases To Be Assumed.

Unless and as otherwise provided by a prior order to the Bankruptcy Court, in the event any Debtor proposes to assign an Executory Contract or Unexpired Lease, at least twenty (20) days prior to the Confirmation Hearing, the Debtors shall serve upon counterparties to such Executory Contracts and Unexpired Leases, a notice of the proposed assumption and assignment, which will: (a) list the applicable cure amount, if any; (b) identify the party to which the Executory Contract or Unexpired Lease will be assigned; (c) describe the procedures for filing objections thereto; and (d) explain the process by which related disputes will be resolved by the Bankruptcy Court. Any applicable cure amounts shall be satisfied, pursuant to Section 365(b)(1) of the Bankruptcy Code, by payment of the cure amount in Cash on the Effective Date or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. Subject to the foregoing, any Executory Contract or Unexpired Lease that constitutes a New Propco Acquired Asset shall be assigned to New Propco or its designated subsidiary in accordance with the terms of this Plan and pursuant to the New Propco Purchase Agreement or New Propco Transfer Agreement, as applicable, and any Executory Contract of Unexpired Lease that is to be assigned to New Opco or its designated subsidiary in accordance with the terms of the New Opco Purchase Agreement shall be so assigned in accordance with the terms of this Plan.

Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assignment or any related cure amount must be filed, served and actually received by the Debtors at least five (5) days prior to the Confirmation Hearing. Any counterparty to an Executory Contract and Unexpired Lease that fails to object timely to the proposed assignment or cure amount will be deemed to have consented to such assignment of its Executory Contract or Unexpired Lease.

The Confirmation Order shall constitute an order of the Bankruptcy Court approving any proposed assignments of Executory Contracts or Unexpired Leases pursuant to Sections 365 and 1123 of the Bankruptcy Code as of the Effective Date.

In the event of a dispute regarding (a) the amount of any cure payment, (b) the ability of any assignee to provide "adequate assurance of future performance" (within the meaning of Section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assigned or (c) any other matter pertaining to assignment, the applicable cure payments required by Section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assignment. If an objection to assignment or cure amount is sustained by the Bankruptcy Court, the Debtors in their sole option, may elect to reject such Executory Contract or Unexpired Lease in lieu of assuming and assigning it.

All Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases pursuant to this Plan or the Confirmation Order, if any, must be filed with the Bankruptcy Court within thirty (30) days after the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection. Any Entity that is required to file a Proof of Claim arising from the rejection of an Executory Contract or an Unexpired Lease that fails to timely do so shall be forever barred, estopped and enjoined from asserting such Claim, and such Claim shall not be enforceable, against the Debtors, the Estates or any of their respective property, and such Claim shall be forever discharged.

K. Effect of Confirmation of the Plan on Debtors

1. *Vesting of Assets*

Pursuant to the New Propco Transfer Agreement and the New Propco Purchase Agreements, on the Effective Date, the New Propco Acquired Assets shall vest in New Propco, free and clear of all Liens, Claims, Interests, encumbrances and Other Interests. After the Effective Date, New Propco and its subsidiaries will own the New Propco Acquired Assets and operate their businesses and manage their affairs free of any restrictions contained in the Bankruptcy Code.

Pursuant to the New Opco Purchase Agreement, on the Effective Date, the New Opco Acquired Assets shall vest in New Opco, free and clear of all Liens, Claims, Interests, encumbrances and Other Interests. After the Effective Date, New Opco will own the New Opco Acquired Assets and operate their businesses and manage their affairs free of any restrictions contained in the Bankruptcy Code.

2. *Compromise of Controversies*

General. Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan, including the exculpation and release provisions contained in this Article X, constitute a good faith compromise and settlement of all Claims, Litigation Claims, Causes of Action or controversies relating to the rights that a Holder of a Claim or Interest may have with respect to any Claim or Interest against any Debtor, any distribution to be made pursuant to these Plans on account of any such Claim or Interest, and any and all Claims or Causes of Action of any party arising out of or relating to the Going Private Transaction and all transactions relating thereto. The entry of the Confirmation Order constitutes the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such Claims, Interests or controversies and the Bankruptcy Court's finding that all such compromises or settlements are in the best interests of (x) the Debtors, the Non-Debtor Affiliates and their respective Estates and property, and (y) Claim and Interest Holders, and are fair, equitable and reasonable.

Global Settlement. Pursuant to Bankruptcy Rule 9019 and in consideration of the distributions and other benefits provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement, and the Plan constitutes a request to authorize and approve such compromise and settlement, of all Going Private Transaction Causes of Action among the Debtors and their respective Estates, the non-Debtor Affiliates of the Debtors, respective Estates, and any Person (the "*Global Settlement*"). Any distributions to be made pursuant to the Plan shall be made on account of and in consideration of the Global Settlement, which, upon the Effective Date of the Plan, shall be binding on all Persons, including the Debtors and their respective Estates, the non-Debtor Affiliates of the Debtors, all Holders of Claims or Interests (whether or not Allowed), and all Persons entitled to receive any payments or other distributions under the Plan. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date of the Plan, of the Global Settlement and the Bankruptcy Court's finding that the Global Settlement is in the best interests of the Debtors, their respective Estates, the non-Debtor Affiliates of the Debtors, and the Holders of Claims and Interests, and is fair, equitable and reasonable.

3. *Binding Effect*

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code or in the Confirmation Order, and subject to the occurrence of the Effective Date, on and after the Effective Date, the provisions of the Plan will bind any holder of a Claim against or Equity Interest in the Debtors and their respective successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan. The rights, benefits and obligations of any entity named or referred to in the Plan whose actions may be required to effectuate the terms of the Plan will be binding on, and will inure to the benefit of, any heir, executor, administrator, successor or assign of such entity (including, but not limited to, any trustee appointed for the Debtors under chapters 7 or 11 of the Bankruptcy Code).

4. *Exculpation*

The Exculpated Parties [Debtors must identify by name all persons or entities that will be exculpated by this provision] shall neither have nor incur any liability to any Person for any Claims or Causes of Action arising on or after the Petition Date and prior to or on the Effective Date for any act taken or omitted to be taken in connection with, or related to formulating, negotiating, preparing, disseminating, implementing, administering, soliciting, confirming or effecting the Consummation of the Plan, the Disclosure Statement or any sale, contract, instrument, release or other agreement or document created or entered into in connection with this Plan or any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtor, the approval of the Disclosure Statement, confirmation or Consummation of the Plan; *provided*, *however*, that the foregoing provisions 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 of the Bankruptcy Court or other court of competent jurisdiction 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, actions or inactions; *provided*, *further*, *however* that the foregoing provisions shall not apply to any acts, omissions, Claims, Causes of Action or other obligations expressly set forth in and preserved by the Plan or the Plan Supplement as not being released under the Plan.

[Debtors must disclose reason or consideration for the exculpation clause contained herein.]

Pursuant to the foregoing paragraph, the Exculpated Parties (including several non-Debtor parties such as FG, Colony Capital, LLC, the Opco Administrative Agent, the Mortgage Lenders, the Stalking Horse Bidder, the foregoing parties' Related Persons and the Debtors' Related Persons) will receive a *de facto* release from liability arising from certain prepetition and postpetition actions. The Committee believes that this provision runs contrary to established law and intends to object to the inclusion of this provision.

5. ***Releases***

The Plan contains the following provision, which will become effective upon occurrence of the Effective Date:

RELEASES BY DEBTORS AND ESTATES. EFFECTIVE AS OF THE EFFECTIVE DATE, FOR GOOD AND VALUABLE CONSIDERATION PROVIDED BY EACH OF THE RELEASED PARTIES, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, THE DEBTORS, IN THEIR INDIVIDUAL CAPACITIES AND AS DEBTORS-IN-POSSESSION, AS THE CASE MAY BE, THE DEBTORS' ESTATES, THE NON-DEBTOR AFFILIATES, AND EACH OF THEIR RESPECTIVE RELATED PERSONS (COLLECTIVELY, THE "RELEASING PARTIES") SHALL, AND SHALL BE DEEMED TO, COMPLETELY, CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASE, WAIVE, VOID, EXTINGUISH AND DISCHARGE EACH AND ALL OF THE RELEASED PARTIES (AND EACH SUCH RELEASED PARTY SO RELEASED SHALL BE DEEMED FOREVER RELEASED, WAIVED AND DISCHARGED BY THE RELEASING PARTIES) AND THEIR RESPECTIVE PROPERTIES AND RELATED PERSONS OF AND FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, LITIGATION CLAIMS, AVOIDANCE ACTIONS AND ANY OTHER DEBTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, ACTIONS, REMEDIES, JUDGMENTS AND LIABILITIES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, THE GOING PRIVATE TRANSACTION CAUSES OF ACTION), WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, EXISTING AS OF THE EFFECTIVE DATE OR THEREAFTER ARISING, IN LAW, AT EQUITY, WHETHER FOR TORT, CONTRACT, OR OTHERWISE, BASED IN WHOLE OR IN PART UPON ANY ACT OR OMISSION, TRANSACTION, EVENT OR OTHER OCCURRENCE OR CIRCUMSTANCES EXISTING OR TAKING PLACE PRIOR TO OR ON THE EFFECTIVE DATE ARISING FROM OR RELATED IN ANY WAY IN WHOLE OR IN PART TO THE DEBTORS, THE REORGANIZED DEBTORS OR THEIR RESPECTIVE ASSETS, PROPERTY AND ESTATES, THE CHAPTER 11 CASES, THE DISCLOSURE STATEMENT, THE PLAN OR THE SOLICITATION OF VOTES ON THE PLAN THAT SUCH RELEASING PARTY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT (WHETHER INDIVIDUALLY OR COLLECTIVELY) 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 THE DEBTORS OR THEIR ESTATES (WHETHER DIRECTLY OR DERIVATIVELY) AGAINST ANY OF THE RELEASED PARTIES; PROVIDED, HOWEVER, THAT THE FOREGOING PROVISIONS OF THIS RELEASE SHALL NOT OPERATE TO WAIVE OR RELEASE (I) ANY CAUSES OF ACTION EXPRESSLY SET FORTH IN AND PRESERVED BY THE PLAN OR ANY PLAN SUPPLEMENT **[the Debtors should identify and list the operative documents which contain reserved causes of action and a list of the underlying causes of actions to be reserved and the projected recovery of the same]**; (II) WITH THE EXCEPTION OF THE GOING PRIVATE TRANSACTION CAUSES OF ACTION, ANY CAUSES OF ACTION ARISING FROM ACTUAL OR INTENTIONAL FRAUD OR WILLFUL MISCONDUCT AS DETERMINED BY FINAL ORDER OF THE BANKRUPTCY COURT OR ANY OTHER COURT OF COMPETENT JURISDICTION; AND/OR (III) THE RIGHTS OF SUCH RELEASING PARTY TO ENFORCE THE PLAN AND THE CONTRACTS, INSTRUMENTS, RELEASES, AND OTHER AGREEMENTS OR DOCUMENTS DELIVERED UNDER OR IN CONNECTION WITH THE PLAN OR ASSUMED PURSUANT TO THE PLAN OR ASSUMED PURSUANT TO FINAL ORDER OF THE BANKRUPTCY COURT. THE FOREGOING RELEASE SHALL BE EFFECTIVE

AS OF THE EFFECTIVE DATE WITHOUT FURTHER NOTICE TO OR ORDER OF THE BANKRUPTCY COURT, ACT OR ACTION UNDER APPLICABLE LAW, REGULATION, ORDER, OR RULE OR THE VOTE, CONSENT, AUTHORIZATION OR APPROVAL OF ANY PERSON.

[Debtors must disclose reason or consideration for the releases contained herein.]

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PURSUANT TO THE FOREGOING PARAGRAPH, THE RELEASING PARTIES WILL RELEASE CLAIMS RAISED BY THE COMMITTEE IN THE COMMITTEE STANDING MOTION INCLUDING CLAIMS THAT: (A) VARIOUS COMPONENTS OF THE 2007 GOING PRIVATE TRANSACTION CONSTITUTED ACTUAL FRAUDULENT CONVEYANCES, CONSTRUCTIVE FRAUDULENT CONVEYANCES, INCLUDING CONSTRUCTIVE FRAUDULENT TRANSFERS UNDER THE NEWLY ADDED BANKRUPTCY CODE SECTION 548(A)(1)(B)(II)(IV) OR WERE OTHERWISE AVOIDABLE TRANSACTIONS; (B) THE MASTER LEASE SHOULD BE RECHARACTERIZED AS A SECURED FINANCING TRANSACTION AND/OR WAS AN ACTUAL AND CONSTRUCTIVE FRAUDULENT CONVEYANCE; AND (C) INSIDERS OF SCI BREACHED THEIR FIDUCIARY DUTIES TO SCI AND ITS CREDITORS THROUGH PURSUING THE 2007 GOING PRIVATE TRANSACTION. THE COMMITTEE HAS INVESTIGATED THESE CLAIMS AND BELIEVES THAT THEY ARE COLORABLE. IF THE DEBTORS SUCCESSFULLY PURSUED THESE CLAIMS, THE PROCEEDS OF ANY RECOVERY COULD BE DISTRIBUTED TO UNSECURED CREDITORS.

FURTHER EMBEDDED IN THESE RELEASES ARE RELEASES OF EQUITABLE SUBORDINATION CLAIMS UNDER BANKRUPTCY CODE SECTION 510(C). THE COURT NOTED AT THE JANUARY 25 HEARING ON THE COMMITTEE'S STANDING MOTION THAT THE COMMITTEE HAS INDEPENDENT STANDING TO ASSERT EQUITABLE SUBORDINATION CLAIMS. HOWEVER, THIS SECTION WILL ACT TO RELEASE THOSE CLAIMS DESPITE THE COMMITTEE'S EXPRESSED AND CLEAR INTENT TO SEEK EQUITABLE SUBORDINATION OF THE CLAIMS OF THE DEUTSCHE BANK ENTITIES AND JP MORGAN. THE POTENTIAL VALUE OF SUCH CLAIMS IS HUNDREDS OF MILLIONS OF DOLLARS. THE COMMITTEE DOES NOT BELIEVE SUCH RELEASES ARE PERMISSIBLE AND INTENDS TO OBJECT TO THE INCLUSION OF SUCH RELEASES.

Releases by Holders of Claims and Interests. Effective as of the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, each holder of a Claim or Equity Interest that has indicated on its Ballot its agreement to grant the release contained in Article X.C.2 of the Plan shall be deemed to, completely, conclusively, absolutely, unconditionally, irrevocably, and forever release, waive, void, extinguish and discharge the Released Parties from any and all Claims, Causes of Action, Litigation Claims, Avoidance Actions and any other obligations, rights, suits, damages, judgments, debts, remedies and liabilities whatsoever (including, without limitation, the Going Private Transaction Causes of Action), including any Claims or Causes of Action that could be asserted on behalf of or against the Debtors, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, fixed or contingent, matured or unmatured, existing or hereafter arising, in law, equity or otherwise, that such holder of a Claim or Equity Interest would have been legally entitled to assert in its own right (whether individually, derivatively or collectively), based in whole or in part upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, in any way relating or pertaining to (v) the purchase or sale, or the rescission of a purchase or sale, of any security of the Debtors, (w) the Debtors, the Reorganized Debtors or their respective assets, property and Estates, (x) the Chapter 11 Cases, (y) the negotiation, formulation and preparation of the Plan, the Disclosure Statement, or any related agreements, instruments or other document including, without limitation, all of the documents included in the Plan Supplement; and (z) the Going Private Transaction Causes of Action; *provided*, *however*, that, with the exception of the Going Private Transaction Causes of Action, these releases will have no effect on the liability of any Released Party arising from any act, omission, transaction, agreement, event or other occurrence, constituting willful misconduct, gross negligence, fraud or criminal conduct as determined by a Final Order; *provided further*, *however*, the foregoing shall not constitute a waiver or release of any right of the Holder of an Allowed Claim or Equity Interest, obligee under any Assumed Liability (whether assumed under the Plan or in accordance with a prior Bankruptcy Court Order, or party to an Assumed Contract to payment under the Plan or otherwise on account of such Allowed Claim or any of the rights of any parties in respect of Assumed Liabilities or Assumed Contracts under or in connection with the Plan or prior order of the Bankruptcy Court. The Releases set forth in this Article X shall be binding upon and shall

inure to the benefit of the any chapter 7 trustee in the event the Chapter 11 Cases are converted to chapter 7. **Notwithstanding anything herein, no Unsecured Creditor of SCI is being asked to grant or shall be deemed to have granted the release contained in Article X.C.2 of the Plan.**

[Debtors must disclose reason or consideration for the releases contained herein.]

Injunction Related to Releases. Except as provided in the Plan or the Confirmation Order, as of the Effective Date, (i) all Persons that hold, have held, or may hold a Claim or any other Cause of Action, Litigation Claim, obligation, suit, judgment, damages, debt, right, remedy or liability of any nature whatsoever, relating to any of the Debtors or the Reorganized Debtors or any of their respective assets, property and Estates, that is released pursuant to this Section X.C of the Plan, (ii) all other parties in interest, and (iii) each of the Related Persons of each of the foregoing entities, are, and shall be, permanently, forever and completely stayed, restrained, prohibited, barred and enjoined from taking any of the following actions, whether directly or indirectly, derivatively or otherwise, on account of or based on the subject matter of such released Claims or other Causes of Action, Litigation Claims, obligations, suits, judgments, damages, debts, rights, remedies or liabilities, and of all Equity Interests or other rights of a Holder of an equity security or other ownership interest: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding (including, without limitation, any judicial, arbitral, administrative or other proceeding) in any forum; (b) enforcing, attaching (including, without limitation, any prejudgment attachment), collecting, or in any way seeking to recover any judgment, award, decree, or other order; (c) creating, perfecting or in any way enforcing in any matter, directly or indirectly, any Lien; (d) setting off, seeking reimbursement or contributions from, or subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against any liability or obligation owed to any Person discharged under Section X.D; and (e) commencing or continuing in any manner, in any place of any judicial, arbitration or administrative proceeding in any forum, that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order.

6. ***WAIVER AND DISCHARGE OF CONTRACTUAL, LEGAL, AND EQUITABLE SUBORDINATION RIGHTS***

IRRESPECTIVE OF WHETHER CONSENT IS GIVEN, UPON THE EFFECTIVE DATE, ALL CONTRACTUAL, LEGAL, OR EQUITABLE SUBORDINATION RIGHTS THAT A HOLDER OF A CLAIM OR EQUITY INTEREST MAY HAVE INDIVIDUALLY OR COLLECTIVELY WITH RESPECT TO ANY DISTRIBUTION TO BE MADE IN ACCORDANCE WITH THE PLAN ARE DISCHARGED AND TERMINATED, AND ALL ACTIONS RELATED TO THE ENFORCEMENT OF SUCH SUBORDINATION RIGHTS ARE PERMANENTLY ENJOINED.

THE COMMITTEE DOES NOT BELIEVE SUCH RELEASES ARE PERMISSIBLE AND INTENDS TO OBJECT TO THE INCLUSION OF SUCH RELEASES.

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7. *Retention of Causes of Action/Reservation of Rights*

Except as expressly provided in the Plan, nothing contained in the Plan or the Confirmation Order will be deemed to be a waiver or relinquishment of any rights or causes of action that the Debtors may have or choose to assert on behalf of their respective estates under any provision of the Bankruptcy Code or any applicable nonbankruptcy law, including, without limitation, (i) any and all Claims against any Person or entity, to the extent such Person or entity asserts a crossclaim, counterclaim, and/or Claim for setoff which seeks affirmative relief against the Debtors, their officers, directors, or representatives, (ii) any and all claims under chapter 5 of the Bankruptcy Code, and (iii) the turnover of any property of the Debtors' Estates.

Except as expressly provided in the Plan, nothing contained in the Plan or the Confirmation Order will be deemed to be a waiver or relinquishment of any claim, cause of action, right of setoff, or other legal or equitable defense which the Debtors had immediately prior to the Petition Date, against or with respect to any Claim left unimpaired by the Plan. The Debtors will have, retain, reserve, and be entitled to assert all such claims, causes of action, rights of setoff, and other legal or equitable defenses which they had immediately prior to the Petition Date fully as if the Chapter 11 Cases had not been commenced, and all of the Debtors' legal and equitable rights respecting any Claim left unimpaired by the Plan may be asserted after the Effective Date to the same extent as if the Chapter 11 Cases had not been commenced. To the extent any such Causes of Action or Litigation Claims exist as

of the Effective Date, they may be assigned to a liquidating trust, distributions from which will be in accordance with this Plan.

L. Summary of Other Provisions of the Plan

The following subsections summarize certain other significant provisions of the Plan. The Plan should be referred to for the complete text of these and other provisions.

1. *Plan Supplement*

The Plan Supplement will be filed with the Clerk of the Bankruptcy Court at least ten (10) days prior to the deadline to vote to accept or reject the Plan. Upon its filing with the Bankruptcy Court, the Plan Supplement may be inspected in the office of the Clerk of the Bankruptcy Court during normal court hours. Holders of Claims or Equity Interests may obtain a copy of the Plan Supplement on the website of the Claims Agent (*www.epiqbankruptcysolutions.com*) or upon written request to the Debtors' bankruptcy counsel.

2. *Modification of Plan*

The Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan prior to the entry of the Confirmation Order; and (b) after the entry of the Confirmation Order, the Debtors or the Plan Administrator, as applicable, 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, provided, however, that any amendment, modification or supplement to the Plan shall be reasonably acceptable to the Successful Bidder, the Mortgage Lenders, FG and the Required Consenting Lenders and shall not be inconsistent with the terms of the New Opco Purchase Agreement, the Mortgage Lender/FG Restructuring Agreement or the Opco Lender Restructuring Support Agreement. A Holder of a Claim or Equity Interest that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of such Claim or Equity Interest of such Holder

3. *Withdrawal or Revocation of Plan*

The Debtors may withdraw or revoke the Plan as to any or every Debtor at any time prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan, or if the Confirmation Date does not occur, then the Plan will be deemed null and void with respect to the applicable Debtor(s). In such event, nothing contained in the Plan will be deemed to constitute a waiver or release of any Claim by or against the applicable Debtor(s) or any other Person or to prejudice in any manner the rights of the applicable Debtor(s) or any other Person in any further proceedings involving the applicable Debtor(s).

4. *Dissolution of the Creditors' Committee*

On the Effective Date, the Committee will be dissolved and the members thereof will be released and discharged of and from all further authority, duties, responsibilities, and obligations related to and arising from and in connection with the Chapter 11 Cases, and the retention and employment of the Committee's attorneys, accountants, and other agents will terminate.

The Committee will continue in existence after the Effective Date solely for the purpose of reviewing and being heard by the Bankruptcy Court, and on any appeal, with respect to applications for compensation and reimbursement of expenses pursuant to section 330 and/or 503(b) of the Bankruptcy Code. With respect only to the foregoing, the Debtors will pay the reasonable fees and expenses of counsel for the Committee.

5. *Exemption from Securities Laws*

The issuance of securities in satisfaction of existing Claims pursuant to the Plan will be exempt from any securities laws registration to the fullest extent permitted by Section 1145 of the Bankruptcy Code.

6. *Exemption from Transfer Taxes*

Pursuant to section 1146(c) of the Bankruptcy Code, the issuance, transfer, or exchange of notes or equity securities under or in connection with the Plan, the assignment or surrender of any lease or sublease, or the delivery of any deed or other Instrument of transfer under, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, assignments, mortgages, deeds of trust or similar documents executed in connection with any disposition of assets contemplated by the Plan, will not be subject to any stamp, real estate transfer, mortgage recording, sales, use or other similar tax.

7. *Severability*

In the event that the Bankruptcy Court determines, prior to the Confirmation Date, that any provision of the Plan is invalid, void or unenforceable, the Bankruptcy Court will, with the consent of the Debtors, have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the provision held to be invalid, void or unenforceable, and such provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable according to its terms. Notwithstanding the foregoing, the provisions in the Plan relating to releases and exculpations are not severable from the remainder of the Plan.

V. CONFIRMATION AND CONSUMMATION PROCEDURE

A. Confirmation of the Plan

In order to meet the requirements for confirmation, the Plan (among other things) must: (i) be accepted by all Impaired Classes of Claims and Equity Interests, or if rejected by an Impaired Class, not "discriminate unfairly" and be "fair and equitable" as to such class; (ii) be "feasible," and (iii) be in the "best interests" of holders of Claims and Equity Interests in Impaired Classes.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the requirements of chapter 11 of the Bankruptcy Code. Specifically, in addition to other applicable requirements, the Debtors believe that the Plan satisfies or will satisfy the following requirements of section 1129 of the Bankruptcy Code:

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtors, as the proponents of the Plan, 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 by the Debtors or by a person acquiring property 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 Chapter 11 Cases, has been disclosed to the Bankruptcy Court, and any such payment: (i) made before the confirmation of the Plan is reasonable; or (ii) is subject to the approval of the Bankruptcy Court as reasonable, if such payment is to be fixed after confirmation of the Plan.
- The Debtors, as proponents of the Plan, have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as the Plan Administrator, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and with public policy.
- The Debtors have disclosed the identity of any insider that will be employed or retained as or by the Plan Administrator and the nature of any compensation for such insider.

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

- The starting point in determining whether the Plan meets the "best interests" test is a determination of the amount of proceeds that would be generated from the liquidation of the Debtors' assets in the context of a chapter 7 liquidation (such amount, the "**Liquidation Proceeds**"). The Liquidation Proceeds must then be reduced by the costs of such liquidation, including costs incurred during the Chapter 11 Cases and allowed under chapter 7 of the Bankruptcy Code (such as professionals' fees and expenses, a chapter 7 trustee's fees, and the fees and expenses of professionals retained by the chapter 7 trustee). The potential chapter 7 liquidation distribution in respect of each Class must be reduced further by costs imposed by the delay caused by conversion to chapter 7. In addition, inefficiencies in the claims resolution process in a chapter 7 would negatively impact the recoveries of creditors. The net present value of a hypothetical chapter 7 liquidation distribution in respect of an impaired claim is then compared to the recovery provided by the Plan for such impaired claim.

- Based on the Debtors' liquidation analysis set forth as Exhibit B hereto (the "**Liquidation Analysis**"), the Debtors believe that Class of Creditors and Equity Interest Holders will receive under the Plan a recovery at least equal in value to the recovery such Impaired Class would receive pursuant to a liquidation of each Debtor under chapter 7 of the Bankruptcy Code.

- Except to the extent the Plan meets the requirements of section 1129(b) of the Bankruptcy Code, each Class of Claims or Equity Interests either has accepted the Plan or is not an Impaired Class under the Plan.

- Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Claims, Priority Tax Claims and Other Priority Claims will be paid in full or otherwise treated in accordance with Bankruptcy Code section 1129(a)(9) as required by the Bankruptcy Code.

- At least one Impaired Class has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in such Impaired Class.

- Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of any successor to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan. In order to determine whether the Plan satisfies the feasibility requirements of section 1129(a)(11) of the Bankruptcy Code, the Debtors have analyzed their ability to meet their obligations under the Plan. As part of this analysis, the Debtors have prepared the projections set forth in Exhibit [C] hereto (the "**Financial Projections**"). Based upon the Financial Projections, the Debtors believe that the Plan will meet the feasibility requirements of the Bankruptcy Code.

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

1. *Best Interests Test*

Often referred to as the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires the Bankruptcy Court to find, as a condition to confirmation of the Plan, that each holder of a Claim or Equity Interest either: (i) has accepted the Plan; or (ii) will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a chapter 11 plan of reorganization even if not all impaired classes have accepted the plan; provided that such plan has been accepted by at least one impaired class. The Debtors will seek to confirm the Plan notwithstanding its rejection by any of the Impaired Classes. In order to obtain such nonconsensual confirmation (or "cramdown") of the Plan, the Debtors must demonstrate to the Bankruptcy Court that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to each Impaired Class that voted to reject the Plan (each such Impaired Class, a "**Non Accepting Class**").

[The Debtors must provide a valuation analysis for each Debtor entity and the total enterprise value.]

a. Fair and Equitable Test

The Bankruptcy Code provides a non-exclusive definition of the phrase "fair and equitable," and includes the general requirement that no class receive more than 100% of the amount of the allowed claims in such class. The "fair and equitable" test sets different standards for secured creditors, unsecured creditors, and equity holders, as follows:

(i) Secured Creditors

With respect to Non-Accepting Classes of Secured Claims, the "fair and equitable" test requires that (i) each impaired secured creditor retains the liens securing its allowed secured claim and receives on account of that claim deferred cash payments having a present value equal to the amount of its allowed secured claim; (ii) the property securing the claim is sold free and clear of liens, with such liens to attach to the proceeds of the sale and the treatment of such liens on proceeds to be as provided in clause (i) above; and (iii) each impaired secured creditor realizes the "indubitable equivalent" of its allowed secured claim.

(ii) Unsecured Creditors

With respect to Non-Accepting Classes of Unsecured Claims, the "fair and equitable" test requires that (i) each impaired unsecured creditor receives or retains under the Plan property of a value equal to the amount of its allowed claim; or (ii) the holders of any claims (or Equity Interests) that are junior to the Non Accepting Class will not receive any property under the Plan. (This provision is often referred to as the "absolute priority" rule.)

(iii) Equity Interests

With respect to Non-Accepting Classes of Equity Interests, the "fair and equitable" test requires that (i) each holder of an Equity Interest will receive or retain under the Plan property of a value equal to the greatest of the fixed liquidation preference to which such holder is entitled, the fixed redemption price to which such holder is entitled, or the value of the interest; or (ii) the holder of an interest that is junior to the Non Accepting Class will not receive or retain any property under the Plan.

b. No Unfair Discrimination

A plan does not "discriminate unfairly" with respect to a Non Accepting Class if the value of the cash and/or securities to be distributed to the Class is equal to, or otherwise fair when compared to, the value of the distributions to other Classes whose legal rights are the same as those of the Non Accepting Class. Exact parity is not required. The Debtors believe that any discrepancy in treatment or potential distributions to otherwise unsecured creditors is objectively small and justified based on certain inherent differences in the nature of their Claims, the time that will be required to liquidate their Claims, and the relative levels of risk that are being taken by different creditors simply based upon the time it will take to liquidate their Claims. The Debtors will establish at the Confirmation Hearing that each of these requirements has been satisfied under the Plan.

B. Conditions to Confirmation and Effectiveness

1. Conditions Precedent to Confirmation

Confirmation of the Plan shall be conditioned upon the satisfaction of the following:

a. The Bankruptcy Court shall have entered a Final Order in form and in substance satisfactory to the Debtors, the Required Consenting Lenders and the Mortgage Lenders approving the Disclosure Statement with respect to the Plan as containing adequate information within the meaning of Section 1125 of the Bankruptcy Code.

b. The Plan and all schedules, documents, supplements and exhibits relating to the Plan shall have been filed in form and substance acceptable to the Debtors.

c. The proposed Confirmation Order shall be in form and substance acceptable to the Debtors, the Required Consenting Lenders and the Mortgage Lenders.

2. **Conditions Precedent to the Effective Date and Consummation of the Plan**

Consummation of the Plan shall be conditioned upon, and the Effective Date shall not occur until, the satisfaction or waiver of the following conditions:

a. The Confirmation Order shall have been entered (and in the event that the Stalking Horse Bidder is not the Successful Bidder, such order shall have become a Final Order in respect of Propco and New Propco) in a form and in substance satisfactory to the Debtors, the Successful Bidder, the Mortgage Lenders, FG and the Required Consenting Lenders and no stay of the Confirmation Order shall have been entered. The Confirmation Order shall provide that, among other things, the Debtors or the Plan Administrator, as appropriate, is authorized and directed to take all actions necessary or appropriate to consummate this Plan, including, without limitation, entering into, implementing and consummating the contracts, instruments, releases, leases, indentures and other agreements or documents created in connection with or described in this Plan.

b. The Bankruptcy Court shall have entered one or more orders (which may include the Confirmation Order and, in the event the Stalking Horse Bidder is not the Successful Bidder, such order(s) shall have become Final Order(s) in respect of Propco and New Propco) authorizing the assumption and rejection of Executory Contracts and Unexpired Leases by the Debtors as contemplated in this Plan and the Plan Supplement.

c. All documents and agreements necessary to implement this Plan, including, without limitation, all documents included in the Plan Supplement, in each case in form and substance acceptable to the Debtors shall have (a) been tendered for delivery, and (b) been effected by executed by, or otherwise deemed binding upon, all Entities party thereto. All conditions precedent to such documents and agreements shall have been satisfied or waived pursuant to the terms of such documents or agreements.

d. All actions necessary to implement the Plan shall have been effected, including, without limitation, all actions specified in and in furtherance of the Mortgage Lender/FG Restructuring Agreement, the Opco Lender Restructuring Support Agreement and the New Opco Purchase Agreement.

e. Upon or before the occurrence of the Effective Date, each of the New Propco Purchase Agreement, the New Propco Transfer Agreement, the New Opco Purchase Agreement shall close according to its terms. **[The Debtors must provide copies of these documents and disclose in detail what these documents will contain.]**

f. All material consents, actions, documents, certificates and agreements necessary to implement this Plan, including any required governmental or regulatory consents, shall have been obtained, effected or executed and delivered to the required parties and, to the extent required, Filed with the applicable governmental units in accordance with applicable laws.

g. The Confirmation Date shall have occurred.

3. **Effect of Failure of Conditions Precedent**

In the event that the Effective Date does not occur: (i) the Confirmation Order shall be vacated without further order of the Bankruptcy Court; (ii) no distributions under the Plan shall be made, (iii) the Debtors and all holders of Claims and Equity Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred; and (iv) the Debtors' obligations with respect to Claims and Equity Interests shall remain unchanged and nothing contained in the Plan shall constitute or be deemed a waiver or release of any Claims or Equity Interests by or against the Debtors or any other Person or will prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors.

VI. SECURITIES LAW MATTERS

A. U.S. Securities Law Matters

Except as set forth below, all debt instruments, to the extent they constitute securities, and equity securities to be issued in conjunction with the Plan will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance upon the exemptions set forth in section 1145 of the Bankruptcy Code or, if applicable, in reliance on the exemption set forth in section 4(2) of the Securities Act or Regulation D promulgated thereunder.

B. Section 1145 of the Bankruptcy Code

Section 1145(c) of the Bankruptcy Code provides that securities issued pursuant to a registration exemption under section 1145(a)(1) of the Bankruptcy Code are deemed to have been issued pursuant to a public offering. Therefore, the securities issued pursuant to a section 1145 exemption may generally be resold by any holder thereof without registration under the Securities Act pursuant to the exemption provided by section 4(1) thereof unless the holder is an "underwriter" with respect to such securities, as such term is defined in section 1145(b)(1) of the Bankruptcy Code. In addition, such securities generally may be resold by the recipients thereof without registration under state securities or "blue sky" laws pursuant to various exemptions provided by the respective laws of the individual states. However, recipients of securities issued under the Plan are advised to consult with their own counsel as to the availability of any such exemption from registration under federal securities laws and any relevant state securities laws in any given instance and as to any applicable requirements or conditions to the availability thereof.

Section 1145(b)(l) of the Bankruptcy Code defines an "underwriter" for purposes of the Securities Act as one who, subject to certain exceptions, (a) purchases a claim with a view to distribution of any security to be received in exchange for such claim, or (b) offers to sell securities offered or sold under the plan for the holders of such securities, or (c) offers to buy securities issued under the plan from the holders of such securities, if the offer to buy is made with a view to distribution of such securities, and if such offer is under an agreement made in connection with the plan, with the consummation of the plan or with the offer or sale of securities under the plan, or (d) is an issuer, as used in section 2(11) of the Securities Act, with respect to such securities.

The term "issuer," as used in section 2(11) of the Securities Act, includes any person directly or indirectly controlling or controlled by, an issuer of securities, or any person under direct or indirect common control with such issuer." Control" (as defined in Rule 405 under the Securities Act) means the possession, direct or indirect, of the power to direct or cause the direction of the policies of a person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer or director of a reorganized debtor or its successor under a plan of reorganization may be deemed to be "in control" of such debtor or successor, particularly if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor's or its successor's voting securities. Moreover, the legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns at least ten percent (10%) of the voting securities of a reorganized debtor may be presumed to be a "control person."

To the extent that persons deemed "underwriters" receive securities under the Plan, resales of such securities would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law, Holders of such restricted securities may, however, be able, at a future time and under certain conditions described below, to sell securities without registration pursuant to the resale provisions of Rule 144 and Rule 144A under the Securities Act

C. Section 4(2) of the Securities Act/Regulation D

Section 4(2) of the Securities Act provides that the issuance of securities by an issuer in transactions not involving any public offering are exempt from registration under the Securities Act. Regulation D is a non-exclusive safe harbor promulgated by the United States Securities and Exchange Commission under the Securities Act related to, among others, section 4(2) of the Securities Act.

The term "issuer," as used in section 4(2) of the Securities Act, means, among other things, a person who issues or proposes to issue any security.

Securities issued pursuant to the exemption provided by section 4(2) of the Securities Act or Regulation D promulgated thereunder are considered "restricted securities." As a result, resales of such securities may not be exempt from the registration requirements of the Securities Act or other applicable law. Holders of such restricted securities may, however, be able, at a future time and under certain conditions described below, to sell securities without registration pursuant to the resale provisions of Rule 144 and Rule 144A under the Securities Act,

D. Rule 144 and Rule 144A

Under certain circumstances, affiliates and holders of restricted securities may be entitled to resell their securities pursuant to the limited safe harbor resale provisions of Rule 144. Generally, Rule 144 provides that if certain conditions are met (e.g., that the availability of current public information with respect to the issuer, volume limitations, and notice and manner of sale requirements), specified persons who resell restricted securities or who resell securities which are not restricted but who are "affiliates" of the issuer of the securities sought to be resold, will not be deemed to be "underwriters" as defined in section 2(11) of the Securities Act. Rule 144 provides that: (i) a non-affiliate who has not been an affiliate during the preceding three months may resell restricted securities after a six-month holding period if at the time of the sale there is current public information regarding the issuer and after a one-year holding period if there is not current public information regarding the issuer at the time of the sale; and (ii) an affiliate may sell restricted securities after a six-month holding period if at the time of the sale there is current public information regarding the issuer and after a year holding period if there is not current public information regarding the issuer at the time of the sale, provided that in each case the affiliate otherwise complies with the volume, manner of sate and notice requirements of Rule 144.

Rule 144A provides a non-exclusive safe harbor exemption from the registration requirements of the Securities Act for resales to certain "qualified institutional buyers" of securities that are "restricted securities" within the meaning of the Securities Act, irrespective of whether the seller of such securities purchased its securities with a view towards reselling such securities, if certain other conditions are met (e.g., the availability of information required by paragraph 4(d) of Rule 144A and certain notice provisions). Under Rule 144A, a "qualified institutional buyer" is defined to include, among other persons, "dealers" registered as such pursuant to section 15 of the Exchange Act, and entities that purchase securities for their own account or for the account of another qualified institutional buyer and that, in the aggregate, own and invest on a discretionary basis at least $100 million in the

securities of unaffiliated issuers. Subject to certain qualifications, Rule 144A does not exempt the offer or sale of securities that, at the time of their issuance, were securities of the same class of securities then listed on a national securities exchange (registered as such pursuant to section 6 of the Exchange Act) or quoted in a United States automated inter-dealer quotation system.

Any holder of [_____] may transfer such membership interests to a new holder at such times as (i) such membership interests are sold pursuant to an effective registration statement under the Securities Act or (ii) such holder delivers to the issuer an opinion of counsel reasonably satisfactory to the issuer, to the effect that such shares are no longer subject to the restrictions applicable to "underwriters" under section 1145 of the Bankruptcy Code or (iii) such holder delivers to the issuer an opinion of counsel reasonably satisfactory to the issuer to the effect that such shares are no longer subject to the restrictions pursuant to an exemption under the Securities Act and such shares may be sold without registration under the Securities Act, in which event the certificate issued to the transferee will not bear such legend.

IN VIEW OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A RECIPIENT OF SECURITIES MAY BE AN UNDERWRITER OR AN AFFILIATE OF THE ISSUER, THE DEBTORS MAKE NO REPRESENTATIONS CONCERNING THE RIGHT OF ANY PERSON TO TRADE ANY SECURITIES TO BE DISTRIBUTED PURSUANT TO THE PLAN. ACCORDINGLY, THE DEBTORS RECOMMEND THAT POTENTIAL RECIPIENTS OF SECURITIES UNDER THE PLAN CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES.

VII. FINANCIAL INFORMATION, PROJECTIONS AND VALUATION ANALYSIS

A. Overview of Business Plan

[TO COME – **Debtors must provide**]

B. Projections

[TO COME – **Debtors must provide**]

VIII. RISK FACTORS

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN THE DEBTORS SHOULD READ AND CAREFULLY CONSIDER THE FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, THE DOCUMENTS DELIVERED TOGETHER WITH THIS DISCLOSURE STATEMENT, AND THE PLAN SUPPLEMENT. THE RISK FACTORS SET FORTH BELOW SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

A. General

1. The Debtors Have No Duty To Update.

The statements in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein. The delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Debtors have no duty to update this Disclosure Statement unless ordered to do so by the Bankruptcy Court.

2. Information Presented Is Based On The Debtors' Books And Records, And Is Unaudited.

While the Debtors have endeavored to present information fairly in this Disclosure Statement, there is no assurance that the Debtors' books and records upon which this Disclosure Statement is based are complete and accurate. The financial information contained herein, however, has been audited. **[The Debtors must make clear what financial information has been audited as stated on and when and by whom.]**

3. Projections And Other Forward-Looking Statements Are Not Assured, And Actual Results Will Vary.

Certain information in this Disclosure Statement is, by nature, forward looking, and contains estimates and assumptions which might ultimately prove to be incorrect, and projections which may differ materially from actual future results. There are uncertainties associated with all assumptions, projections and estimates, and they should not be considered assurances or guarantees of the amount of funds that will be distributed or the amount of Claims in the various Classes that will be allowed. The allowed amount of Claims in each Class, as well as Administrative Claims, could be significantly more than projected, which in turn, could cause the value of Distributions to be reduced substantially.

4. This Disclosure Statement Was Not Approved By The SEC.

Although a copy of this Disclosure Statement was served on the SEC and the SEC was given an opportunity to object to the adequacy of this Disclosure Statement before the Bankruptcy Court approved it, this Disclosure Statement has not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or applicable state securities laws. Neither the SEC nor any state regulatory authority has passed upon the accuracy or adequacy of this Disclosure Statement or the Exhibits contained herein, and any representation to the contrary is unlawful.

5. Certain Tax Implications of the Plan.

Holders of Allowed Claims should carefully review Section XII herein, "Certain Federal Income Tax Consequences of the Plan," to determine how the tax implications of the Plan and these Chapter 11 Cases may adversely affect Holders of Allowed Claims and the Reorganized Debtors. The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each holder of an Allowed Claim should consult his, her or its own legal counsel and accountant as to legal, tax and other matters concerning his, her or its Claim or Equity Interest.

B. Certain Bankruptcy Considerations

1. Risk of Non-Confirmation of the Plan.

In order for the Debtors to implement the Plan, the Debtors, like any other chapter 11 debtors, must obtain approval of the Plan from their creditors and confirmation of the Plan through the Bankruptcy Court, and then successfully implement the Plan. The foregoing process requires the Debtors to: (a) meet certain statutory requirements with respect to the adequacy of this Disclosure Statement; (b) solicit and obtain creditor acceptances of the Plan; and (c) fulfill other statutory conditions with respect to the confirmation of the Plan.

The Debtors may or may not receive the requisite acceptances to confirm the Plan. If the requisite acceptances of the Plan are received, the Debtors will seek confirmation of the Plan by the Bankruptcy Court. If the requisite acceptances are not received, the Debtors will nevertheless seek confirmation of the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code as long as at least one Impaired Class has accepted the Plan (determined without including the acceptance of any "insider" in such Impaired Class).

Even if the requisite acceptances of the Plan are received, or the Debtors are able to seek a "cramdown" confirmation, the Bankruptcy Court may not confirm the Plan as proposed. A holder of a Claim in a Non-Accepting Class could challenge the balloting procedures and results as not being in compliance with the Bankruptcy Code. Even if the Bankruptcy Court determined that the balloting procedures and results were appropriate, the Bankruptcy Court could decline to confirm the Plan if it found that any of the statutory requirements for confirmation had not been met. See Section [___] above for a discussion of these requirements.

The Bankruptcy Court may determine that the Plan does not satisfy one or more of these applicable requirements, in which case the Plan could not be confirmed by the Bankruptcy Court. If the Plan is not confirmed by the Bankruptcy Court, it is unclear whether the Debtors would be able to reorganize their businesses and what, if any, distributions holders of Claims and Equity Interests ultimately would receive with respect to their Claims or Equity Interests. In addition, there can be no assurance that the Debtors will be able to successfully

develop, prosecute, confirm, and consummate an alternative plan of reorganization with respect to the Chapter 11 Cases that is acceptable to the Bankruptcy Court and the holders of Claims and Equity Interests. Furthermore, it is possible that third parties may seek and obtain approval to terminate or shorten the exclusivity period during which only the Debtors may propose and confirm a plan of reorganization.

2. Risk of Non-Occurrence of Effective Date.

Although the Debtors anticipate that the Effective Date will occur soon after the Confirmation Date, if any, there can be no assurance as to such timing. If each of the Conditions Precedent are not satisfied or duly waived, the Confirmation Order will be vacated without further order of the Bankruptcy Court, in which event the Plan would be deemed null and void.

In connection with the consummation of the Plan, the Debtors will enter into a number of agreements and transactions designed to transfer assets to and facilitate the operations of New Propco and New Opco as going concern businesses. These agreements include the New Propco Purchase Agreement, the New Propco Transfer Agreement, the New Opco Purchase Agreement, the New Propco LLCA, the New FG Management Agreement, the New Propco Credit Agreement, the IP License Agreement, the New Propco Non-Compete Agreement, the New Opco Credit Agreement, the New Opco PIK Credit Agreement, the New FG Management Agreement, the IP License Agreement and [DEBTORS TO PROVIDE AN EXHAUSTIVE LIST OF RESTRUCTURING TRANSACTIONS]. The Plan cannot become effective until each of the New Propco Purchase Agreement, the New Propco Transfer Agreement and the New Opco Purchase Agreement shall close according to its terms. See Art. V.B.2.e. [DEBTORS TO PROVIDE AN EXHAUSTIVE LIST OF CONDITIONS PRECEDENT]. If the Debtors and the relevant counterparties are unable to agree to the terms of the foregoing agreements, or if there is a breach or event of default under any of the foregoing agreements which results in their termination prior to Plan effectiveness, [DEBTORS TO INSERT RESULTING EFFECT AND IMPACT ON RECOVERIES].

The events of default and other triggers of termination of the foregoing agreements are as follows:

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- ***New Propco Purchase Agreement*: [DEBTORS TO INSERT]**
- ***New Propco Transfer Agreement*: [DEBTORS TO INSERT]**
- ***New Opco Purchase Agreement*: [DEBTORS TO INSERT]**
- ***New Propco LLCA*: [DEBTORS TO INSERT]**
- ***New FG Management Agreement*: [DEBTORS TO INSERT]**
- ***New Propco Credit Agreement*: [DEBTORS TO INSERT]**
- ***IP License Agreement*: [DEBTORS TO INSERT]**
- ***New Propco Non-Compete Agreement*: [DEBTORS TO INSERT]**
- ***New Opco Credit Agreement*: [DEBTORS TO INSERT]**
- ***New Opco PIK Credit Agreement*: [DEBTORS TO INSERT]**
- ***New FG Management Agreement*: [DEBTORS TO INSERT]**
- ***IP License Agreement*: [DEBTORS TO INSERT]**
- **[DEBTORS TO INCLUDE ADDITIONAL AGREEMENTS]**

[The Debtors should also provide copies of all of the documents listed above with sufficient time for interested parties to object or comment on them prior to the Voting Deadline and the hearing on confirmation.]

3. Risk that Claims Will Be Higher Than Estimated.

The projected distributions and recoveries set forth in this Disclosure Statement and the Liquidation Analysis are based on the Debtors' initial estimate of Allowed Claims, without having undertaken a substantive review of all filed Claims. The Plan allows for the establishment of reserves (the "**Disputed Claims Reserve**") for the purposes of satisfying the Disputed Claims, as necessary or appropriate. The Debtors reserve the right to seek estimation of such Disputed Claims pursuant to section 502(c) of the Bankruptcy Code. The actual amount at which such Disputed Claims are ultimately allowed may differ from the estimates. Holders of Disputed Claims are entitled to receive distributions under the Plan upon allowance of such Claims solely from the Disputed Claim Reserve. If insufficient Plan consideration is available for distribution from the Disputed Claim Reserve at the time of allowance of a Disputed Claim, the distributions on account of such Allowed Claim will be limited to such available amounts and the holder of such Allowed Claim will have no recourse against the Debtors for any deficiency that may arise. The Debtors project that the Claims and Equity Interests asserted against them will be resolved in and reduced to an amount that approximates their estimates. There can be no assurance, however, that the Debtors' estimates will prove accurate. If claims are ultimately allowed in amounts higher than estimated, for example, distributions and recoveries on account of claims may be lower than estimated.

4. Liquidity Risks Prior to Consummation of the Plan.

a. The DIP Financing May Be Insufficient to Fund the Debtors' Business Operations.Although the Debtors project that they will have sufficient liquidity to operate their businesses through the Effective Date, there can be no assurance that the revenue generated by the Debtors' business operations together with amounts available under the DIP Financing will be sufficient to fund the Debtors' operations, especially as the Debtors expect to incur substantial professional and other fees related to the Chapter 11 Cases. In the event that revenue flows and available borrowings under the DIP Financing are not sufficient to meet the Debtors' liquidity requirements, the Debtors may be required to seek additional financing. There can be no assurance that such additional financing would be available or, if available, offered on terms that are favorable to the Debtors or terms that would be approved by the Bankruptcy Court. If, for one or more reasons, the Debtors are unable to obtain such additional financing, the Debtors' businesses and assets may be subject to liquidation under chapter 7 of the Bankruptcy Code and the Debtors may cease to continue as going concerns.

b. Reduction in Availability of Trade Credit.

The public disclosure of the Debtors' liquidity constraints and the Chapter 11 Cases has impaired the Debtors ability to maintain normal credit terms with certain of its suppliers. As a result, the Debtors have been required to pay cash in advance to certain vendors and have experienced restrictions on the availability of trade credit, which has further reduced the Debtors' liquidity. If liquidity deteriorates further, the Debtors' suppliers could refuse to provide key products and services.

5. The Debtors' Management Team May Allocate Less Time to the Operation of the Debtors' Business Operations.

So long as the Chapter 11 Cases continue, the Debtors' management team will be required to spend a significant amount of their time attending to the Debtors' restructuring instead of focusing exclusively on the Debtors' business operations.

6. Estimated Valuation and the Estimated Recoveries to Holders of Allowed Claims Are Not Intended to Represent the Potential Market Value (if any) of the Plan Consideration.

The Debtors' estimated recoveries to Holders of Allowed Claims are not intended to represent the market value of any components of the Plan Consideration. The estimated recoveries are based on numerous assumptions (the realization of many of which are beyond the control of the Debtors), including, without limitation:

If the Plan is not confirmed, the Debtors, or any other party in interest, may attempt to formulate an alternative chapter 11 plan, which might provide for the liquidation of the Debtors' remaining assets other than as provided by the Plan. Any attempt to formulate an alternative chapter 11 plan would necessarily delay creditors' receipt of distributions and, due to the incurrence of additional administrative expenses during such period of delay, may provide for smaller distributions to holders of Allowed Claims than are currently provided for under the Plan. Accordingly, the Debtors believe that the Plan will enable all creditors to realize the greatest possible recovery on their respective Claims or Equity Interests with the least delay.

XII. CONCLUSION AND RECOMMENDATION

The Debtors believe that confirmation and implementation of the Plan is preferable to any of the alternatives described above because it will provide the greatest recoveries to holders of Claims and Equity Interests. Other alternatives would involve significant delay, uncertainty and substantial additional administrative costs. The Debtors urge holders of impaired Claims and Equity Interests entitled to vote on the Plan to accept the Plan and to evidence such acceptance by returning their Ballots so that they will be received no later than [4:00 p.m.], prevailing Pacific time, on [_____], 2010.

Dated: Las Vegas, Nevada
[_____], 2010

STATION CASINOS, INC.
And its affiliated Debtors

EXHIBIT C

Liquidation Analysis

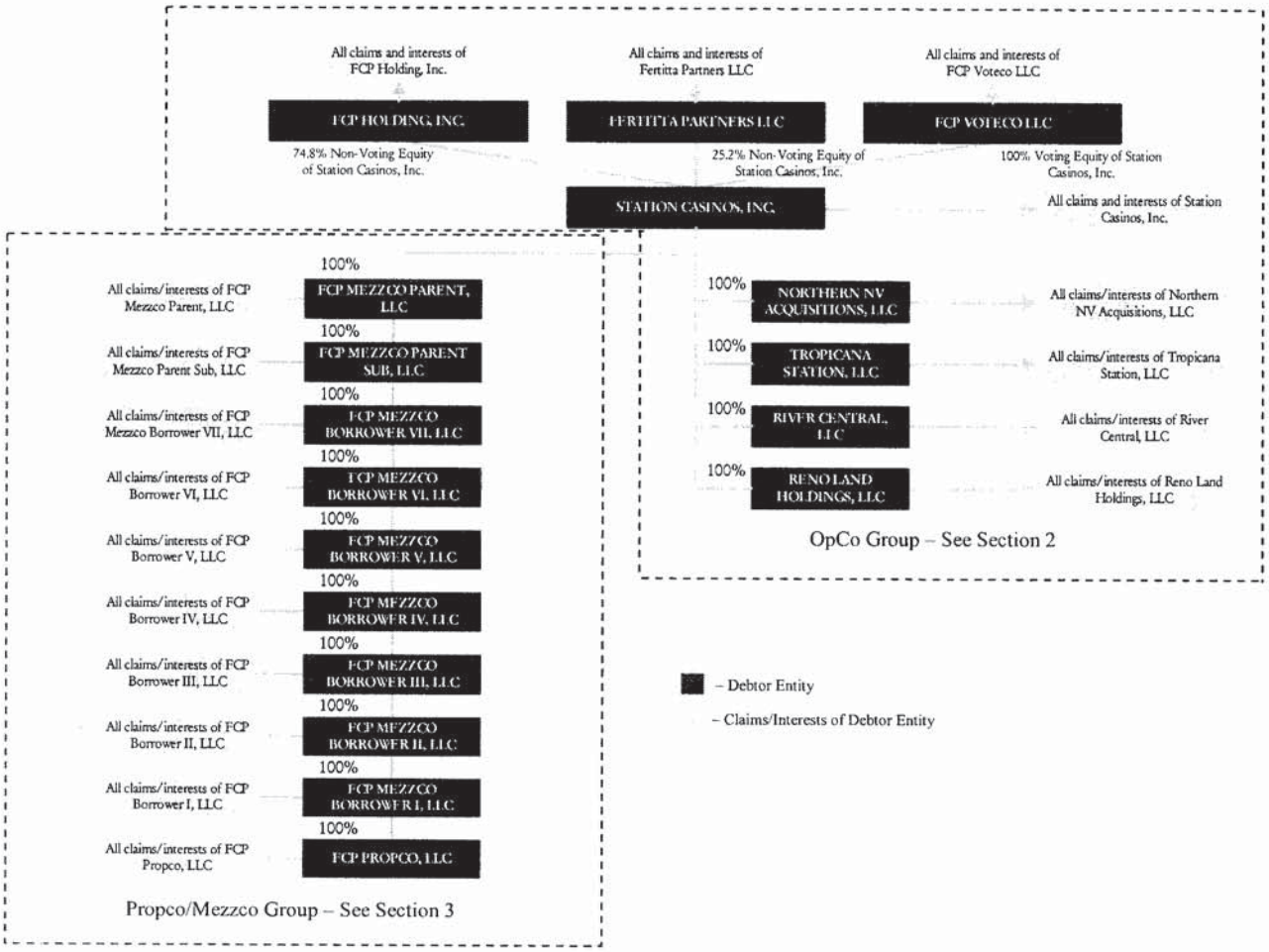
LIQUIDATION ANALYSIS

1. Best Interests Test

Section 1129(a)(7) of the Bankruptcy Code requires that each holder of an impaired allowed claim or interest either: (i) accept the plan of reorganization; or (ii) receive or retain under the plan property of a value, as of the effective date, that is not less than the value such holder would receive or retain if the applicable debtor were liquidated under chapter 7 of the Bankruptcy Code on the effective date. This is referred to as the "Best Interests Test."

Because the corporate structure of the Debtors is highly complex, but also highly interrelated, and because the Debtors are not proposing the substantive consolidation of their estates, the "Best Interests Test" has been applied to each of the 18 affiliated Debtors (and the claims and interests thereof) using two separate analytical frameworks: (i) one with respect to SCI, the Parent Debtors (FCP Holding, Inc., Fertitta Partners, LLC, FCP Voteco LLC) and the Other Opco Debtors (Northern NV Acquisition, LLC, Tropicana Station, LLC, River Central, LLC and Reno Land Holdings, LLC); and (ii) one with respect to Propco and the Mezzco Debtors (the "Propco/Mezzco Liquidation Analysis"), as illustrated below:

Chart I: Debtors' Corporate Structure



2 Best Interests Test as Applied to SCI and the Parent Debtors

SCI is the Debtor that owns, directly or indirectly, the fourteen gaming properties and other assets that are generally referred to as the "Opco Assets" and which the Plan proposes to sell as a going concern pursuant to an auction and sale process. Among the interests and assets that will be included in the auction and sale ofthe Opco Assets will be SCI's interests in, or the assets of, the Other Opco Debtors, and, accordingly, the Other Opco Debtors are included in the Best Interest ofCreditors analysis with respect to SCI. **[The Debtors must provide an SCI only liquidation scenario in which SCI's operating non-debtor subsidiaries are sold as a going concern entities rather than liquidated.]**

The sale process for the Opco Assets will run contemporaneously with the solicitation of votes on the Plan, and the auction will occur shortly before the Confirmation Hearing Date, but sufficiently in advance of the Confirmation Hearing Date so that the terms of the proposed sale to the highest bidder will be known and available to all holders of impaired claims under the Plan. The approval by the Court of any sale of the Opco Assets will be contingent upon, and occur in conjunction with, confirmation of the Plan. Under the Plan and the Bidding Procedures, the Opco Assets will be sold as a going concern to the highest bidder, with the net proceeds of that sale distributed to holders of claims and interests in accordance with their respective priorities, and only after approval of the sale by the Court.

SCI and the Other Opco Debtors believe that their creditors will receive at least as much, and likely significantly more, under the Plan as they would receive in a chapter 7 liquidation of the Opco Assets for the following reasons, among others: (i) the substantial delay that would be incurred in connection with the appointment of a chapter 7 trustee and the time required for the trustee and his or her professionals to fully understand the Debtors' situation; (ii) the fees payable to a chapter 7 trustee and newly appointed estate professionals; and (iii) the likely discounts that would be realized in one or more chapter 7 auctions of the Opco Assets.

SCI and the Other Opco Debtors believe that, in any sale of the Opco Assets (whether as a going concern or as part of a chapter 7 liquidation, any and all proceeds from such sale will be exhausted through distributions on account of the Prepetition Opco Secured Claims (in partial satisfaction of the valid and perfected first priority liens on substantially all of the Opco Assets and in partial satisfaction of the Superpriority Claims and replacement liens arising under the Opco Cash Collateral Order **[the Debtors must provide the estimated value of the Superpriority Claims or the replacement liens arising under the Opco Cash Collateral Order]**) and to administrative and other priority claimants, leaving no proceeds available for distributions to unsecured creditors under either scenario. Although SCI does have certain miscellaneous assets that are not encumbered by perfected liens granted under the Prepetition Opco Credit Agreement, the Debtors believe that any proceeds realized from those assets will be exhausted through distributions on account of the Superpriority Claims and replacement liens, Administrative Claims and/or other Claims having priority over general unsecured claims that might otherwise receive any such proceeds.

If the Stalking Horse Bid is the Successful Bid, there will be no distributions under the Plan to any of the Classes of creditors holding unsecured claims against SCI or the Other Opco Debtors. If, on the other hand, the auction results in a Successful Bid that yields proceeds sufficient to satisfy all senior, administrative and priority claims in full and is also sufficient to provide some recovery for general unsecured claims, the Plan will be modified to reflect that result and the Debtors will provide such supplemental disclosure as the Court requires.

The Equity Interests of SCI (Class S.9) are collectively held by, and are the only assets of, the Parent Debtors. All recoveries received by the claims and interests of, respectively, FCP VoteCo, LLC, Fertitta Partners, LLC and FCP Holding, Inc. are therefore derivative ofthe recovery received by Class S.9 pursuant to the sale ofthe Opco Assets described above. At the present time and based upon the value that would be delivered to the Debtors under the Stalking Horse Bid, SCI does not expect that Class S.9, the Parent Debtors or any claims and interests against the Parent Debtors will receive any recovery - either as a result ofthe proposed sale ofthe Opco Assets or in a hypothetical chapter 7 liquidation of SCI (which would, by its very nature, be longer, more costly and less likely to generate maximum sale proceed than the proposed sale).

3. The Propco/Mezzco Liquidation Analysis

With respect to Propco and the Mezzco Debtors, the Debtors have shown compliance with Section 1129(a)(7) of the Bankruptcy Code by estimating a range of proceeds that would be generated from a chapter 7 liquidation of Propco and the Mezzco Debtors. Lazard, the Debtors' financial advisor, assisted the Debtors in the development of the Propco/Mezzco Liquidation Analysis, which represents their best estimates of a liquidation scenario.

THE PROPCO/MEZZCO LIQUIDATION ANALYSIS IS AN ESTIMATE OF THE PROCEEDS THAT MAY BE GENERATED AS A RESULT OF A HYPOTHETICAL CHAPTER 7 LIQUIDATION OF PROPCO. Underlying the Propco/Mezzco Liquidation Analysis are a number of estimates and assumptions that are inherently subject to significant economic, competitive and operational uncertainties and contingencies beyond the control of the Debtors or a hypothetical chapter 7 trustee. In addition, various liquidation decisions upon which certain assumptions are based are subject to change. Therefore, there can be no assurance that the assumptions and estimates employed in determining the liquidation values of Propco's assets will result in an accurate estimate of the proceeds that would be realized were Propco to undergo an actual liquidation. The actual amounts of claims against the estate of Propco and the Mezzco Debtors could vary significantly from the estimate set forth herein, depending on the claims asserted during the pendency of the hypothetical chapter 7 cases. Accordingly, the actual liquidation value of Propco and the Mezzco Debtors is speculative in nature and could vary materially from the estimates provided herein. Neither the Debtors nor Lazard provide any assurance of the accuracy of the recoveries contained therein.

a. General Approach

The Propco/Mezzco Liquidation Analysis assumes a hypothetical chapter 7 petition filed by Propco on June 30, 2010 (the "Chapter 7 Petition Date"), whereupon the Bankruptcy Court would appoint one chapter 7 trustee (the "Trustee") to oversee the liquidation of the Propco and Mezzco Debtors' estates. Should multiple Trustees be appointed to administer the Propco and Mezzco Debtors' estates, lower recoveries and higher administrative costs could result and distributions to creditors could be delayed.

The first step of the Propco/Mezzco Liquidation Analysis is to determine the dollar amount that would be generated from a hypothetical chapter 7 liquidation of each of the four Propco properties – Palace Station Hotel & Casino, Boulder Station Hotel & Casino, Sunset Station Hotel & Casino and Red Rock Casino Resort Spa. In such a hypothetical liquidation scenario, the Trustee would be required to either: (i) sell Propco Properties as going concerns; or (ii) shut down the Propco Properties and sell their individual assets. The gross amount of cash available from liquidation of the Propco Properties would be equal to: (i) all excess cash held by the Propco Properties at the time of the commencement of the hypothetical chapter 7 cases; (ii) cash generated by the Propco Properties during the liquidation period; and (iii) the sum of the proceeds from the disposition of the Propco Properties (the "Liquidation Proceeds").

The next step is to reduce the Liquidation Proceeds by: (i) the costs and expenses of the liquidation; (ii) the additional administrative expenses and priority claims that may result from the termination of Propco's business; and (iii) the amount of any claims secured by the Propco Properties. Any net cash would be allocated to the claims and interests against Propco in strict priority in accordance with section 726 of the Bankruptcy Code.

Finally, the Propco/Mezzco Liquidation Analysis compares the value received in a liquidation to the value provided under the Plan.

b. Key Analytical Assumptions

The Propco/Mezzco Liquidation Analysis assumes that Propco will have access to cash collateral over the course of a hypothetical chapter 7 case. Other key assumptions include:

(a) Timing and Expenses – The Propco/Mezzco Liquidation Analysis assumes an orderly and expedited wind-down of the business to maximize recovery values. It assumes that the liquidation of Propco's estate would take approximately twelve (12) months and incur twelve (12) months of wind-down expenses (*e.g.*, trustee fees, shutdown costs, cash needed for/during the Propco Properties' sales processes). This reflects an estimate of the time required to dispose of the Propco Properties, allow a buyer of the Propco Properties to become licensed and generally wind down the affairs of Propco's estate.

(b) Disposition of Propco Properties – The Propco/Mezzco Liquidation Analysis assumes that the Propco Properties will have their greatest potential recovery value if liquidated for the purposes of continuing to operate as gaming establishments. The Debtors' management believes that alternative uses for the Propco Properties would not generate a significant recovery value for stakeholders.

It should be noted that management cannot judge with any degree of certainty the impact of: (i) a forced liquidation on the recoverable value of the Propco Properties; and (ii) the impact, in a hypothetical liquidation, that potential disputes between creditors of Opco and Propco with respect to title and interest in certain assets may have with respect to the recoverable value of the Propco Properties.

(c) Going-Concern Liquidation – To estimate the approximate liquidation range of value for the Propco Properties, a comparable company trading multiples analysis was used. This analysis is based on the enterprise values of publicly traded companies that have operating and financial characteristics similar to Propco. A reduction to the value derived under this analysis was then made to reflect the forced sale nature of a chapter 7 liquidation. This reduction was derived by considering such factors as the shortened time period involved in the sale process, discounts buyers would require given a shorter due diligence period and therefore potentially higher risks buyers might assume, potentially negative perceptions involved in liquidation sales and the "bargain hunting" mentality of liquidation sales. This estimated liquidation value for the Propco Properties, along with certain values based on the unaudited book values from the Debtors' preliminary and unaudited balance sheet as of March 31, 2010, was used to determine distributable value to Propco stakeholders.

The Propco/Mezzco Liquidation Analysis assumes that, in a hypothetical liquidation, no disputes occur between creditors of Opco and Propco with respect to title and interest in certain overlapping assets of Opco and Propco associated with the Propco Properties. To the extent that such disputes arise, the recoverable value of the Propco Properties may be materially lower than those that have been assumed herein.

The Propco/Mezzco Liquidation Analysis assumes that the Trustee will assume and assign to the purchaser of the Propco Properties all executory contracts and unexpired leases related to the ongoing operations of the Propco Properties. The Propco/Mezzco Liquidation Analysis also assumes that the existing staff currently working at each Propco Property will remain and maintain employment at the time of the hypothetical sale. Because those employees are employees of SCI or its subsidiaries, however, there can be no assurance that such employment arrangements could be maintained. If the cash flows from the Propco Properties are not sufficient to fund the ongoing operations during this period, the Trustee may have to lower expectations related to potential recovery value for the Propco Properties and further reduce the recovery estimates contained in the Propco/Mezzco Liquidation Analysis. Potential regulatory intervention from gaming authorities would also impose additional uncertainties on the Trustee's ability to generate value from the Propco Properties.

The Propco/Mezzco Liquidation Analysis assumes that the estimated sale proceeds for the Propco Properties would be less than the tax basis of the assets and would not generate any additional tax liabilities. Should the tax treatment and impact of this transaction result in a tax liability that is not reduced by other tax shields, recovery percentages in the Propco/Mezzco Liquidation Analysis could change materially.

Finally, it is assumed that cash flows (i.e., EBITDA, net of maintenance capital expenditures) from operation of the Propco Properties during the liquidation period would remain positive and total approximately $150 million during the wind-down period.

(d) Factors Considered in Valuing Hypothetical Liquidation Proceeds – Other factors may limit the amount of Liquidation Proceeds available to holders of claims and interests against Propco. Certain of these factors that relate specifically to the liquidation of the assets are discussed in further detail below. In addition, it is possible that distribution of the Liquidation Proceeds would be delayed while the Trustee and his or her professionals become knowledgeable about the Chapter 11 Cases and Propco's businesses and operations. This delay could materially reduce the value, on a "present value" basis, of the Liquidation Proceeds.

(e) Certain Assets Assumed To Have No Value in Liquidation – The Propco/Mezzco Liquidation Analysis assumes that the Master Lease Rejection Claim (and any potential recoveries to Propco in respect of the Master Lease Rejection Claim) has no value in a hypothetical liquidation.

(f) Exclusion of Certain Administrative and Priority Claims – For simplicity, the Debtors have excluded certain Administrative Claims and Priority Claims from the Propco/Mezzco Liquidation Analysis. Among the Administrative Claims entitled to administrative expense priority under section 503 of the Bankruptcy Code that have been excluded are: (i) post-petition payables; and (ii) section 503(b)(9) claims of vendors for the value of any goods received by Propco in the ordinary course of business within twenty (20) days before the Petition Date. The Debtors have also excluded Priority Claims entitled to priority under section 507 of the Bankruptcy Code. Had such Administrative Claims and Priority Claims been included in the Propco/Mezzco Liquidation Analysis, the recovery percentages would likely be materially lower.

More specific assumptions are discussed in each of the various notes to the Propco/Mezzco Liquidation Analysis.

The tables below summarize the recovery estimates based on the estimated Liquidation Proceeds. The Propco/Mezzco Liquidation Analysis sets forth an allocation of the Liquidation Proceeds to Creditors in accordance with the priorities set forth in section 726 of the Bankruptcy Code. The Propco/Mezzco Liquidation Analysis provides for high and low recovery percentages for Claims upon the Trustee's application of the Liquidation Proceeds. The high and low recovery ranges reflect a high and low range of estimated Liquidation Proceeds from the Trustee's sale of the assets.

As illustrated by the Propco/Mezzco Liquidation Analysis, the Debtors estimate that pre-petition creditors of Propco will recover more value from confirmation of the proposed Plan than through an orderly liquidation and sale process.

Table I: Assets Available for Distribution

($ in 000's)	Notes	Reorganization Value Low	Reorganization Value High	Liquidation Discount Low	Liquidation Discount High	Hypothetical Liquidation Values Low	Hypothetical Liquidation Values High
Hypothetical PropCo Liquidation Value	A	$1,239,750	$1,405,050	75%	75%	$929,813	$1,053,788
Cash and Cash Equivalents	B	$250,000	$250,000	100%	100%	$250,000	$250,000
Other Assets:	C						
Goodwill		-	-	0%	0%	-	-
Intangible Assets, net		-	-	0%	0%	-	-
Total Other Assets		-	-			-	-
Total Liquidation Proceeds Available for Distribution						**$1,179,813**	**$1,303,788**

Table II: Estimated Chapter 7 Expenses

($ in 000's)	Notes	Estimated Balance / Claim	Estimated Creditor Recovery Percentage Low	Estimated Creditor Recovery Percentage High	Hypothetical Creditor Recovery Values Low	Hypothetical Creditor Recovery Values High
Chapter 7 Expenses	D					
Chapter 7 Trustee Fees (3% of Liquidation Proceeds)					$35,394	$39,114
Chapter 7 Professional Fees & Costs ($3 million/month; 12 months)		36,000	100%	100%	36,000	36,000
Total Chapter 7 Expenses		$36,000			$71,394	$75,114
Net Proceeds after Chapter 7 Administrative Claims					**$1,108,418**	**$1,228,674**

Table III: Estimated Creditor Recoveries

($ in 000's)	Notes	Estimated PropCo Claims		Estimated Creditor Recovery Percentage		Hypothetical Creditor Recovery Values	
		Low	High	Low	High	Low	High
Administrative Claims (Corporate Overhead During Wind Down)	E	$10,000	$20,000	*100.0%*	*100.0%*	$10,000	$20,000
P.1 Other Secured Claims	F	-	-	*NA*	*NA*	-	-
P.2 Prepetition Mortgage Loan Claims	G	$1,801,272	$1,801,272	*61.0%*	*67.1%*	1,098,418	1,208,674
P.3 General Unsecured Claims	H	$144,003	$144,003	*0.0%*	*0.0%*	-	-
P.4 Intercompany Claims	H	$8,805	$8,805	*0.0%*	*0.0%*	-	-
Total PropCo Claims (Excl. Equity)		**$1,964,079**	**$1,974,079**	*56.4%*	*62.2%*	**1,108,418**	**1,228,674**
P. 5 Equity Interests						-	-

c. Recovery of Claims and Interests Against the Mezzco Debtors

As discussed above, in connection with the 2007 Going Private Transaction, in November 2007, Propco entered into the CMBS Loan. Pursuant to the CMBS Loan structure, the Debtors formed the Mezzco Debtors. As shown in Chart I above, the corporate structure of the Mezzco Debtors is "nested" so that, for example, Mezzco I holds 100% of the equity interests of Propco, Mezzco II holds 100% of the equity interests of Mezzco I, Mezzco III holds 100% of the equity interests of Mezzco II, etc.

In addition, pursuant to the security documentation associated with the CMBS Loan: (i) all Propco Equity Interests were pledged to holders of Mezz I Loan Claims; (ii) all Mezzco I Equity Interests were pledged to holders of Mezz II Loan Claims; (iii) all Mezzco II Equity Interests were pledged to holders of Mezz III Loan Claims; and (iv) all Mezzco III Equity Interests were pledged to holders of Mezz IV Loan Claims.

As a result of these arrangements, and because each Mezzco Debtor has no tangible or intangible assets other than its equity interest in its respective mezzanine subsidiary, the recovery of each claim and interest of each Mezzco Debtor is derivative of the value of that Mezzco Debtor's equity interest in its respective mezzanine subsidiary. Each such value is, through structural subordination, ultimately derivative of the estimated recovery to Propco Equity Interests. Since Propco Equity Interests (pursuant to the Propco/Mezzco Liquidation Analysis described above) are expected to receive no recovery in a hypothetical liquidation, it follows that all claims and interests of each Mezzco Debtor will receive no recovery in a hypothetical liquidation.

Notes to the Propco/Mezzco Liquidation Analysis

A. Hypothetical Propco Liquidation Value

With respect to the Propco Properties, the Propco/Mezzco Liquidation Analysis assumes that such assets are sold as continuing operations with a normal level of working capital. Therefore, the recovery percentage related to these assets is based on the estimated range of value that may be obtained in a going concern sale transaction, less an assumed forced sale discount of 25%. Lazard believes that this assumption represents a reasonable estimate of the discount that would be applicable to the Propco Properties in a forced sale environment and is within the range of similar forced-sale discounts used in liquidation analyses performed in other recent gaming sector bankruptcies. The Propco/Mezzco Liquidation Analysis assumes that the normalized working capital level is purchased by the buyer(s) of the Propco Properties.

B. Cash

Cash and Cash Equivalents represent the Debtors' best estimate of existing cash (i.e., cash held by Propco on its own balance sheet or cash in which Propco has a security interest) as of the Chapter 7 Petition Date, less amounts estimated as required to run the Propco Properties (i.e., minimum cash required by the Nevada Gaming Control Board and minimum cash required to meet the minimum operating requirements of the Propco Properties). The Propco/Mezzco Liquidation Analysis identifies the potential "excess" cash above the operating requirements of the Propco Properties as recoverable (approximately $100 million). All other Cash and Cash Equivalents ($45 million) are assumed to be purchased by the buyer(s) of the Propco Properties.

In addition, the Propco/Mezzco Liquidation Analysis assumes that cash flows (i.e., EBITDA, net of maintenance capital expenditures) from the operation of the Propco Properties during the 12-month liquidation period will total approximately $150 million, resulting in a total estimated distributable cash balance of $250 million.

C. Other Assets

Other Assets are comprised of goodwill and intangibles. Goodwill and intangible assets would have no specific recovery in the Propco/Mezzco Liquidation Analysis other than the estimated recovery based on the proposed sale of the Propco Properties as going concerns.

D. Estimated Chapter 7 Expenses

Detail regarding the costs of the wind-down is set forth below. Wind-down costs consist of the regularly occurring general and administrative costs required to operate the Debtors' assets during the liquidation process, and the costs of any professionals the Trustee employs to assist with the liquidation process, including investment bankers, attorneys and other advisors. Total fees for such professionals have been estimated at $3 million per month for the duration of the wind-down period. Lazard believes that this assumption is a reasonable one and may in fact be conservative in light of the fact that professional fees incurred by the Debtors in these cases have ranged approximately between $4 million and $7 million per month since the Petition Date.

Trustee fees necessary to facilitate the sale of the Propco Properties were assumed at the rate of 3% of available Liquidation Proceeds. These fees would be used for developing marketing materials and facilitating the solicitation process for the parties, in addition to general administration expenses, including the Trustee's compensation.

Given the complexity and nature of the Debtors' Estates, the Propco/Mezzco Liquidation Analysis assumes a twelve-month liquidation process to sell assets, allowing the buyer(s) of the Propco Properties to become licensed and allow the Debtors to otherwise settle claims and wind down the accounting and tax affairs of the Estates. This estimate also takes into account the time that will be required for the Trustee and any professionals to become educated with respect to the Debtors' businesses and the Chapter 11 Cases.

E. Administrative Expenses (Corporate Overhead During Wind Down)

The Propco/Mezzco Liquidation Analysis assumes a gradual decline in corporate overhead during the wind-down period, with total corporate overhead during the wind-down period estimated at $10 to 20 million. Lazard believes that this assumed overhead range is reasonable based on the estimated corporate overhead that would be expected to be incurred by comparable gaming companies with operations of similar size as the Propco Properties.

F. Other Secured Claims

Other Secured Claims include any hypothetical secured claim (other than Prepetition Mortgage Loan Claims). SCI and its advisors estimate that Other Secured Claims associated with the Propco Properties are *de minimis* and, for purposes of the Propco/Mezzco Liquidation Analysis, have been assumed to be $0.

G. Prepetition Mortgage Loan Claims

The balance of Prepetition Mortgage Loan Claims was determined pursuant to a claims stipulation between the CMBS Lenders, the Debtors and various other parties dated as of January 21, 2010 [Docket No. 908].

H. General Unsecured Claims and Intercompany Claims

General Unsecured Claims and Intercompany Claims reflect the claims in those classes that have been filed and scheduled with respect to Propco. In the event that non-debtor entities affiliated with SCI would need to file for bankruptcy in order to effectuate the practical sale of the Propco Properties as going concerns, the amount of such claims may well be higher (and, if so, would further dilute the recoveries for those classes that are reflected herein).

EXHIBIT 2

LEXSEE 2009 BANKR. LEXIS 1814

Analysis
As of: Jun 30, 2010

In re SHAFI JAMAL KEISLER, KELLY LYNNE DICKENS, Debtors

Case No. 08-34321

UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF TENNESSEE

2009 Bankr. LEXIS 1814

June 29, 2009, Decided
June 29, 2009, Filed

CASE SUMMARY:

PROCEDURAL POSTURE: The debtors filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code. The debtors filed a first amended plan of reorganization and a first amended disclosure statement. The original bridge lenders objected to the amended plan and disclosure statement.

OVERVIEW: In the amended plan, the debtors characterized 11 classes of claims and proposed funding the plan with an unsecured note, the sale of some property, and tax refunds for two tax years. The original bridge lenders objected to the proposed plan because they claimed that the debtors significantly undervalued the stock that would be pledged for collateral on their loans, the debtors did not establish the amounts of the secured claims of the original bridge lenders, and the debtors did not disclose that the original bridge lenders had filed a competing plan of reorganization, offering to purchase a portion of the stock. The court found that the first amended disclosure statement contained adequate information as required by *11 U.S.C.S. § 1125*. The objections by the bridge lenders related to valuation of the stock and valuation was not a necessary component of what was needed in a valuation statement under *§ 1125(b)*. The disclosure statement met the court's primary concern of providing the creditors with sufficient information to make an informed decision on acceptance or rejection of the first amended plan. All remaining questions can be addressed at confirmation.

OUTCOME: The court overruled the objection and approved the debtors' first amended disclosure statement.

COUNSEL: [*1] For Shafi Jamal Keisler, Maryville, TN, Debtor: Michael H. Fitzpatrick, Jenkins & Jenkins Attorneys, PLLC, Knoxville, TN.

For Kelly Lynne Dickens, Maryville, TN, Joint Debtor: Michael H. Fitzpatrick, Jenkins & Jenkins Attorneys, PLLC, Knoxville, TN.

JUDGES: RICHARD STAIR, JR., UNITED STATES BANKRUPTCY JUDGE.

OPINION BY: RICHARD STAIR, JR.

OPINION

MEMORANDUM ON ADEQUACY OF THE DEBTORS' FIRST AMENDED DISCLOSURE STATEMENT FILED MAY 13, 2009

RICHARD STAIR, JR.

UNITED STATES BANKRUPTCY JUDGE

A hearing was held on May 21, 2009, to consider the adequacy of the First Amended Disclosure Statement filed by the Debtors on May 13, 2009, in conjunction with the First Amended Plan of Reorganization filed the same day. The Objection By Mission Compound LLC, Courmont & Wapner Associates, LLC, Dr. R. Glenn Hall, Fundacion Galvez, James Hall, John Bracken, Jordan E. Glazov and Sheila N. Glazov, and Kenneth and Ellen Nibali Trust to the Debtors' Disclosure Statement Dated May 13, 2009 (Objection) was filed by Mission Compound LLC, Courmont & Wapner Associates, LLC, Dr. R. Glenn Hall, Fundacion Galvez, James Hall, John Bracken, Jordan E. Glazov and Sheila N. Glazov, and Kenneth and Ellen Nibali Trust (collectively, the "Original Bridge [*2] Lenders") on June 3, 2009. Following the hearing and pursuant to the Order emanating therefrom, the court reserved ruling pending the filing of the Objection by the Original Bridge Lenders and the Debtors' response, which was filed on June 10, 2009 (Response).

This is a core proceeding. *28 U.S.C. § 157(b)(2)(L).*

I

The Debtors filed the Voluntary Petition commencing their Chapter 11 case on September 29, 2008. On March 13, 2009, the Debtors filed a Plan of Reorganization and a Disclosure Statement, which was scheduled for a hearing on adequacy on April 30, 2009. Objections to the adequacy of the March 13, 2009 Disclosure Statement were each filed on April 23, 2009, by the United States Trustee, Seward & Kissel LLP, and the Original Bridge Lenders. Thereafter, on May 13, 2009, the Debtors filed the First Amended Plan of Reorganization and First Amended Disclosure Statement, which was scheduled for hearing on May 21, 2009. On May 18, 2009, the United States Trustee withdrew his objection, and on May 21, 2009, the court entered an order overruling the limited objection of Seward & Kissel LLP for failure to appear and prosecute. Only the Objection filed by the Original Bridge Lenders remains [*3] pending.

In Exhibit 3 to the First Amended Disclosure Statement, the Debtors list their assets, consisting of their home located at 267 Kings Grant Road, Maryville, Tennessee, real property located at Lot # 6 Willow Lane, Sevierville, Tennessee, a 1/13th share in a condominium located at 1310 Ocean Club, Isle of Palms, South Carolina, cash, security deposits, household goods, books and pictures, wearing apparel, jewelry, sports equipment, IRAs, tax refunds, a note owed by American Gear & Transmission, Inc., vehicles, shelving, farm equipment, farm animals, animal feed and care, miscellaneous, an ownership interest in Wildwood Properties, LLC, and Keisler Engineering, Inc. stock. The Debtors list the equity value of these assets at $ 380,641.02 and the liquidation value of the equity at $ 252,341.02.

The treatment proposed for the eleven classes provided for in the Debtors' First Amended Plan of Reorganization (First Amended Plan), also filed on May 13, 2009, is summarized in the First Amended Disclosure Statement as follows:

> Class 1: Administrative expense claims which are to be paid in full upon the effective date of the Plan.
>
> Class 2: The secured claim of Farm Credit which is to be paid [*4] according to contract.
>
> Class 3: The secured claim of BB&T which is to be paid according to contract.
>
> Class 4: The claim of Kubota Credit, USA which is partially secured. The secured portion of the claim, $ 5,000.00, will be paid in full through monthly payments of $ 200.00 plus 5% interest.
>
> Class 5: The secured claims of creditors who loaned money to American Gear & Transmission, Inc., secured by Mr. Keisler's ownership rights in Keisler Engineering, Inc. Class 5 is impaired and the court will determine the nature, extent,

and value of the secured claims making up Class 5. If the claims are fully secured in the stock interest of both Debtors, they will receive a note in the amount of $ 400,000.00 payable to the class, to be paid quarterly over 132 months with 5% interest and prorated according to the claim amounts. If the claims are not all fully secured by the stock interests of both Debtors, those creditors whose claims are secured by the stock interests of both Debtors will receive a note from Keisler Engineering, Inc. in an amount of the claims determined or $ 400,000.00, whichever is less, and those creditors whose claims are secured only by the stock interests of Mr. Keisler will [*5] be paid the value of their claims as determined by the court in equal monthly payments plus 5% interest over twelve months. Any remaining balances of the claims in this class shall be paid as part of Class 10 as general unsecured claims.

Class 5 is subdivided as follows:

Class 5A, identified as the "Sub-Prime Lenders Group A," consists of claims filed by the Bridge Lenders. These claims are provided the alternate treatment discussed above depending on the decision of the court on the nature, extent, and value of their secured claims.

Class 5B, identified as "Sub-Prime Lenders Group B," consists of Clifford Johnson, Donald Tarr, Edward Drummond, George Kershaw, Joe Brownlee, Jr., John Kerr, Phillip Young, and Tom Raymond. These claims are provided the alternative treatment discussed above depending on the decision of the court on the nature, extent, and value of their secured claim.

Class 6: The "BB&T Wildwood Note" consists of a claim guaranteed by the Debtors which will be paid by "Wildwood" in accordance with the note between the parties, with the Debtors' guaranty to be discharged.

Class 7: The claim of Alcoa Tennessee Federal Credit Union which will be paid $ 603.10 monthly by Keisler [*6] Engineering.

Class 8: The claim of Alcoa Tennessee Federal Credit Union which will be paid $ 874.85 monthly by Keisler Engineering.

Class 9: All pre-petition nonpriority unsecured claims filed or scheduled for less than $ 1,000.00, which will be paid in full without interest on the effective date of the plan.

Class 10: All pre-petition nonpriority unsecured claims which are not disputed, contingent, or unliquidated and timely filed before the bar date will receive an unsecured note from Keisler Engineering, Inc. in the amount of $ 175,000.00 plus 2.09% interest, resulting in monthly payments of $ 1,581.83 to be paid pro rata for 132 consecutive months beginning thirty days after confirmation, in addition to the net proceeds from the sale of the Debtors' condo interest and unimproved lot and through their 2007 and 2008 tax refunds.

Class 11: The interest of the Debtors which will be "|d|ischarged and vested in property of the estate."

The Debtors propose to fund the First Amended Plan with: (1) an unsecured note in the amount of $

175,000.00 from Keisler Engineering, Inc.; (2) the sale of the unimproved Lot # 6 Willow Lane, Sevierville, Tennessee, valued by the Debtors at $ 6,000.00; (3) [*7] the sale of the Debtors' 1/13th interest in the Ocean Club condominium in South Carolina, valued by the Debtors at $ 80,000.00; and (4) tax refunds for tax years 2007 and 2008, valued by the Debtors at $ 38,857.00.

The Objection of the Original Bridge Lenders is grounded upon the following: (1) the Debtors' valuation of the shares of capital stock of Keisler Engineering, Inc., which has been pledged as collateral for their loans and which the Debtors value at $ 400,000.00, but which the Original Bridge Lenders contend has a value of more than $ 2,000,000.00; (2) the unestablished amounts of the secured claims of the Original Bridge Lenders; and (3) the Debtors' failure to disclose that the Original Bridge Lenders have filed a competing plan of reorganization, offering to purchase 17.6964% of the shares of Keisler Engineering, Inc. stock for $ 400,000.00. In response, the Debtors state that valuation should be resolved at confirmation and that the Original Bridge Lenders have not raised any true adequacy issues.

II

The adequacy of a disclosure statement is governed by *11 U.S.C. § 1125*, which provides that:

> An acceptance or rejection of a plan may not be solicited after the commencement [*8] of the case under this title from a holder of a claim or interest with respect to such claim or interest, unless, at the time of or before such solicitation, there is transmitted to such holder the plan or a summary of the plan, and a written disclosure statement approved, after notice and a hearing, by the court as containing adequate information. The court may approve a disclosure statement without a valuation of the debtor or an appraisal of the debtor's assets.

11 U.S.C. § 1125(b). As it pertains to *§ 1125(b)*, *subsection (a)* provides the following definitions:

> (a) In this section--
>
> (1) "adequate information" means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan, but adequate information need not include such information [*9] about any other possible or proposed plan and in determining whether a disclosure statement provides adequate information, the court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information; and
>
> (2) "investor typical of holders of claims or interests of the relevant class" means investor having--
>
> (A) a claim or interest of the relevant class;
>
> (B) such a relationship with the debtor as the holders of other claims or interests of such class generally have; and
>
> (C) such ability to obtain such information from sources other than the disclosure required by this section as holders of claims or interests in such class generally have.

11 U.S.C. § 1125(a).

Whether a disclosure statement provides adequate disclosure is "'left essentially to the judicial discretion of the court' and . . . 'the information required will

necessarily be governed by the circumstances of the case.'" *Mabey v. S.W. Elec. Power Co. (In re Cajun Elec. Power Co.), 150 F.3d 503, 518 (5th Cir. 1998)* (quoting S. REP. No. 95-989, at 121 (1978), *reprinted in* 1978 U.S.C.C.A.N. 5787, 5907). Courts determine adequacy [*10] on a case-by-case basis, with the following as a "yardstick against which the adequacy of disclosure may be measured":

> (1) the circumstances that gave rise to the filing of the bankruptcy petition; (2) a complete description of the available assets and their value; (3) the anticipated future of the debtor; (4) the source of the information provided in the disclosure statement; (5) a disclaimer, which typically indicates that no statements or information concerning the debtor or its assets or securities are authorized, other than those set forth in the disclosure statement; (6) the condition and performance of the debtor while in Chapter 11; (7) information regarding claims against the estate; (8) a liquidation analysis setting forth the estimated return that creditors would receive under Chapter 7; (9) the accounting and valuation methods used to produce the financial information in the disclosure statement; (10) information regarding the future management of the debtor, including the amount of compensation to be paid to any insiders, directors, and/or officers of the debtor; (11) a summary of the plan of reorganization; (12) an estimate of all administrative expenses, including attorneys' [*11] fees and accountants' fees; (13) the collectibility of any accounts receivable; (14) any financial information, valuations or *pro forma* projections that would be relevant to creditors' determinations of whether to accept or reject the plan; (15) information relevant to the risks being taken by the creditors and interest holders; (16) the actual or projected value that can be obtained from avoidable transfers; (17) the existence, likelihood and possible success of non-bankruptcy litigation; (18) the tax consequences of the plan; and (19) the relationship of the debtor with affiliates.

In re Cardinal Congregate I, 121 B.R. 760, 765 (Bankr. S.D. Ohio 1990) (quoting *In re Scioto Valley Mortgage Co., 88 B.R. 168, 170-71 (Bankr. S.D. Ohio 1988)* (citations omitted)). "Generally, a disclosure statement must contain all pertinent information bearing on the success or failure of the proposals in the plan of reorganization," *Cardinal Congregate I, 121 B.R. at 765*, and "must clearly and succinctly inform the average unsecured creditor what it is going to get, when it is going to get it, and what contingencies there are to getting its distribution." *In re Ferretti, 128 B.R. 16, 19 (Bankr. D.N.H. 1991)*.

After [*12] review of the First Amended Disclosure Statement, the Original Bridge Lenders' Objection, and the Debtors' Response, the court finds that the First Amended Disclosure Statement contains adequate information. Each portion of the Objection by the Original Bridge Lenders relates to the question of the value of the Keisler Engineering, Inc. stock, which the Original Bridge Lenders argue is significantly understated. Nevertheless, as provided by *§ 1125(b)*, valuation is not a necessary component in the determination of whether a disclosure statement contains adequate information. The court's primary concern in the adequacy stage is not whether a plan is feasible or in the best interests of creditors -- it is simply whether creditors have been provided with sufficient information to make an informed decision as to whether they should accept or reject the First Amended Plan -- and the Debtors have adequately provided such information, disclosing that there is a dispute as to the value of the Keisler Engineering, Inc. stock and proposing alternative treatments depending upon the valuation, which shall be determined by the court in due course. All remaining questions concerning the valuation [*13] of the Keisler Engineering, Inc. stock and the amounts of the Original Bridge Lenders' secured claims are strictly confirmation issues.

Furthermore, the Debtors are not required to disclose that the Original Bridge Lenders have filed a competing plan. Aside from the fact that the competing plan was filed on June 1, 2009, after the First Amended Disclosure Statement was filed on May 13, 2009, the accompanying Disclosure Statement also filed by the Bridge Lenders on June 1, 2009, has not yet been determined adequate by the court. [1] In the event that the disclosure statement is

determined to contain adequate information, it will be sent to creditors, who will have an opportunity to make their own determinations as to both plans; however, the Debtors are not required to amend once more to disclose the existence of the competing plan.

1 The hearing on adequacy of the Disclosure Statement filed by the Original Bridge Lenders is scheduled for July 23, 2009.

Having determined that the First Amended Disclosure Statement filed by the Debtors contains adequate information as required by *11 U.S.C. § 1125(b)*, the court will overrule the Objection filed by the Bridge Lenders and will approve the Debtors' [*14] First Amended Disclosure Statement as containing adequate information. In view of the competing Plan filed by the Bridge Lenders and in order to keep the two Plans on the same track, the court will not immediately set a confirmation hearing on the Debtors' First Amended Plan but will set a status conference for July 23, 2009.

An order consistent with this Memorandum will be entered.

FILED: June 29, 2009

BY THE COURT

/s/ RICHARD STAIR, JR.

RICHARD STAIR, JR.

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 3

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 38, 39 and 4)*

STATION CASINOS, INC.
(Name of Issuer)

Common Stock, par value $0.01 per share
(Title of Class of Securities)

857689103
(CUSIP Number)

Frank J. Fertitta III
STATION CASINOS, INC.
1505 South Pavilion Center Drive,
Las Vegas, Nevada 89135
(702) 367-2411
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

April 26, 2010
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. ☐

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 857689103

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)
FCP Voteco, LLC
EIN: 26-0443751

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) ☐

(b) ☒

3. SEC Use Only

THIS TERM SHEET DOES NOT CONSTITUTE (NOR SHALL IT BE CONSTRUED AS) AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OR REJECTIONS AS TO ANY PLAN OF REORGANIZATION, IT BEING UNDERSTOOD THAT SUCH AN OFFER OR SOLICITATION, IF ANY, WILL ONLY BE MADE IN COMPLIANCE WITH APPLICABLE PROVISIONS OF SECURITIES AND/OR BANKRUPTCY LAWS. THIS TERM SHEET IS A DRAFT FOR DISCUSSION PURPOSES ONLY AND DOES NOT ADDRESS ALL MATERIAL TERMS THAT WOULD BE REQUIRED IN CONNECTION WITH THE RESTRUCTURING (AS DEFINED HEREIN) AND IS SUBJECT TO THE COMPLETION AND EXECUTION OF DEFINITIVE DOCUMENTATION ACCEPTABLE TO THE PARTIES AND THE RECEIPT BY THE MORTGAGE LENDERS OF CREDIT AND OTHER INTERNAL APPROVALS.

STATION CASINOS, INC.
FCP PROPCO, LLC
RESTRUCTURING TERM SHEET

MARCH 24, 2010

This term sheet (the "Term Sheet") outlines a proposed restructuring transaction (as further defined below, the "Restructuring") for Station Casinos, Inc. and certain of its subsidiaries and FCP PropCo, LLC to be implemented pursuant to a joint plan of reorganization (the "Plan") under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code") and certain related transactions. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Bankruptcy Code. This Term Sheet does not include a description of all of the terms, conditions and other provisions that are to be contained in the definitive documentation governing the Restructuring, which remain subject to discussion and negotiation.

Relevant Parties:

Opco:	Station Casinos, Inc., a Nevada corporation ("Opco") and certain of its subsidiaries and affiliates described on Annex 1 (the "Opco Debtors").
Propco:	FCP PropCo, LLC, a Delaware limited liability company ("Propco").
New Propco:	A new entity formed by the Mortgage Lenders for the purpose of acquiring the assets of Propco and certain of the assets of the Opco Debtors and certain other Opco subsidiaries as part of the Restructuring, together with its subsidiaries, all in accordance with the terms and conditions summarized herein ("New Propco").
MezzCo Debtors:	FCP MezzCo Parent, LLC, FCP MezzCo Parent Sub, LLC, FCP MezzCo Borrower VII, LLC, FCP MezzCo Borrower VI, LLC, FCP MezzCo Borrower V, LLC, FCP MezzCo Borrower IV, LLC, FCP MezzCo Borrower III, LLC, FCP MezzCo Borrower II, LLC, FCP MezzCo Borrower I, LLC, each a Delaware limited liability company (the "MezzCo Debtors"). FCP MezzCo Borrower IV, LLC, FCP MezzCo Borrower III, LLC, FCP MezzCo Borrower II, LLC, FCP MezzCo Borrower I, LLC are also collectively the "MezzCo Borrowers".

relating thereto, the "Restructuring Documents"), in each case in form and substance acceptable to the Mortgage Lenders, New Propco and FG.

Tax. The parties will endeavor to structure the Restructuring (including the closing thereof) and the Plan in a tax efficient manner. The tax structure shall be agreed by the Mortgage Lenders and FG in the Restructuring Documents.

Regulatory. The Restructuring and the Plan will be subject to all regulatory requirements, including gaming regulations. The gaming regulatory approach will be agreed by the Mortgage Lenders and FG in the Restructuring Documents.

Propco Restructuring Transactions:

Propco Restructuring:

The Plan will provide for the following treatment of claims against and interests in Propco:

(a) Propco Plan Recipients: The holders of Mortgage Loans (collectively, the "Propco Plan Recipients"), will be entitled under the Plan, ratably in accordance with their 62.5% and 37.5% shares of the outstanding Mortgage Loans, to receive, directly or through New Propco as their designee, the following (collectively, the "Senior Plan Recovery"): (i) all existing collateral for the Mortgage Loan; (ii) [*]; (iii) any other FF&E and reserves pledged to Propco under the Master Lease and the existing FF&E Security Agreement; (iv) all cash collateral held at Propco; (v) all distributions from Opco received by Propco on account of the claims of Propco against Opco, including claims for rejection of the Master Lease; and (vi) general releases from Opco, Propco and their respective estates and affiliates as described below under Definitive Documentation. Concurrently therewith, CV Holdco, LLC shall transfer to New Propco or a subsidiary thereof all of its equity interests in the Land Loan Borrower, CV Propco, LLC. Transfers to New Propco or the Land Loan Borrower will include all construction, design and branding assets related to any of the properties to be transferred to such entity

(b) Formation of New Propco: The Propco Plan Recipients will form New Propco prior to the Effective Date and will designate New Propco or a subsidiary thereof as their designee to receive all asset transfers described above

* Material has been omitted pursuant to a request for confidential treatment and has been filed separately with the SEC.

(other than any claims under the rejected Master Lease and the rejected License Agreement and "Excess Effective Date Cash", as defined below, which will be retained by the Propco Plan Recipients) and will capitalize New Propco with all Retained Available Cash (as defined below) and in consideration of such asset transfers the Propco Plan Recipients will receive, ratably in accordance with their interests in the Mortgage Loans, a senior secured mortgage loan facility, in an aggregate principal amount equal to $1.6 billion, to be secured by (x) substantially all of the assets of New Propco, including the assets described in items (i) through (iv) of paragraph (a) above (but excluding collateral for the Land Loan and including the other collateral and terms described on Annex 2), (y) any equity interests in any subsidiaries acquired or formed by New Propco in connection with the Restructuring; and (z) 100% of the limited liability company interests of New Propco (the "New Propco Equity"). The New Propco Equity shall consist both of non-voting interests to be issued to a holding company ("Holdco") owned by the Propco Plan Recipients and voting equity interests with minimal economic rights to be issued in favor of a limited liability company called "Voteco" as more particularly described on Annex 7. References herein to New Propco Equity or New Propco, as the case may be, shall refer to either New Propco, Holdco or both such entities, as the context may require. Holdco would also issue certain out-of-the-money warrants on terms described in Annex 3.

(c) Holders of Other General Unsecured Claims: Holders of Propco general unsecured claims will not be entitled to distributions under the Plan.

(d) Equity: Holders of existing Propco Equity will not be entitled to distributions under the Plan. On the Effective Date, all existing Propco Equity will be extinguished.

Mezzanine Debtors and Borrowers Plan Treatment:

Holders of Mezzanine Loans and any other creditors of MezzCo Debtors will not be entitled to any distributions under the Plan from the Debtors. On the Effective Date, the Mezzanine Debtors will be dissolved and all equity issued by the Mezzanine Debtors will, unless otherwise agreed by the Mortgage Lenders, be distributed in satisfaction of the claims of the lenders to the Mezzanine Debtors; provided that any equity so distributed will be deemed cancelled upon delivery and the holders thereof will have no rights to pursue any claims or rights against Propco, Opco or their respective affiliates.

Assignments by Propco Plan Recipients and FG:

The Propco Plan Recipients may assign to certain parties in interest cash and/or portions of their interests in New Propco. Specifically it is contemplated that, in settlement of certain

FG or the Mortgage Lenders to fail to consummate the Restructuring as otherwise contemplated herein.

Transition Services:

Transition services and transfers/licenses will include, both as part of the Plan to be effectuated following Plan confirmation and as part of the transition prior to the Effective Date, and as part of the amended Compromise to be effectuated in the event the Plan is ultimately not confirmed, the transition services, the transfers to New PropCo of all assets on which Propco has a prepetition lien, and the additional assets to be transferred by Opco or its subsidiaries to New Propco, each as more particularly described on Annex 8.

Employees: Annex 8 describes the allocation of employees. Upon the Effective Date of the Plan, the existing employment agreements of the employees who accept employment with New Propco or FG will (i) if approved by the Mortgage Lenders, be assumed by and assigned to New Propco or (ii) be rejected (with all related claims being included in the Opco unsecured claims or extinguished) on the Effective Date, and employees will be released from all non-compete obligations to the extent necessary to consummate such assumptions.

Other Transition Matters: Transition matters not described above shall be similar in scope and terms to those agreed upon in the amended Master Lease Compromise Agreement to be filed with the Bankruptcy Court in connection with the proposed Restructuring or otherwise as set forth on Annex 8.

Sale and License to FG:

Sale: On the Effective Date, (i) the Mortgage Lenders will sell (pro rata in proportion to the New Propco Equity owned by each, or as otherwise agreed by the Mortgage Lenders), and FG (or the Fertitta Brothers and Fertitta Family Entities) will collectively purchase (and may subsequently reassign such New Propco Equity among themselves and other Fertitta Affiliates), 50% of the New Propco Equity and certain warrants as described on

Annex 3 for a cash purchase price of $85.65 million(3) and (ii) New Propco shall, as part of the consideration for the FG Management Agreement described below, grant to FG a non-exclusive, non-assignable, non-sublicenseable fully paid perpetual license to use Propco's IT System (as described on Annex 8) (including with respect to all non-Propco assets managed, owned, or operated by FG or a Fertitta Affiliate). Such purchase and sale will be consummated pursuant to a purchase agreement on terms customary for a transaction of this nature (including no seller reps or warranties, express or implied).

FG Management Agreement and other FG Matters:

Subject to the terms of the new loan documentation, FG will enter into a 25 year management agreement with New Propco (the "FG Management Agreement") pursuant to which (i) FG or such affiliate will agree to manage the business and affairs of New Propco, and (ii) New Propco will pay management fees to FG equal to the sum of 2.0% of New Propco gross revenues plus 5.0% of EBITDA, all as set forth on Annex 4. It is expressly understood that FG may elect to form a new Fertitta Affiliate to act as the manager for New Propco in which event references in this Term Sheet to FG in its capacity as manager shall mean and be references to such Fertitta Affiliate as the context may require.

In a separate non-competition agreement, New Propco will agree with the Fertitta Brothers and FG that there shall be no restrictions on the ability of FG or any Fertitta Affiliate (as defined below) to enter into management agreements (where no equity contribution is being made by FG or any such Fertitta Affiliate) in respect of other gaming and non-gaming enterprises of any kind, wherever located. If, however, such management-only agreements (i) pertain to a gaming and/or hotel management opportunity located within the Las Vegas Locals Market (as defined below) and (ii) provide all-in compensation to any Fertitta Affiliate in excess of the compensation that such Fertitta Affiliate would have received if such management agreement was compensated on the basis of the "sum of 2.0% of the management opportunity gross revenues plus 5.0% of EBITDA" compensation structure on the terms set forth in the FG Management Agreement, then such "excess" amount shall be paid over to New Propco as a consent fee if, as and when received. As used herein, "Fertitta Affiliate" shall mean (a) Frank Fertitta or Lorenzo Fertitta, any spouse or child or Fertitta Family Entity (each, a "Specified Person"), (b) a person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, a Specified Person, (c) any person that is an officer, director, partner, manager or trustee of, or serves in a similar capacity with respect to, a Specified Person or of which a Specified Person is an

(3) Calculated using a negotiated management discount to a $200 million POR equity value.

officer, partner, manager or trustee, or with respect to which a Specified Person serves in a similar capacity; or (d) any person one-third or more of whose equity securities are owned by Specified Persons. Without otherwise limiting the scope of the definition of Fertitta Affiliate, it is agreed that neither Zuffa, LLC nor its subsidiaries and joint ventures shall constitute a Fertitta Affiliate unless engaged in the investment in, ownership of or management of a hotel or any activity that requires licensing as a casino gaming company.

With respect to gaming or hotel investment opportunities (other than management-only agreements and other than investments in entities not constituting hotels and holding only a "restricted license" as currently defined in the Nevada Revised Statutes) arising within the Las Vegas Locals Market (as defined below), FG shall not, and shall not allow any Fertitta Affiliate to, invest in such opportunity (including without limitation any investment in Opco) unless (i) the percentage of total equity and any equity equivalents invested in such entity (including Opco or any subsidiary thereof) by FG and the Fertitta Brothers (directly or indirectly through any Fertitta Affiliates) is not greater than the percentage of equity owned by the Fertitta Affiliates in New Propco at the time of investment ; (ii) New Propco has been given a right of first refusal with respect to all or any portion of such investment, which right of first refusal will be exercisable at the direction of the Other Holders (as defined in Annex 7) and (iii) if the Propco Plan Recipients are willing to fund their percentage share of such bid (based on their percentage interests in New Propco) or allow New Propco to fund such bid, then any FG bid for such assets must be a joint bid involving New Propco and/or the Propco Plan Recipients as applicable. FG and the Fertitta Brothers (whether alone or as part of a group) will be entitled to pursue any such opportunity independently if the right of first refusal is not exercised. If the right of first refusal is not exercised by New Propco and FG or any Fertitta Affiliate will manage the opportunity in which the investment is being made and such management agreement together with any analogous agreements provides all-in compensation to any Fertitta Affiliate in excess of the compensation that such Fertitta Affiliate would have received if such management agreement was compensated on the basis of the "sum of 2.0% of the management opportunity gross revenues plus 5.0% of EBITDA" compensation structure on the terms set forth in the FG Management Agreement, then such "excess" amount shall be paid over to New Propco as a consent fee if, as and when received.

Cash investments in the Las Vegas Locals Market by FG, Frank Fertitta, Lorenzo Fertitta or any Fertitta Affiliates shall not, in any event, exceed an aggregate amount equal to their initial net cash investment in equity of New Propco of $85 million plus any additional concurrent or subsequent cash investments by FG,

Frank Fertitta, Lorenzo Fertitta or any other Fertitta Affiliates in equity of New Propco (such aggregate amount, the "Investment Cap").

Nothing shall restrict FG and the Fertitta Affiliates (whether alone or as part of a group) from independently pursuing any gaming or non-gaming opportunity of any kind arising anywhere outside of the Las Vegas Locals Market and New Propco's right of first refusal shall not apply to any opportunity of any kind arising outside of the Las Vegas Local Market, provided that, with respect to gaming investment opportunities only, unless such investment opportunities are funded exclusively through the capital of FG, the Fertitta Brothers or the Fertitta Family Entities or the capital of other parties (including any Fertitta Affiliates) who committed to provide equity simultaneously to or prior to the time that Fertitta Affiliates entered into a binding agreement to make such investment, then the Propco Plan Recipients (to the extent that they still own New Propco Equity), ratably together with certain third-party assignees of FG owning New Propco Equity at closing that are not Fertitta Affiliates, shall have a right of first refusal to purchase all or any portion of the equity investment to be provided by such other parties. This right of first refusal may be exercised by each of the Propco Plan Recipients that at the time of the offer still owns at least ten percent (10%) of the outstanding New Propco Equity at such time, and must be exercised within 30 business days after the making of such offer to such Propco Plan Recipients.

As used herein, "Las Vegas Locals Market" refers to any area within the Las Vegas, Nevada city limits or within a 50 mile radius of the intersection of Las Vegas Boulevard South and Charleston Boulevard in Las Vegas, Nevada other than (x) the area bordered by Sunset Road on the south, the I-15 freeway on the west, Charleston Boulevard on the north and

EXHIBIT 4

E. Gaming Regulatory Compliance

To the extent the distribution of any Plan Consideration under the Plan requires the approval of the Nevada Gaming Commission or other gaming regulatory authorities, including any distribution, issuance or sale to any entity required to be found suitable by the Nevada Gaming Commission or other gaming regulatory authorities, such Plan Consideration will not be distributed, issued or sold until such time as such finding of suitability has been made or the Nevada Gaming Commission or other gaming regulatory authorities have approved such distribution as applicable.

F. Officers of New Propco and New Opco

[The Debtors must provide the identity and compensation of the officers and directors of the reorganized debtors.]

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G. Cancellation of Existing Securities and Agreements

Pursuant to the Plan, on the Effective Date, any document, agreement or Instrument evidencing a Claim or Equity Interest, other than (a) a Claim that is reinstated and rendered unimpaired under the Plan or (b) Equity Interest held by a Debtor in another Debtor other than equity interests held by the Opco Debtors in the Propco Debtors will be deemed cancelled without further act or action under any applicable agreement, law, regulation, order or rule and the obligations of the Debtors under such documents, agreements or Instruments evidencing such Claims and Equity Interest, as the case may be, will be discharged.

H. Surrender of Securities

Unless otherwise provided in the Plan, as a condition precedent to receiving any distribution under the Plan, each registered holder of a [__] (or other Instrument evidencing a [___]) must surrender to the Debtors or the applicable [Trustee] all Instruments or other documents representing or evidencing such Claim. Any holder of a Claim that fails to (i) surrender such Instrument or (ii) execute and deliver to the Disbursing Agent an affidavit of loss and/or indemnity reasonably satisfactory to the Debtors by the later to occur of (a) the first Effective Date Anniversary and (b) six months following the date such holder's Claim becomes an Allowed Claim, will be deemed to have forfeited all rights and Claims with respect thereto, may not participate in any distribution under the Plan on account thereof, and all Cash, securities and other property owing with respect to such Allowed Claims will be retained by [_____] and any equity securities owing with respect to such Allowed Claims will be cancelled and be of no further force of effect.

I. Provisions for Resolving and Treating Disputed Claims

If any portion of a Claim is Disputed, no payment or distribution provided under the Plan will be made on account of that Claim unless and until, and only to the extent, such Claim becomes Allowed. At the time that a Disputed Claim becomes an Allowed Claim, the holder of that Allowed Claim will be entitled to receive a distribution equal in percentage of recovery to the distribution(s) made to date on previously-allowed Allowed Claims of the same priority without interest.

1. *Objections*

As of the Effective Date, the Plan Administrator will have the right, to the exclusion of all others (except as to applications for allowances of compensation and reimbursement of expenses under sections 328, 330, 331 and 503 of the Bankruptcy Code), to make, file and prosecute objections to Claims. The Debtors will serve a copy of each objection upon the holder of the Claim to which the objection is made as soon as practicable (unless such Claim was already the subject of a valid objection by the Debtors), but in no event will the service of such an objection be later than 120 days after the Effective Date, unless such date is extended by order of the Bankruptcy Court. The Bankruptcy Court, for cause, may extend the deadline on the *ex parte* request of the Debtors.

2. *Estimation of Claims*

The Plan Administrator may, at any time, request the Bankruptcy Court to estimate any Claim, pursuant to section 502(c) of the Bankruptcy Code, regardless of whether the Plan Administrator previously has objected to such Claim, and the Bankruptcy Court will retain jurisdiction to estimate any Claim, at any time, including during litigation concerning any objection to such Claim. In the event that the Bankruptcy Court estimates any Disputed Claim, that estimated amount may constitute either the Allowed amount of such Claim or a maximum limitation on the Allowed amount of such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the Allowed amount of such Claim, the applicable Plan Administrator may elect to pursue any supplemental proceedings to object to any ultimate payment of such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another.

3. *Other Provisions Relating to Disputed Claims*

If, on or after the Effective Date, any Disputed Claim (or portion thereof) becomes an Allowed Claim, the applicable Plan Administrator will, as soon as practicable following the date on which the Disputed Claim becomes an Allowed Claim, except as otherwise provided in the Plan, distribute to the holder of such Allowed Claim an amount, without any interest thereon, that provides such holder with the same percentage recovery, as of the Effective Date, as holders of Claims in the class that were Allowed on the Effective Date.

To the extent that a Disputed Claim is expunged or reduced, the holder of such Claim will not receive any distribution on account of the portion of such Claim that is disallowed. Any Disputed Claim, for which a proof of claim has not been deemed timely filed as of the Effective Date, will be disallowed.

J. Treatment of Executory Contracts and Unexpired Leases

The Bankruptcy Code grants the Debtors the power, subject to the approval of the Bankruptcy Court, to assume or reject executory contracts and unexpired leases. If an executory contract or unexpired lease is rejected, the counterparty to such executory contract or unexpired lease may file a claim for damages incurred by reason of the rejection. In the case of rejection of leases of real property, damage claims are subject to certain limitations imposed by the Bankruptcy Code. To assume an executory contract or an unexpired lease, the debtor may be required cure all outstanding defaults (a "**Cure Amount**") (subject to certain exceptions) and provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code). If there is a dispute regarding (i) the nature or size of any Cure Amount; (ii) the ability of the Debtors or any assignee to provide adequate assurance of future performance under the contract or lease to be assumed; or (iii) any other matter pertaining to assumption, the Cure Amount will occur following the entry of a Final Order resolving the dispute and approving the assumption (or assumption and assignment, as the case may be).

The Plan provides that, on the Effective Date, all Executory Contracts and Unexpired Leases identified on the Schedule of Executory Contracts and Unexpired Leases To Be Assumed will be deemed assumed by the applicable Debtor in accordance with, and subject to, the provisions and requirements of Sections 365 and 1123 of the Bankruptcy Code. The Plan further provides that, on the Effective Date, any Executory Contract or Unexpired Lease will be deemed rejected if such Executory Contract or Unexpired Lease: (a) is not listed on the Schedule of Executory Contracts and Unexpired Leases To Be Assumed; (b) has been rejected by order of the Bankruptcy Court; (c) is the subject of a motion to reject pending on the Effective Date; (d) is identified in the Plan Supplement as a contract or lease to be rejected; (e) is rejected pursuant to the terms of this Plan; (e) expired by its own terms on or prior to the Effective Date; or (f) has not been assumed or is not the subject of a motion to assume pending on the Effective Date.

The Debtors reserve the right, on or prior to the Effective Date, to (i) modify the Cure Amount for any executory contract or unexpired lease set forth in the Schedule of Executory Contracts and Unexpired Leases To Be Assumed or (ii) amend such Schedule to add or delete any executory contract or unexpired lease, in which event such executory contract(s) or unexpired lease(s) will be deemed to be, respectively, assumed or rejected. The Debtors will provide notice of any amendments to the Schedule to the parties to the executory contracts and unexpired leases affected thereby. The listing of a document on the Schedule of Executory Contracts and Unexpired Leases To Be Assumed will not constitute an admission by the Debtors that such document is an executory contract or an unexpired lease or that the Debtors have any liability thereunder.

Unless otherwise specified on the Schedule of Executory Contracts and Unexpired Leases To Be Assumed, each executory contract and unexpired lease listed or to be listed therein will include modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease, without regard to whether such agreement, instrument or other document is listed on the Schedule of Executory Contracts and Unexpired Leases To Be Assumed.

Unless and as otherwise provided by a prior order to the Bankruptcy Court, in the event any Debtor proposes to assign an Executory Contract or Unexpired Lease, at least twenty (20) days prior to the Confirmation Hearing, the Debtors shall serve upon counterparties to such Executory Contracts and Unexpired Leases, a notice of the proposed assumption and assignment, which will: (a) list the applicable cure amount, if any; (b) identify the party to which the Executory Contract or Unexpired Lease will be assigned; (c) describe the procedures for filing objections thereto; and (d) explain the process by which related disputes will be resolved by the Bankruptcy Court. Any applicable cure amounts shall be satisfied, pursuant to Section 365(b)(1) of the Bankruptcy Code, by payment of the cure amount in Cash on the Effective Date or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. Subject to the foregoing, any Executory Contract or Unexpired Lease that constitutes a New Propco Acquired Asset shall be assigned to New Propco or its designated subsidiary in accordance with the terms of this Plan and pursuant to the New Propco Purchase Agreement or New Propco Transfer Agreement, as applicable, and any Executory Contract of Unexpired Lease that is to be assigned to New Opco or its designated subsidiary in accordance with the terms of the New Opco Purchase Agreement shall be so assigned in accordance with the terms of this Plan.

Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assignment or any related cure amount must be filed, served and actually received by the Debtors at least five (5) days prior to the Confirmation Hearing. Any counterparty to an Executory Contract and Unexpired Lease that fails to object timely to the proposed assignment or cure amount will be deemed to have consented to such assignment of its Executory Contract or Unexpired Lease.

The Confirmation Order shall constitute an order of the Bankruptcy Court approving any proposed assignments of Executory Contracts or Unexpired Leases pursuant to Sections 365 and 1123 of the Bankruptcy Code as of the Effective Date.

In the event of a dispute regarding (a) the amount of any cure payment, (b) the ability of any assignee to provide "adequate assurance of future performance" (within the meaning of Section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assigned or (c) any other matter pertaining to assignment, the applicable cure payments required by Section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assignment. If an objection to assignment or cure amount is sustained by the Bankruptcy Court, the Debtors in their sole option, may elect to reject such Executory Contract or Unexpired Lease in lieu of assuming and assigning it.

All Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases pursuant to this Plan or the Confirmation Order, if any, must be filed with the Bankruptcy Court within thirty (30) days after the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection. Any Entity that is required to file a Proof of Claim arising from the rejection of an Executory Contract or an Unexpired Lease that fails to timely do so shall be forever barred, estopped and enjoined from asserting such Claim, and such Claim shall not be enforceable, against the Debtors, the Estates or any of their respective property, and such Claim shall be forever discharged.

K. Effect of Confirmation of the Plan on Debtors

1. *Vesting of Assets*

Pursuant to the New Propco Transfer Agreement and the New Propco Purchase Agreements, on the Effective Date, the New Propco Acquired Assets shall vest in New Propco, free and clear of all Liens, Claims, Interests, encumbrances and Other Interests. After the Effective Date, New Propco and its subsidiaries will own the New Propco Acquired Assets and operate their businesses and manage their affairs free of any restrictions contained in the Bankruptcy Code.

Pursuant to the New Opco Purchase Agreement, on the Effective Date, the New Opco Acquired Assets shall vest in New Opco, free and clear of all Liens, Claims, Interests, encumbrances and Other Interests. After the Effective Date, New Opco will own the New Opco Acquired Assets and operate their businesses and manage their affairs free of any restrictions contained in the Bankruptcy Code.

2. *Compromise of Controversies*

General. Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan, including the exculpation and release provisions contained in this Article X, constitute a good faith compromise and settlement of all Claims, Litigation Claims, Causes of Action or controversies relating to the rights that a Holder of a Claim or Interest may have with respect to any Claim or Interest against any Debtor, any distribution to be made pursuant to these Plans on account of any such Claim or Interest, and any and all Claims or Causes of Action of any party arising out of or relating to the Going Private Transaction and all transactions relating thereto. The entry of the Confirmation Order constitutes the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such Claims, Interests or controversies and the Bankruptcy Court's finding that all such compromises or settlements are in the best interests of (x) the Debtors, the Non-Debtor Affiliates and their respective Estates and property, and (y) Claim and Interest Holders, and are fair, equitable and reasonable.

Global Settlement. Pursuant to Bankruptcy Rule 9019 and in consideration of the distributions and other benefits provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement, and the Plan constitutes a request to authorize and approve such compromise and settlement, of all Going Private Transaction Causes of Action among the Debtors and their respective Estates, the non-Debtor Affiliates of the Debtors, respective Estates, and any Person (the "*Global Settlement*"). Any distributions to be made pursuant to the Plan shall be made on account of and in consideration of the Global Settlement, which, upon the Effective Date of the Plan, shall be binding on all Persons, including the Debtors and their respective Estates, the non-Debtor Affiliates of the Debtors, all Holders of Claims or Interests (whether or not Allowed), and all Persons entitled to receive any payments or other distributions under the Plan. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date of the Plan, of the Global Settlement and the Bankruptcy Court's finding that the Global Settlement is in the best interests of the Debtors, their respective Estates, the non-Debtor Affiliates of the Debtors, and the Holders of Claims and Interests, and is fair, equitable and reasonable.

3. *Binding Effect*

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code or in the Confirmation Order, and subject to the occurrence of the Effective Date, on and after the Effective Date, the provisions of the Plan will bind any holder of a Claim against or Equity Interest in the Debtors and their respective successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan. The rights, benefits and obligations of any entity named or referred to in the Plan whose actions may be required to effectuate the terms of the Plan will be binding on, and will inure to the benefit of, any heir, executor, administrator, successor or assign of such entity (including, but not limited to, any trustee appointed for the Debtors under chapters 7 or 11 of the Bankruptcy Code).

4. *Exculpation*

The Exculpated Parties [Debtors must identify by name all persons or entities that will be exculpated by this provision] shall neither have nor incur any liability to any Person for any Claims or Causes of Action arising on or after the Petition Date and prior to or on the Effective Date for any act taken or omitted to be taken in connection with, or related to formulating, negotiating, preparing, disseminating, implementing, administering, soliciting, confirming or effecting the Consummation of the Plan, the Disclosure Statement or any sale, contract, instrument, release or other agreement or document created or entered into in connection with this Plan or any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtor, the approval of the Disclosure Statement, confirmation or Consummation of the Plan; *provided*, *however*, that the foregoing provisions 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 of the Bankruptcy Court or other court of competent jurisdiction 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, actions or inactions; *provided*, *further*, *however* that the foregoing provisions shall not apply to any acts, omissions, Claims, Causes of Action or other obligations expressly set forth in and preserved by the Plan or the Plan Supplement as not being released under the Plan.

[Debtors must disclose reason or consideration for the exculpation clause contained herein.]

Pursuant to the foregoing paragraph, the Exculpated Parties (including several non-Debtor parties such as FG, Colony Capital, LLC, the Opco Administrative Agent, the Mortgage Lenders, the Stalking Horse Bidder, the foregoing parties' Related Persons and the Debtors' Related Persons) will receive a *de facto* release from liability arising from certain prepetition and postpetition actions. The Committee believes that this provision runs contrary to established law and intends to object to the inclusion of this provision.

5. ***Releases***

The Plan contains the following provision, which will become effective upon occurrence of the Effective Date:

RELEASES BY DEBTORS AND ESTATES. EFFECTIVE AS OF THE EFFECTIVE DATE, FOR GOOD AND VALUABLE CONSIDERATION PROVIDED BY EACH OF THE RELEASED PARTIES, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, THE DEBTORS, IN THEIR INDIVIDUAL CAPACITIES AND AS DEBTORS-IN-POSSESSION, AS THE CASE MAY BE, THE DEBTORS' ESTATES, THE NON-DEBTOR AFFILIATES, AND EACH OF THEIR RESPECTIVE RELATED PERSONS (COLLECTIVELY, THE "RELEASING PARTIES") SHALL, AND SHALL BE DEEMED TO, COMPLETELY, CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND FOREVER RELEASE, WAIVE, VOID, EXTINGUISH AND DISCHARGE EACH AND ALL OF THE RELEASED PARTIES (AND EACH SUCH RELEASED PARTY SO RELEASED SHALL BE DEEMED FOREVER RELEASED, WAIVED AND DISCHARGED BY THE RELEASING PARTIES) AND THEIR RESPECTIVE PROPERTIES AND RELATED PERSONS OF AND FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, LITIGATION CLAIMS, AVOIDANCE ACTIONS AND ANY OTHER DEBTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, ACTIONS, REMEDIES, JUDGMENTS AND LIABILITIES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, THE GOING PRIVATE TRANSACTION CAUSES OF ACTION), WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, EXISTING AS OF THE EFFECTIVE DATE OR THEREAFTER ARISING, IN LAW, AT EQUITY, WHETHER FOR TORT, CONTRACT, OR OTHERWISE, BASED IN WHOLE OR IN PART UPON ANY ACT OR OMISSION, TRANSACTION, EVENT OR OTHER OCCURRENCE OR CIRCUMSTANCES EXISTING OR TAKING PLACE PRIOR TO OR ON THE EFFECTIVE DATE ARISING FROM OR RELATED IN ANY WAY IN WHOLE OR IN PART TO THE DEBTORS, THE REORGANIZED DEBTORS OR THEIR RESPECTIVE ASSETS, PROPERTY AND ESTATES, THE CHAPTER 11 CASES, THE DISCLOSURE STATEMENT, THE PLAN OR THE SOLICITATION OF VOTES ON THE PLAN THAT SUCH RELEASING PARTY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT (WHETHER INDIVIDUALLY OR COLLECTIVELY) 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 THE DEBTORS OR THEIR ESTATES (WHETHER DIRECTLY OR DERIVATIVELY) AGAINST ANY OF THE RELEASED PARTIES; PROVIDED, HOWEVER, THAT THE FOREGOING PROVISIONS OF THIS RELEASE SHALL NOT OPERATE TO WAIVE OR RELEASE (I) ANY CAUSES OF ACTION EXPRESSLY SET FORTH IN AND PRESERVED BY THE PLAN OR ANY PLAN SUPPLEMENT **[the Debtors should identify and list the operative documents which contain reserved causes of action and a list of the underlying causes of actions to be reserved and the projected recovery of the same]**; (II) WITH THE EXCEPTION OF THE GOING PRIVATE TRANSACTION CAUSES OF ACTION, ANY CAUSES OF ACTION ARISING FROM ACTUAL OR INTENTIONAL FRAUD OR WILLFUL MISCONDUCT AS DETERMINED BY FINAL ORDER OF THE BANKRUPTCY COURT OR ANY OTHER COURT OF COMPETENT JURISDICTION; AND/OR (III) THE RIGHTS OF SUCH RELEASING PARTY TO ENFORCE THE PLAN AND THE CONTRACTS, INSTRUMENTS, RELEASES, AND OTHER AGREEMENTS OR DOCUMENTS DELIVERED UNDER OR IN CONNECTION WITH THE PLAN OR ASSUMED PURSUANT TO THE PLAN OR ASSUMED PURSUANT TO FINAL ORDER OF THE BANKRUPTCY COURT. THE FOREGOING RELEASE SHALL BE EFFECTIVE

AS OF THE EFFECTIVE DATE WITHOUT FURTHER NOTICE TO OR ORDER OF THE BANKRUPTCY COURT, ACT OR ACTION UNDER APPLICABLE LAW, REGULATION, ORDER, OR RULE OR THE VOTE, CONSENT, AUTHORIZATION OR APPROVAL OF ANY PERSON.

[Debtors must disclose reason or consideration for the releases contained herein.]

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PURSUANT TO THE FOREGOING PARAGRAPH, THE RELEASING PARTIES WILL RELEASE CLAIMS RAISED BY THE COMMITTEE IN THE COMMITTEE STANDING MOTION INCLUDING CLAIMS THAT: (A) VARIOUS COMPONENTS OF THE 2007 GOING PRIVATE TRANSACTION CONSTITUTED ACTUAL FRAUDULENT CONVEYANCES, CONSTRUCTIVE FRAUDULENT CONVEYANCES, INCLUDING CONSTRUCTIVE FRAUDULENT TRANSFERS UNDER THE NEWLY ADDED BANKRUPTCY CODE SECTION 548(A)(1)(B)(II)(IV) OR WERE OTHERWISE AVOIDABLE TRANSACTIONS; (B) THE MASTER LEASE SHOULD BE RECHARACTERIZED AS A SECURED FINANCING TRANSACTION AND/OR WAS AN ACTUAL AND CONSTRUCTIVE FRAUDULENT CONVEYANCE; AND (C) INSIDERS OF SCI BREACHED THEIR FIDUCIARY DUTIES TO SCI AND ITS CREDITORS THROUGH PURSUING THE 2007 GOING PRIVATE TRANSACTION. THE COMMITTEE HAS INVESTIGATED THESE CLAIMS AND BELIEVES THAT THEY ARE COLORABLE. IF THE DEBTORS SUCCESSFULLY PURSUED THESE CLAIMS, THE PROCEEDS OF ANY RECOVERY COULD BE DISTRIBUTED TO UNSECURED CREDITORS.

FURTHER EMBEDDED IN THESE RELEASES ARE RELEASES OF EQUITABLE SUBORDINATION CLAIMS UNDER BANKRUPTCY CODE SECTION 510(C). THE COURT NOTED AT THE JANUARY 25 HEARING ON THE COMMITTEE'S STANDING MOTION THAT THE COMMITTEE HAS INDEPENDENT STANDING TO ASSERT EQUITABLE SUBORDINATION CLAIMS. HOWEVER, THIS SECTION WILL ACT TO RELEASE THOSE CLAIMS DESPITE THE COMMITTEE'S EXPRESSED AND CLEAR INTENT TO SEEK EQUITABLE SUBORDINATION OF THE CLAIMS OF THE DEUTSCHE BANK ENTITIES AND JP MORGAN. THE POTENTIAL VALUE OF SUCH CLAIMS IS HUNDREDS OF MILLIONS OF DOLLARS. THE COMMITTEE DOES NOT BELIEVE SUCH RELEASES ARE PERMISSIBLE AND INTENDS TO OBJECT TO THE INCLUSION OF SUCH RELEASES.

Releases by Holders of Claims and Interests. Effective as of the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, each holder of a Claim or Equity Interest that has indicated on its Ballot its agreement to grant the release contained in Article X.C.2 of the Plan shall be deemed to, completely, conclusively, absolutely, unconditionally, irrevocably, and forever release, waive, void, extinguish and discharge the Released Parties from any and all Claims, Causes of Action, Litigation Claims, Avoidance Actions and any other obligations, rights, suits, damages, judgments, debts, remedies and liabilities whatsoever (including, without limitation, the Going Private Transaction Causes of Action), including any Claims or Causes of Action that could be asserted on behalf of or against the Debtors, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, fixed or contingent, matured or unmatured, existing or hereafter arising, in law, equity or otherwise, that such holder of a Claim or Equity Interest would have been legally entitled to assert in its own right (whether individually, derivatively or collectively), based in whole or in part upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, in any way relating or pertaining to (v) the purchase or sale, or the rescission of a purchase or sale, of any security of the Debtors, (w) the Debtors, the Reorganized Debtors or their respective assets, property and Estates, (x) the Chapter 11 Cases, (y) the negotiation, formulation and preparation of the Plan, the Disclosure Statement, or any related agreements, instruments or other document including, without limitation, all of the documents included in the Plan Supplement; and (z) the Going Private Transaction Causes of Action; *provided*, *however*, that, with the exception of the Going Private Transaction Causes of Action, these releases will have no effect on the liability of any Released Party arising from any act, omission, transaction, agreement, event or other occurrence, constituting willful misconduct, gross negligence, fraud or criminal conduct as determined by a Final Order; *provided further*, *however*, the foregoing shall not constitute a waiver or release of any right of the Holder of an Allowed Claim or Equity Interest, obligee under any Assumed Liability (whether assumed under the Plan or in accordance with a prior Bankruptcy Court Order, or party to an Assumed Contract to payment under the Plan or otherwise on account of such Allowed Claim or any of the rights of any parties in respect of Assumed Liabilities or Assumed Contracts under or in connection with the Plan or prior order of the Bankruptcy Court. The Releases set forth in this Article X shall be binding upon and shall

inure to the benefit of the any chapter 7 trustee in the event the Chapter 11 Cases are converted to chapter 7. **Notwithstanding anything herein, no Unsecured Creditor of SCI is being asked to grant or shall be deemed to have granted the release contained in Article X.C.2 of the Plan.**

[Debtors must disclose reason or consideration for the releases contained herein.]

Injunction Related to Releases. Except as provided in the Plan or the Confirmation Order, as of the Effective Date, (i) all Persons that hold, have held, or may hold a Claim or any other Cause of Action, Litigation Claim, obligation, suit, judgment, damages, debt, right, remedy or liability of any nature whatsoever, relating to any of the Debtors or the Reorganized Debtors or any of their respective assets, property and Estates, that is released pursuant to this Section X.C of the Plan, (ii) all other parties in interest, and (iii) each of the Related Persons of each of the foregoing entities, are, and shall be, permanently, forever and completely stayed, restrained, prohibited, barred and enjoined from taking any of the following actions, whether directly or indirectly, derivatively or otherwise, on account of or based on the subject matter of such released Claims or other Causes of Action, Litigation Claims, obligations, suits, judgments, damages, debts, rights, remedies or liabilities, and of all Equity Interests or other rights of a Holder of an equity security or other ownership interest: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding (including, without limitation, any judicial, arbitral, administrative or other proceeding) in any forum; (b) enforcing, attaching (including, without limitation, any prejudgment attachment), collecting, or in any way seeking to recover any judgment, award, decree, or other order; (c) creating, perfecting or in any way enforcing in any matter, directly or indirectly, any Lien; (d) setting off, seeking reimbursement or contributions from, or subrogation against, or otherwise recouping in any manner, directly or indirectly, any amount against any liability or obligation owed to any Person discharged under Section X.D; and (e) commencing or continuing in any manner, in any place of any judicial, arbitration or administrative proceeding in any forum, that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order.

6. ***WAIVER AND DISCHARGE OF CONTRACTUAL, LEGAL, AND EQUITABLE SUBORDINATION RIGHTS***

IRRESPECTIVE OF WHETHER CONSENT IS GIVEN, UPON THE EFFECTIVE DATE, ALL CONTRACTUAL, LEGAL, OR EQUITABLE SUBORDINATION RIGHTS THAT A HOLDER OF A CLAIM OR EQUITY INTEREST MAY HAVE INDIVIDUALLY OR COLLECTIVELY WITH RESPECT TO ANY DISTRIBUTION TO BE MADE IN ACCORDANCE WITH THE PLAN ARE DISCHARGED AND TERMINATED, AND ALL ACTIONS RELATED TO THE ENFORCEMENT OF SUCH SUBORDINATION RIGHTS ARE PERMANENTLY ENJOINED.

THE COMMITTEE DOES NOT BELIEVE SUCH RELEASES ARE PERMISSIBLE AND INTENDS TO OBJECT TO THE INCLUSION OF SUCH RELEASES.

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7. *Retention of Causes of Action/Reservation of Rights*

Except as expressly provided in the Plan, nothing contained in the Plan or the Confirmation Order will be deemed to be a waiver or relinquishment of any rights or causes of action that the Debtors may have or choose to assert on behalf of their respective estates under any provision of the Bankruptcy Code or any applicable nonbankruptcy law, including, without limitation, (i) any and all Claims against any Person or entity, to the extent such Person or entity asserts a crossclaim, counterclaim, and/or Claim for setoff which seeks affirmative relief against the Debtors, their officers, directors, or representatives, (ii) any and all claims under chapter 5 of the Bankruptcy Code, and (iii) the turnover of any property of the Debtors' Estates.

Except as expressly provided in the Plan, nothing contained in the Plan or the Confirmation Order will be deemed to be a waiver or relinquishment of any claim, cause of action, right of setoff, or other legal or equitable defense which the Debtors had immediately prior to the Petition Date, against or with respect to any Claim left unimpaired by the Plan. The Debtors will have, retain, reserve, and be entitled to assert all such claims, causes of action, rights of setoff, and other legal or equitable defenses which they had immediately prior to the Petition Date fully as if the Chapter 11 Cases had not been commenced, and all of the Debtors' legal and equitable rights respecting any Claim left unimpaired by the Plan may be asserted after the Effective Date to the same extent as if the Chapter 11 Cases had not been commenced. To the extent any such Causes of Action or Litigation Claims exist as

of the Effective Date, they may be assigned to a liquidating trust, distributions from which will be in accordance with this Plan.

L. Summary of Other Provisions of the Plan

The following subsections summarize certain other significant provisions of the Plan. The Plan should be referred to for the complete text of these and other provisions.

1. *Plan Supplement*

The Plan Supplement will be filed with the Clerk of the Bankruptcy Court at least ten (10) days prior to the deadline to vote to accept or reject the Plan. Upon its filing with the Bankruptcy Court, the Plan Supplement may be inspected in the office of the Clerk of the Bankruptcy Court during normal court hours. Holders of Claims or Equity Interests may obtain a copy of the Plan Supplement on the website of the Claims Agent (*www.epiqbankruptcysolutions.com*) or upon written request to the Debtors' bankruptcy counsel.

2. *Modification of Plan*

The Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan prior to the entry of the Confirmation Order; and (b) after the entry of the Confirmation Order, the Debtors or the Plan Administrator, as applicable, 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, provided, however, that any amendment, modification or supplement to the Plan shall be reasonably acceptable to the Successful Bidder, the Mortgage Lenders, FG and the Required Consenting Lenders and shall not be inconsistent with the terms of the New Opco Purchase Agreement, the Mortgage Lender/FG Restructuring Agreement or the Opco Lender Restructuring Support Agreement. A Holder of a Claim or Equity Interest that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of such Claim or Equity Interest of such Holder

3. *Withdrawal or Revocation of Plan*

The Debtors may withdraw or revoke the Plan as to any or every Debtor at any time prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan, or if the Confirmation Date does not occur, then the Plan will be deemed null and void with respect to the applicable Debtor(s). In such event, nothing contained in the Plan will be deemed to constitute a waiver or release of any Claim by or against the applicable Debtor(s) or any other Person or to prejudice in any manner the rights of the applicable Debtor(s) or any other Person in any further proceedings involving the applicable Debtor(s).

4. *Dissolution of the Creditors' Committee*

On the Effective Date, the Committee will be dissolved and the members thereof will be released and discharged of and from all further authority, duties, responsibilities, and obligations related to and arising from and in connection with the Chapter 11 Cases, and the retention and employment of the Committee's attorneys, accountants, and other agents will terminate.

The Committee will continue in existence after the Effective Date solely for the purpose of reviewing and being heard by the Bankruptcy Court, and on any appeal, with respect to applications for compensation and reimbursement of expenses pursuant to section 330 and/or 503(b) of the Bankruptcy Code. With respect only to the foregoing, the Debtors will pay the reasonable fees and expenses of counsel for the Committee.

5. *Exemption from Securities Laws*

The issuance of securities in satisfaction of existing Claims pursuant to the Plan will be exempt from any securities laws registration to the fullest extent permitted by Section 1145 of the Bankruptcy Code.

6. *Exemption from Transfer Taxes*

Pursuant to section 1146(c) of the Bankruptcy Code, the issuance, transfer, or exchange of notes or equity securities under or in connection with the Plan, the assignment or surrender of any lease or sublease, or the delivery of any deed or other Instrument of transfer under, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, assignments, mortgages, deeds of trust or similar documents executed in connection with any disposition of assets contemplated by the Plan, will not be subject to any stamp, real estate transfer, mortgage recording, sales, use or other similar tax.

7. *Severability*

In the event that the Bankruptcy Court determines, prior to the Confirmation Date, that any provision of the Plan is invalid, void or unenforceable, the Bankruptcy Court will, with the consent of the Debtors, have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the provision held to be invalid, void or unenforceable, and such provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable according to its terms. Notwithstanding the foregoing, the provisions in the Plan relating to releases and exculpations are not severable from the remainder of the Plan.

V. CONFIRMATION AND CONSUMMATION PROCEDURE

A. Confirmation of the Plan

In order to meet the requirements for confirmation, the Plan (among other things) must: (i) be accepted by all Impaired Classes of Claims and Equity Interests, or if rejected by an Impaired Class, not "discriminate unfairly" and be "fair and equitable" as to such class; (ii) be "feasible," and (iii) be in the "best interests" of holders of Claims and Equity Interests in Impaired Classes.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the requirements of chapter 11 of the Bankruptcy Code. Specifically, in addition to other applicable requirements, the Debtors believe that the Plan satisfies or will satisfy the following requirements of section 1129 of the Bankruptcy Code:

- The Plan complies with the applicable provisions of the Bankruptcy Code.
- The Debtors, as the proponents of the Plan, 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 by the Debtors or by a person acquiring property 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 Chapter 11 Cases, has been disclosed to the Bankruptcy Court, and any such payment: (i) made before the confirmation of the Plan is reasonable; or (ii) is subject to the approval of the Bankruptcy Court as reasonable, if such payment is to be fixed after confirmation of the Plan.
- The Debtors, as proponents of the Plan, have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as the Plan Administrator, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and with public policy.
- The Debtors have disclosed the identity of any insider that will be employed or retained as or by the Plan Administrator and the nature of any compensation for such insider.

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

- The starting point in determining whether the Plan meets the "best interests" test is a determination of the amount of proceeds that would be generated from the liquidation of the Debtors' assets in the context of a chapter 7 liquidation (such amount, the "**Liquidation Proceeds**"). The Liquidation Proceeds must then be reduced by the costs of such liquidation, including costs incurred during the Chapter 11 Cases and allowed under chapter 7 of the Bankruptcy Code (such as professionals' fees and expenses, a chapter 7 trustee's fees, and the fees and expenses of professionals retained by the chapter 7 trustee). The potential chapter 7 liquidation distribution in respect of each Class must be reduced further by costs imposed by the delay caused by conversion to chapter 7. In addition, inefficiencies in the claims resolution process in a chapter 7 would negatively impact the recoveries of creditors. The net present value of a hypothetical chapter 7 liquidation distribution in respect of an impaired claim is then compared to the recovery provided by the Plan for such impaired claim.

- Based on the Debtors' liquidation analysis set forth as Exhibit B hereto (the "**Liquidation Analysis**"), the Debtors believe that Class of Creditors and Equity Interest Holders will receive under the Plan a recovery at least equal in value to the recovery such Impaired Class would receive pursuant to a liquidation of each Debtor under chapter 7 of the Bankruptcy Code.

- Except to the extent the Plan meets the requirements of section 1129(b) of the Bankruptcy Code, each Class of Claims or Equity Interests either has accepted the Plan or is not an Impaired Class under the Plan.

- Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Claims, Priority Tax Claims and Other Priority Claims will be paid in full or otherwise treated in accordance with Bankruptcy Code section 1129(a)(9) as required by the Bankruptcy Code.

- At least one Impaired Class has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in such Impaired Class.

- Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of any successor to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan. In order to determine whether the Plan satisfies the feasibility requirements of section 1129(a)(11) of the Bankruptcy Code, the Debtors have analyzed their ability to meet their obligations under the Plan. As part of this analysis, the Debtors have prepared the projections set forth in Exhibit [C] hereto (the "**Financial Projections**"). Based upon the Financial Projections, the Debtors believe that the Plan will meet the feasibility requirements of the Bankruptcy Code.

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

1. *Best Interests Test*

Often referred to as the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires the Bankruptcy Court to find, as a condition to confirmation of the Plan, that each holder of a Claim or Equity Interest either: (i) has accepted the Plan; or (ii) will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a chapter 11 plan of reorganization even if not all impaired classes have accepted the plan; provided that such plan has been accepted by at least one impaired class. The Debtors will seek to confirm the Plan notwithstanding its rejection by any of the Impaired Classes. In order to obtain such nonconsensual confirmation (or "cramdown") of the Plan, the Debtors must demonstrate to the Bankruptcy Court that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to each Impaired Class that voted to reject the Plan (each such Impaired Class, a "**Non Accepting Class**").

[The Debtors must provide a valuation analysis for each Debtor entity and the total enterprise value.]

a. Fair and Equitable Test

The Bankruptcy Code provides a non-exclusive definition of the phrase "fair and equitable," and includes the general requirement that no class receive more than 100% of the amount of the allowed claims in such class. The "fair and equitable" test sets different standards for secured creditors, unsecured creditors, and equity holders, as follows:

(i) Secured Creditors

With respect to Non-Accepting Classes of Secured Claims, the "fair and equitable" test requires that (i) each impaired secured creditor retains the liens securing its allowed secured claim and receives on account of that claim deferred cash payments having a present value equal to the amount of its allowed secured claim; (ii) the property securing the claim is sold free and clear of liens, with such liens to attach to the proceeds of the sale and the treatment of such liens on proceeds to be as provided in clause (i) above; and (iii) each impaired secured creditor realizes the "indubitable equivalent" of its allowed secured claim.

(ii) Unsecured Creditors

With respect to Non-Accepting Classes of Unsecured Claims, the "fair and equitable" test requires that (i) each impaired unsecured creditor receives or retains under the Plan property of a value equal to the amount of its allowed claim; or (ii) the holders of any claims (or Equity Interests) that are junior to the Non Accepting Class will not receive any property under the Plan. (This provision is often referred to as the "absolute priority" rule.)

(iii) Equity Interests

With respect to Non-Accepting Classes of Equity Interests, the "fair and equitable" test requires that (i) each holder of an Equity Interest will receive or retain under the Plan property of a value equal to the greatest of the fixed liquidation preference to which such holder is entitled, the fixed redemption price to which such holder is entitled, or the value of the interest; or (ii) the holder of an interest that is junior to the Non Accepting Class will not receive or retain any property under the Plan.

b. No Unfair Discrimination

A plan does not "discriminate unfairly" with respect to a Non Accepting Class if the value of the cash and/or securities to be distributed to the Class is equal to, or otherwise fair when compared to, the value of the distributions to other Classes whose legal rights are the same as those of the Non Accepting Class. Exact parity is not required. The Debtors believe that any discrepancy in treatment or potential distributions to otherwise unsecured creditors is objectively small and justified based on certain inherent differences in the nature of their Claims, the time that will be required to liquidate their Claims, and the relative levels of risk that are being taken by different creditors simply based upon the time it will take to liquidate their Claims. The Debtors will establish at the Confirmation Hearing that each of these requirements has been satisfied under the Plan.

B. Conditions to Confirmation and Effectiveness

1. **Conditions Precedent to Confirmation**

Confirmation of the Plan shall be conditioned upon the satisfaction of the following:

a. The Bankruptcy Court shall have entered a Final Order in form and in substance satisfactory to the Debtors, the Required Consenting Lenders and the Mortgage Lenders approving the Disclosure Statement with respect to the Plan as containing adequate information within the meaning of Section 1125 of the Bankruptcy Code.

b. The Plan and all schedules, documents, supplements and exhibits relating to the Plan shall have been filed in form and substance acceptable to the Debtors.

c. The proposed Confirmation Order shall be in form and substance acceptable to the Debtors, the Required Consenting Lenders and the Mortgage Lenders.

2. **Conditions Precedent to the Effective Date and Consummation of the Plan**

Consummation of the Plan shall be conditioned upon, and the Effective Date shall not occur until, the satisfaction or waiver of the following conditions:

a. The Confirmation Order shall have been entered (and in the event that the Stalking Horse Bidder is not the Successful Bidder, such order shall have become a Final Order in respect of Propco and New Propco) in a form and in substance satisfactory to the Debtors, the Successful Bidder, the Mortgage Lenders, FG and the Required Consenting Lenders and no stay of the Confirmation Order shall have been entered. The Confirmation Order shall provide that, among other things, the Debtors or the Plan Administrator, as appropriate, is authorized and directed to take all actions necessary or appropriate to consummate this Plan, including, without limitation, entering into, implementing and consummating the contracts, instruments, releases, leases, indentures and other agreements or documents created in connection with or described in this Plan.

b. The Bankruptcy Court shall have entered one or more orders (which may include the Confirmation Order and, in the event the Stalking Horse Bidder is not the Successful Bidder, such order(s) shall have become Final Order(s) in respect of Propco and New Propco) authorizing the assumption and rejection of Executory Contracts and Unexpired Leases by the Debtors as contemplated in this Plan and the Plan Supplement.

c. All documents and agreements necessary to implement this Plan, including, without limitation, all documents included in the Plan Supplement, in each case in form and substance acceptable to the Debtors shall have (a) been tendered for delivery, and (b) been effected by executed by, or otherwise deemed binding upon, all Entities party thereto. All conditions precedent to such documents and agreements shall have been satisfied or waived pursuant to the terms of such documents or agreements.

d. All actions necessary to implement the Plan shall have been effected, including, without limitation, all actions specified in and in furtherance of the Mortgage Lender/FG Restructuring Agreement, the Opco Lender Restructuring Support Agreement and the New Opco Purchase Agreement.

e. Upon or before the occurrence of the Effective Date, each of the New Propco Purchase Agreement, the New Propco Transfer Agreement, the New Opco Purchase Agreement shall close according to its terms. **[The Debtors must provide copies of these documents and disclose in detail what these documents will contain.]**

f. All material consents, actions, documents, certificates and agreements necessary to implement this Plan, including any required governmental or regulatory consents, shall have been obtained, effected or executed and delivered to the required parties and, to the extent required, Filed with the applicable governmental units in accordance with applicable laws.

g. The Confirmation Date shall have occurred.

3. **Effect of Failure of Conditions Precedent**

In the event that the Effective Date does not occur: (i) the Confirmation Order shall be vacated without further order of the Bankruptcy Court; (ii) no distributions under the Plan shall be made, (iii) the Debtors and all holders of Claims and Equity Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred; and (iv) the Debtors' obligations with respect to Claims and Equity Interests shall remain unchanged and nothing contained in the Plan shall constitute or be deemed a waiver or release of any Claims or Equity Interests by or against the Debtors or any other Person or will prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors.

VI. SECURITIES LAW MATTERS

A. U.S. Securities Law Matters

Except as set forth below, all debt instruments, to the extent they constitute securities, and equity securities to be issued in conjunction with the Plan will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance upon the exemptions set forth in section 1145 of the Bankruptcy Code or, if applicable, in reliance on the exemption set forth in section 4(2) of the Securities Act or Regulation D promulgated thereunder.

B. Section 1145 of the Bankruptcy Code

Section 1145(c) of the Bankruptcy Code provides that securities issued pursuant to a registration exemption under section 1145(a)(1) of the Bankruptcy Code are deemed to have been issued pursuant to a public offering. Therefore, the securities issued pursuant to a section 1145 exemption may generally be resold by any holder thereof without registration under the Securities Act pursuant to the exemption provided by section 4(1) thereof unless the holder is an "underwriter" with respect to such securities, as such term is defined in section 1145(b)(1) of the Bankruptcy Code. In addition, such securities generally may be resold by the recipients thereof without registration under state securities or "blue sky" laws pursuant to various exemptions provided by the respective laws of the individual states. However, recipients of securities issued under the Plan are advised to consult with their own counsel as to the availability of any such exemption from registration under federal securities laws and any relevant state securities laws in any given instance and as to any applicable requirements or conditions to the availability thereof.

Section 1145(b)(l) of the Bankruptcy Code defines an "underwriter" for purposes of the Securities Act as one who, subject to certain exceptions, (a) purchases a claim with a view to distribution of any security to be received in exchange for such claim, or (b) offers to sell securities offered or sold under the plan for the holders of such securities, or (c) offers to buy securities issued under the plan from the holders of such securities, if the offer to buy is made with a view to distribution of such securities, and if such offer is under an agreement made in connection with the plan, with the consummation of the plan or with the offer or sale of securities under the plan, or (d) is an issuer, as used in section 2(11) of the Securities Act, with respect to such securities.

The term "issuer," as used in section 2(11) of the Securities Act, includes any person directly or indirectly controlling or controlled by, an issuer of securities, or any person under direct or indirect common control with such issuer." Control" (as defined in Rule 405 under the Securities Act) means the possession, direct or indirect, of the power to direct or cause the direction of the policies of a person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer or director of a reorganized debtor or its successor under a plan of reorganization may be deemed to be "in control" of such debtor or successor, particularly if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor's or its successor's voting securities. Moreover, the legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns at least ten percent (10%) of the voting securities of a reorganized debtor may be presumed to be a "control person."

To the extent that persons deemed "underwriters" receive securities under the Plan, resales of such securities would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law, Holders of such restricted securities may, however, be able, at a future time and under certain conditions described below, to sell securities without registration pursuant to the resale provisions of Rule 144 and Rule 144A under the Securities Act

C. Section 4(2) of the Securities Act/Regulation D

Section 4(2) of the Securities Act provides that the issuance of securities by an issuer in transactions not involving any public offering are exempt from registration under the Securities Act. Regulation D is a non-exclusive safe harbor promulgated by the United States Securities and Exchange Commission under the Securities Act related to, among others, section 4(2) of the Securities Act.

The term "issuer," as used in section 4(2) of the Securities Act, means, among other things, a person who issues or proposes to issue any security.

Securities issued pursuant to the exemption provided by section 4(2) of the Securities Act or Regulation D promulgated thereunder are considered "restricted securities." As a result, resales of such securities may not be exempt from the registration requirements of the Securities Act or other applicable law. Holders of such restricted securities may, however, be able, at a future time and under certain conditions described below, to sell securities without registration pursuant to the resale provisions of Rule 144 and Rule 144A under the Securities Act,

D. Rule 144 and Rule 144A

Under certain circumstances, affiliates and holders of restricted securities may be entitled to resell their securities pursuant to the limited safe harbor resale provisions of Rule 144. Generally, Rule 144 provides that if certain conditions are met (e.g., that the availability of current public information with respect to the issuer, volume limitations, and notice and manner of sale requirements), specified persons who resell restricted securities or who resell securities which are not restricted but who are "affiliates" of the issuer of the securities sought to be resold, will not be deemed to be "underwriters" as defined in section 2(11) of the Securities Act. Rule 144 provides that: (i) a non-affiliate who has not been an affiliate during the preceding three months may resell restricted securities after a six-month holding period if at the time of the sale there is current public information regarding the issuer and after a one-year holding period if there is not current public information regarding the issuer at the time of the sale; and (ii) an affiliate may sell restricted securities after a six-month holding period if at the time of the sale there is current public information regarding the issuer and after a year holding period if there is not current public information regarding the issuer at the time of the sale, provided that in each case the affiliate otherwise complies with the volume, manner of sate and notice requirements of Rule 144.

Rule 144A provides a non-exclusive safe harbor exemption from the registration requirements of the Securities Act for resales to certain "qualified institutional buyers" of securities that are "restricted securities" within the meaning of the Securities Act, irrespective of whether the seller of such securities purchased its securities with a view towards reselling such securities, if certain other conditions are met (e.g., the availability of information required by paragraph 4(d) of Rule 144A and certain notice provisions). Under Rule 144A, a "qualified institutional buyer" is defined to include, among other persons, "dealers" registered as such pursuant to section 15 of the Exchange Act, and entities that purchase securities for their own account or for the account of another qualified institutional buyer and that, in the aggregate, own and invest on a discretionary basis at least $100 million in the

securities of unaffiliated issuers. Subject to certain qualifications, Rule 144A does not exempt the offer or sale of securities that, at the time of their issuance, were securities of the same class of securities then listed on a national securities exchange (registered as such pursuant to section 6 of the Exchange Act) or quoted in a United States automated inter-dealer quotation system.

Any holder of [_____] may transfer such membership interests to a new holder at such times as (i) such membership interests are sold pursuant to an effective registration statement under the Securities Act or (ii) such holder delivers to the issuer an opinion of counsel reasonably satisfactory to the issuer, to the effect that such shares are no longer subject to the restrictions applicable to "underwriters" under section 1145 of the Bankruptcy Code or (iii) such holder delivers to the issuer an opinion of counsel reasonably satisfactory to the issuer to the effect that such shares are no longer subject to the restrictions pursuant to an exemption under the Securities Act and such shares may be sold without registration under the Securities Act, in which event the certificate issued to the transferee will not bear such legend.

IN VIEW OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A RECIPIENT OF SECURITIES MAY BE AN UNDERWRITER OR AN AFFILIATE OF THE ISSUER, THE DEBTORS MAKE NO REPRESENTATIONS CONCERNING THE RIGHT OF ANY PERSON TO TRADE ANY SECURITIES TO BE DISTRIBUTED PURSUANT TO THE PLAN. ACCORDINGLY, THE DEBTORS RECOMMEND THAT POTENTIAL RECIPIENTS OF SECURITIES UNDER THE PLAN CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES.

VII. FINANCIAL INFORMATION, PROJECTIONS AND VALUATION ANALYSIS

A. Overview of Business Plan

[TO COME – **Debtors must provide**]

B. Projections

[TO COME – **Debtors must provide**]

VIII. RISK FACTORS

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN THE DEBTORS SHOULD READ AND CAREFULLY CONSIDER THE FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, THE DOCUMENTS DELIVERED TOGETHER WITH THIS DISCLOSURE STATEMENT, AND THE PLAN SUPPLEMENT. THE RISK FACTORS SET FORTH BELOW SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

A. General

1. The Debtors Have No Duty To Update.

The statements in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein. The delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Debtors have no duty to update this Disclosure Statement unless ordered to do so by the Bankruptcy Court.

2. Information Presented Is Based On The Debtors' Books And Records, And Is Unaudited.

While the Debtors have endeavored to present information fairly in this Disclosure Statement, there is no assurance that the Debtors' books and records upon which this Disclosure Statement is based are complete and accurate. The financial information contained herein, however, has been audited. **[The Debtors must make clear what financial information has been audited as stated on and when and by whom.]**

3. Projections And Other Forward-Looking Statements Are Not Assured, And Actual Results Will Vary.

Certain information in this Disclosure Statement is, by nature, forward looking, and contains estimates and assumptions which might ultimately prove to be incorrect, and projections which may differ materially from actual future results. There are uncertainties associated with all assumptions, projections and estimates, and they should not be considered assurances or guarantees of the amount of funds that will be distributed or the amount of Claims in the various Classes that will be allowed. The allowed amount of Claims in each Class, as well as Administrative Claims, could be significantly more than projected, which in turn, could cause the value of Distributions to be reduced substantially.

4. This Disclosure Statement Was Not Approved By The SEC.

Although a copy of this Disclosure Statement was served on the SEC and the SEC was given an opportunity to object to the adequacy of this Disclosure Statement before the Bankruptcy Court approved it, this Disclosure Statement has not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or applicable state securities laws. Neither the SEC nor any state regulatory authority has passed upon the accuracy or adequacy of this Disclosure Statement or the Exhibits contained herein, and any representation to the contrary is unlawful.

5. Certain Tax Implications of the Plan.

Holders of Allowed Claims should carefully review Section XII herein, "Certain Federal Income Tax Consequences of the Plan," to determine how the tax implications of the Plan and these Chapter 11 Cases may adversely affect Holders of Allowed Claims and the Reorganized Debtors. The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each holder of an Allowed Claim should consult his, her or its own legal counsel and accountant as to legal, tax and other matters concerning his, her or its Claim or Equity Interest.

B. Certain Bankruptcy Considerations

1. Risk of Non-Confirmation of the Plan.

In order for the Debtors to implement the Plan, the Debtors, like any other chapter 11 debtors, must obtain approval of the Plan from their creditors and confirmation of the Plan through the Bankruptcy Court, and then successfully implement the Plan. The foregoing process requires the Debtors to: (a) meet certain statutory requirements with respect to the adequacy of this Disclosure Statement; (b) solicit and obtain creditor acceptances of the Plan; and (c) fulfill other statutory conditions with respect to the confirmation of the Plan.

The Debtors may or may not receive the requisite acceptances to confirm the Plan. If the requisite acceptances of the Plan are received, the Debtors will seek confirmation of the Plan by the Bankruptcy Court. If the requisite acceptances are not received, the Debtors will nevertheless seek confirmation of the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code as long as at least one Impaired Class has accepted the Plan (determined without including the acceptance of any "insider" in such Impaired Class).

Even if the requisite acceptances of the Plan are received, or the Debtors are able to seek a "cramdown" confirmation, the Bankruptcy Court may not confirm the Plan as proposed. A holder of a Claim in a Non-Accepting Class could challenge the balloting procedures and results as not being in compliance with the Bankruptcy Code. Even if the Bankruptcy Court determined that the balloting procedures and results were appropriate, the Bankruptcy Court could decline to confirm the Plan if it found that any of the statutory requirements for confirmation had not been met. See Section [___] above for a discussion of these requirements.

The Bankruptcy Court may determine that the Plan does not satisfy one or more of these applicable requirements, in which case the Plan could not be confirmed by the Bankruptcy Court. If the Plan is not confirmed by the Bankruptcy Court, it is unclear whether the Debtors would be able to reorganize their businesses and what, if any, distributions holders of Claims and Equity Interests ultimately would receive with respect to their Claims or Equity Interests. In addition, there can be no assurance that the Debtors will be able to successfully

develop, prosecute, confirm, and consummate an alternative plan of reorganization with respect to the Chapter 11 Cases that is acceptable to the Bankruptcy Court and the holders of Claims and Equity Interests. Furthermore, it is possible that third parties may seek and obtain approval to terminate or shorten the exclusivity period during which only the Debtors may propose and confirm a plan of reorganization.

2. Risk of Non-Occurrence of Effective Date.

Although the Debtors anticipate that the Effective Date will occur soon after the Confirmation Date, if any, there can be no assurance as to such timing. If each of the Conditions Precedent are not satisfied or duly waived, the Confirmation Order will be vacated without further order of the Bankruptcy Court, in which event the Plan would be deemed null and void.

In connection with the consummation of the Plan, the Debtors will enter into a number of agreements and transactions designed to transfer assets to and facilitate the operations of New Propco and New Opco as going concern businesses. These agreements include the New Propco Purchase Agreement, the New Propco Transfer Agreement, the New Opco Purchase Agreement, the New Propco LLCA, the New FG Management Agreement, the New Propco Credit Agreement, the IP License Agreement, the New Propco Non-Compete Agreement, the New Opco Credit Agreement, the New Opco PIK Credit Agreement, the New FG Management Agreement, the IP License Agreement and [DEBTORS TO PROVIDE AN EXHAUSTIVE LIST OF RESTRUCTURING TRANSACTIONS]. The Plan cannot become effective until each of the New Propco Purchase Agreement, the New Propco Transfer Agreement and the New Opco Purchase Agreement shall close according to its terms. See Art. V.B.2.e. [DEBTORS TO PROVIDE AN EXHAUSTIVE LIST OF CONDITIONS PRECEDENT]. If the Debtors and the relevant counterparties are unable to agree to the terms of the foregoing agreements, or if there is a breach or event of default under any of the foregoing agreements which results in their termination prior to Plan effectiveness, [DEBTORS TO INSERT RESULTING EFFECT AND IMPACT ON RECOVERIES].

The events of default and other triggers of termination of the foregoing agreements are as follows:

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- ***New Propco Purchase Agreement*: [DEBTORS TO INSERT]**
- ***New Propco Transfer Agreement*: [DEBTORS TO INSERT]**
- ***New Opco Purchase Agreement*: [DEBTORS TO INSERT]**
- ***New Propco LLCA*: [DEBTORS TO INSERT]**
- ***New FG Management Agreement*: [DEBTORS TO INSERT]**
- ***New Propco Credit Agreement*: [DEBTORS TO INSERT]**
- ***IP License Agreement*: [DEBTORS TO INSERT]**
- ***New Propco Non-Compete Agreement*: [DEBTORS TO INSERT]**
- ***New Opco Credit Agreement*: [DEBTORS TO INSERT]**
- ***New Opco PIK Credit Agreement*: [DEBTORS TO INSERT]**
- ***New FG Management Agreement*: [DEBTORS TO INSERT]**
- ***IP License Agreement*: [DEBTORS TO INSERT]**
- **[DEBTORS TO INCLUDE ADDITIONAL AGREEMENTS]**

[The Debtors should also provide copies of all of the documents listed above with sufficient time for interested parties to object or comment on them prior to the Voting Deadline and the hearing on confirmation.]

3. Risk that Claims Will Be Higher Than Estimated.

The projected distributions and recoveries set forth in this Disclosure Statement and the Liquidation Analysis are based on the Debtors' initial estimate of Allowed Claims, without having undertaken a substantive review of all filed Claims. The Plan allows for the establishment of reserves (the "**Disputed Claims Reserve**") for the purposes of satisfying the Disputed Claims, as necessary or appropriate. The Debtors reserve the right to seek estimation of such Disputed Claims pursuant to section 502(c) of the Bankruptcy Code. The actual amount at which such Disputed Claims are ultimately allowed may differ from the estimates. Holders of Disputed Claims are entitled to receive distributions under the Plan upon allowance of such Claims solely from the Disputed Claim Reserve. If insufficient Plan consideration is available for distribution from the Disputed Claim Reserve at the time of allowance of a Disputed Claim, the distributions on account of such Allowed Claim will be limited to such available amounts and the holder of such Allowed Claim will have no recourse against the Debtors for any deficiency that may arise. The Debtors project that the Claims and Equity Interests asserted against them will be resolved in and reduced to an amount that approximates their estimates. There can be no assurance, however, that the Debtors' estimates will prove accurate. If claims are ultimately allowed in amounts higher than estimated, for example, distributions and recoveries on account of claims may be lower than estimated.

4. Liquidity Risks Prior to Consummation of the Plan.

a. The DIP Financing May Be Insufficient to Fund the Debtors' Business Operations.Although the Debtors project that they will have sufficient liquidity to operate their businesses through the Effective Date, there can be no assurance that the revenue generated by the Debtors' business operations together with amounts available under the DIP Financing will be sufficient to fund the Debtors' operations, especially as the Debtors expect to incur substantial professional and other fees related to the Chapter 11 Cases. In the event that revenue flows and available borrowings under the DIP Financing are not sufficient to meet the Debtors' liquidity requirements, the Debtors may be required to seek additional financing. There can be no assurance that such additional financing would be available or, if available, offered on terms that are favorable to the Debtors or terms that would be approved by the Bankruptcy Court. If, for one or more reasons, the Debtors are unable to obtain such additional financing, the Debtors' businesses and assets may be subject to liquidation under chapter 7 of the Bankruptcy Code and the Debtors may cease to continue as going concerns.

b. Reduction in Availability of Trade Credit.

The public disclosure of the Debtors' liquidity constraints and the Chapter 11 Cases has impaired the Debtors ability to maintain normal credit terms with certain of its suppliers. As a result, the Debtors have been required to pay cash in advance to certain vendors and have experienced restrictions on the availability of trade credit, which has further reduced the Debtors' liquidity. If liquidity deteriorates further, the Debtors' suppliers could refuse to provide key products and services.

5. The Debtors' Management Team May Allocate Less Time to the Operation of the Debtors' Business Operations.

So long as the Chapter 11 Cases continue, the Debtors' management team will be required to spend a significant amount of their time attending to the Debtors' restructuring instead of focusing exclusively on the Debtors' business operations.

6. Estimated Valuation and the Estimated Recoveries to Holders of Allowed Claims Are Not Intended to Represent the Potential Market Value (if any) of the Plan Consideration.

The Debtors' estimated recoveries to Holders of Allowed Claims are not intended to represent the market value of any components of the Plan Consideration. The estimated recoveries are based on numerous assumptions (the realization of many of which are beyond the control of the Debtors), including, without limitation:

If the Plan is not confirmed, the Debtors, or any other party in interest, may attempt to formulate an alternative chapter 11 plan, which might provide for the liquidation of the Debtors' remaining assets other than as provided by the Plan. Any attempt to formulate an alternative chapter 11 plan would necessarily delay creditors' receipt of distributions and, due to the incurrence of additional administrative expenses during such period of delay, may provide for smaller distributions to holders of Allowed Claims than are currently provided for under the Plan. Accordingly, the Debtors believe that the Plan will enable all creditors to realize the greatest possible recovery on their respective Claims or Equity Interests with the least delay.

XII. CONCLUSION AND RECOMMENDATION

The Debtors believe that confirmation and implementation of the Plan is preferable to any of the alternatives described above because it will provide the greatest recoveries to holders of Claims and Equity Interests. Other alternatives would involve significant delay, uncertainty and substantial additional administrative costs. The Debtors urge holders of impaired Claims and Equity Interests entitled to vote on the Plan to accept the Plan and to evidence such acceptance by returning their Ballots so that they will be received no later than [4:00 p.m.], prevailing Pacific time, on [_____], 2010.

Dated: Las Vegas, Nevada
[_____], 2010

STATION CASINOS, INC.
And its affiliated Debtors

EXHIBIT C

Liquidation Analysis

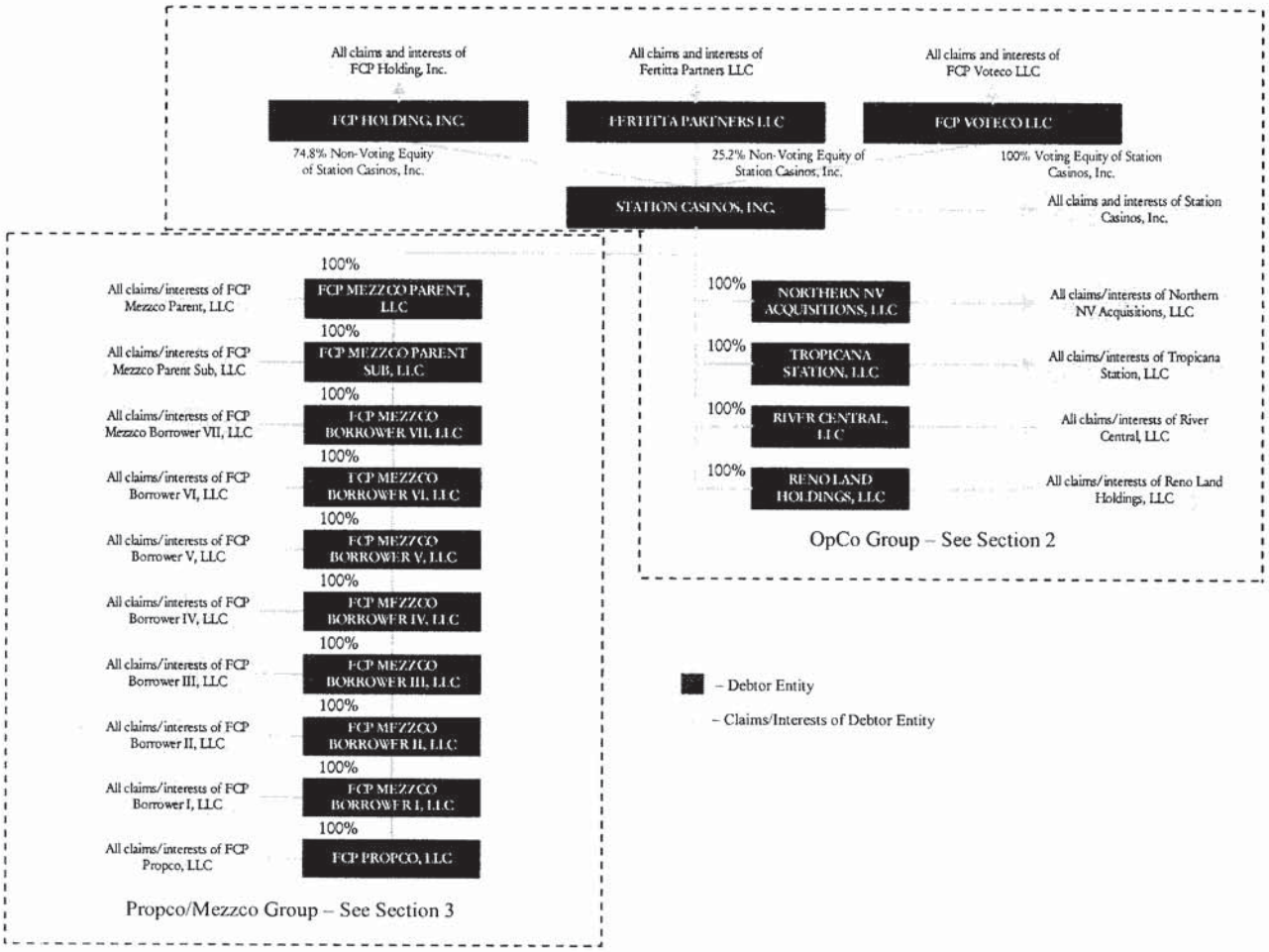
LIQUIDATION ANALYSIS

1. Best Interests Test

Section 1129(a)(7) of the Bankruptcy Code requires that each holder of an impaired allowed claim or interest either: (i) accept the plan of reorganization; or (ii) receive or retain under the plan property of a value, as of the effective date, that is not less than the value such holder would receive or retain if the applicable debtor were liquidated under chapter 7 of the Bankruptcy Code on the effective date. This is referred to as the "Best Interests Test."

Because the corporate structure of the Debtors is highly complex, but also highly interrelated, and because the Debtors are not proposing the substantive consolidation of their estates, the "Best Interests Test" has been applied to each of the 18 affiliated Debtors (and the claims and interests thereof) using two separate analytical frameworks: (i) one with respect to SCI, the Parent Debtors (FCP Holding, Inc., Fertitta Partners, LLC, FCP Voteco LLC) and the Other Opco Debtors (Northern NV Acquisition, LLC, Tropicana Station, LLC, River Central, LLC and Reno Land Holdings, LLC); and (ii) one with respect to Propco and the Mezzco Debtors (the "Propco/Mezzco Liquidation Analysis"), as illustrated below:

Chart I: Debtors' Corporate Structure



2 Best Interests Test as Applied to SCI and the Parent Debtors

SCI is the Debtor that owns, directly or indirectly, the fourteen gaming properties and other assets that are generally referred to as the "Opco Assets" and which the Plan proposes to sell as a going concern pursuant to an auction and sale process. Among the interests and assets that will be included in the auction and sale ofthe Opco Assets will be SCI's interests in, or the assets of, the Other Opco Debtors, and, accordingly, the Other Opco Debtors are included in the Best Interest ofCreditors analysis with respect to SCI. **[The Debtors must provide an SCI only liquidation scenario in which SCI's operating non-debtor subsidiaries are sold as a going concern entities rather than liquidated.]**

The sale process for the Opco Assets will run contemporaneously with the solicitation of votes on the Plan, and the auction will occur shortly before the Confirmation Hearing Date, but sufficiently in advance of the Confirmation Hearing Date so that the terms of the proposed sale to the highest bidder will be known and available to all holders of impaired claims under the Plan. The approval by the Court of any sale of the Opco Assets will be contingent upon, and occur in conjunction with, confirmation of the Plan. Under the Plan and the Bidding Procedures, the Opco Assets will be sold as a going concern to the highest bidder, with the net proceeds of that sale distributed to holders of claims and interests in accordance with their respective priorities, and only after approval of the sale by the Court.

SCI and the Other Opco Debtors believe that their creditors will receive at least as much, and likely significantly more, under the Plan as they would receive in a chapter 7 liquidation of the Opco Assets for the following reasons, among others: (i) the substantial delay that would be incurred in connection with the appointment of a chapter 7 trustee and the time required for the trustee and his or her professionals to fully understand the Debtors' situation; (ii) the fees payable to a chapter 7 trustee and newly appointed estate professionals; and (iii) the likely discounts that would be realized in one or more chapter 7 auctions of the Opco Assets.

SCI and the Other Opco Debtors believe that, in any sale of the Opco Assets (whether as a going concern or as part of a chapter 7 liquidation, any and all proceeds from such sale will be exhausted through distributions on account of the Prepetition Opco Secured Claims (in partial satisfaction of the valid and perfected first priority liens on substantially all of the Opco Assets and in partial satisfaction of the Superpriority Claims and replacement liens arising under the Opco Cash Collateral Order **[the Debtors must provide the estimated value of the Superpriority Claims or the replacement liens arising under the Opco Cash Collateral Order]**) and to administrative and other priority claimants, leaving no proceeds available for distributions to unsecured creditors under either scenario. Although SCI does have certain miscellaneous assets that are not encumbered by perfected liens granted under the Prepetition Opco Credit Agreement, the Debtors believe that any proceeds realized from those assets will be exhausted through distributions on account of the Superpriority Claims and replacement liens, Administrative Claims and/or other Claims having priority over general unsecured claims that might otherwise receive any such proceeds.

If the Stalking Horse Bid is the Successful Bid, there will be no distributions under the Plan to any of the Classes of creditors holding unsecured claims against SCI or the Other Opco Debtors. If, on the other hand, the auction results in a Successful Bid that yields proceeds sufficient to satisfy all senior, administrative and priority claims in full and is also sufficient to provide some recovery for general unsecured claims, the Plan will be modified to reflect that result and the Debtors will provide such supplemental disclosure as the Court requires.

The Equity Interests of SCI (Class S.9) are collectively held by, and are the only assets of, the Parent Debtors. All recoveries received by the claims and interests of, respectively, FCP VoteCo, LLC, Fertitta Partners, LLC and FCP Holding, Inc. are therefore derivative ofthe recovery received by Class S.9 pursuant to the sale ofthe Opco Assets described above. At the present time and based upon the value that would be delivered to the Debtors under the Stalking Horse Bid, SCI does not expect that Class S.9, the Parent Debtors or any claims and interests against the Parent Debtors will receive any recovery - either as a result ofthe proposed sale ofthe Opco Assets or in a hypothetical chapter 7 liquidation of SCI (which would, by its very nature, be longer, more costly and less likely to generate maximum sale proceed than the proposed sale).

3. The Propco/Mezzco Liquidation Analysis

With respect to Propco and the Mezzco Debtors, the Debtors have shown compliance with Section 1129(a)(7) of the Bankruptcy Code by estimating a range of proceeds that would be generated from a chapter 7 liquidation of Propco and the Mezzco Debtors. Lazard, the Debtors' financial advisor, assisted the Debtors in the development of the Propco/Mezzco Liquidation Analysis, which represents their best estimates of a liquidation scenario.

THE PROPCO/MEZZCO LIQUIDATION ANALYSIS IS AN ESTIMATE OF THE PROCEEDS THAT MAY BE GENERATED AS A RESULT OF A HYPOTHETICAL CHAPTER 7 LIQUIDATION OF PROPCO. Underlying the Propco/Mezzco Liquidation Analysis are a number of estimates and assumptions that are inherently subject to significant economic, competitive and operational uncertainties and contingencies beyond the control of the Debtors or a hypothetical chapter 7 trustee. In addition, various liquidation decisions upon which certain assumptions are based are subject to change. Therefore, there can be no assurance that the assumptions and estimates employed in determining the liquidation values of Propco's assets will result in an accurate estimate of the proceeds that would be realized were Propco to undergo an actual liquidation. The actual amounts of claims against the estate of Propco and the Mezzco Debtors could vary significantly from the estimate set forth herein, depending on the claims asserted during the pendency of the hypothetical chapter 7 cases. Accordingly, the actual liquidation value of Propco and the Mezzco Debtors is speculative in nature and could vary materially from the estimates provided herein. Neither the Debtors nor Lazard provide any assurance of the accuracy of the recoveries contained therein.

a. General Approach

The Propco/Mezzco Liquidation Analysis assumes a hypothetical chapter 7 petition filed by Propco on June 30, 2010 (the "Chapter 7 Petition Date"), whereupon the Bankruptcy Court would appoint one chapter 7 trustee (the "Trustee") to oversee the liquidation of the Propco and Mezzco Debtors' estates. Should multiple Trustees be appointed to administer the Propco and Mezzco Debtors' estates, lower recoveries and higher administrative costs could result and distributions to creditors could be delayed.

The first step of the Propco/Mezzco Liquidation Analysis is to determine the dollar amount that would be generated from a hypothetical chapter 7 liquidation of each of the four Propco properties – Palace Station Hotel & Casino, Boulder Station Hotel & Casino, Sunset Station Hotel & Casino and Red Rock Casino Resort Spa. In such a hypothetical liquidation scenario, the Trustee would be required to either: (i) sell Propco Properties as going concerns; or (ii) shut down the Propco Properties and sell their individual assets. The gross amount of cash available from liquidation of the Propco Properties would be equal to: (i) all excess cash held by the Propco Properties at the time of the commencement of the hypothetical chapter 7 cases; (ii) cash generated by the Propco Properties during the liquidation period; and (iii) the sum of the proceeds from the disposition of the Propco Properties (the "Liquidation Proceeds").

The next step is to reduce the Liquidation Proceeds by: (i) the costs and expenses of the liquidation; (ii) the additional administrative expenses and priority claims that may result from the termination of Propco's business; and (iii) the amount of any claims secured by the Propco Properties. Any net cash would be allocated to the claims and interests against Propco in strict priority in accordance with section 726 of the Bankruptcy Code.

Finally, the Propco/Mezzco Liquidation Analysis compares the value received in a liquidation to the value provided under the Plan.

b. Key Analytical Assumptions

The Propco/Mezzco Liquidation Analysis assumes that Propco will have access to cash collateral over the course of a hypothetical chapter 7 case. Other key assumptions include:

(a) Timing and Expenses – The Propco/Mezzco Liquidation Analysis assumes an orderly and expedited wind-down of the business to maximize recovery values. It assumes that the liquidation of Propco's estate would take approximately twelve (12) months and incur twelve (12) months of wind-down expenses (*e.g.*, trustee fees, shutdown costs, cash needed for/during the Propco Properties' sales processes). This reflects an estimate of the time required to dispose of the Propco Properties, allow a buyer of the Propco Properties to become licensed and generally wind down the affairs of Propco's estate.

(b) Disposition of Propco Properties – The Propco/Mezzco Liquidation Analysis assumes that the Propco Properties will have their greatest potential recovery value if liquidated for the purposes of continuing to operate as gaming establishments. The Debtors' management believes that alternative uses for the Propco Properties would not generate a significant recovery value for stakeholders.

It should be noted that management cannot judge with any degree of certainty the impact of: (i) a forced liquidation on the recoverable value of the Propco Properties; and (ii) the impact, in a hypothetical liquidation, that potential disputes between creditors of Opco and Propco with respect to title and interest in certain assets may have with respect to the recoverable value of the Propco Properties.

(c) Going-Concern Liquidation – To estimate the approximate liquidation range of value for the Propco Properties, a comparable company trading multiples analysis was used. This analysis is based on the enterprise values of publicly traded companies that have operating and financial characteristics similar to Propco. A reduction to the value derived under this analysis was then made to reflect the forced sale nature of a chapter 7 liquidation. This reduction was derived by considering such factors as the shortened time period involved in the sale process, discounts buyers would require given a shorter due diligence period and therefore potentially higher risks buyers might assume, potentially negative perceptions involved in liquidation sales and the "bargain hunting" mentality of liquidation sales. This estimated liquidation value for the Propco Properties, along with certain values based on the unaudited book values from the Debtors' preliminary and unaudited balance sheet as of March 31, 2010, was used to determine distributable value to Propco stakeholders.

The Propco/Mezzco Liquidation Analysis assumes that, in a hypothetical liquidation, no disputes occur between creditors of Opco and Propco with respect to title and interest in certain overlapping assets of Opco and Propco associated with the Propco Properties. To the extent that such disputes arise, the recoverable value of the Propco Properties may be materially lower than those that have been assumed herein.

The Propco/Mezzco Liquidation Analysis assumes that the Trustee will assume and assign to the purchaser of the Propco Properties all executory contracts and unexpired leases related to the ongoing operations of the Propco Properties. The Propco/Mezzco Liquidation Analysis also assumes that the existing staff currently working at each Propco Property will remain and maintain employment at the time of the hypothetical sale. Because those employees are employees of SCI or its subsidiaries, however, there can be no assurance that such employment arrangements could be maintained. If the cash flows from the Propco Properties are not sufficient to fund the ongoing operations during this period, the Trustee may have to lower expectations related to potential recovery value for the Propco Properties and further reduce the recovery estimates contained in the Propco/Mezzco Liquidation Analysis. Potential regulatory intervention from gaming authorities would also impose additional uncertainties on the Trustee's ability to generate value from the Propco Properties.

The Propco/Mezzco Liquidation Analysis assumes that the estimated sale proceeds for the Propco Properties would be less than the tax basis of the assets and would not generate any additional tax liabilities. Should the tax treatment and impact of this transaction result in a tax liability that is not reduced by other tax shields, recovery percentages in the Propco/Mezzco Liquidation Analysis could change materially.

Finally, it is assumed that cash flows (i.e., EBITDA, net of maintenance capital expenditures) from operation of the Propco Properties during the liquidation period would remain positive and total approximately $150 million during the wind-down period.

(d) Factors Considered in Valuing Hypothetical Liquidation Proceeds – Other factors may limit the amount of Liquidation Proceeds available to holders of claims and interests against Propco. Certain of these factors that relate specifically to the liquidation of the assets are discussed in further detail below. In addition, it is possible that distribution of the Liquidation Proceeds would be delayed while the Trustee and his or her professionals become knowledgeable about the Chapter 11 Cases and Propco's businesses and operations. This delay could materially reduce the value, on a "present value" basis, of the Liquidation Proceeds.

(e) Certain Assets Assumed To Have No Value in Liquidation – The Propco/Mezzco Liquidation Analysis assumes that the Master Lease Rejection Claim (and any potential recoveries to Propco in respect of the Master Lease Rejection Claim) has no value in a hypothetical liquidation.

(f) Exclusion of Certain Administrative and Priority Claims – For simplicity, the Debtors have excluded certain Administrative Claims and Priority Claims from the Propco/Mezzco Liquidation Analysis. Among the Administrative Claims entitled to administrative expense priority under section 503 of the Bankruptcy Code that have been excluded are: (i) post-petition payables; and (ii) section 503(b)(9) claims of vendors for the value of any goods received by Propco in the ordinary course of business within twenty (20) days before the Petition Date. The Debtors have also excluded Priority Claims entitled to priority under section 507 of the Bankruptcy Code. Had such Administrative Claims and Priority Claims been included in the Propco/Mezzco Liquidation Analysis, the recovery percentages would likely be materially lower.

More specific assumptions are discussed in each of the various notes to the Propco/Mezzco Liquidation Analysis.

The tables below summarize the recovery estimates based on the estimated Liquidation Proceeds. The Propco/Mezzco Liquidation Analysis sets forth an allocation of the Liquidation Proceeds to Creditors in accordance with the priorities set forth in section 726 of the Bankruptcy Code. The Propco/Mezzco Liquidation Analysis provides for high and low recovery percentages for Claims upon the Trustee's application of the Liquidation Proceeds. The high and low recovery ranges reflect a high and low range of estimated Liquidation Proceeds from the Trustee's sale of the assets.

As illustrated by the Propco/Mezzco Liquidation Analysis, the Debtors estimate that pre-petition creditors of Propco will recover more value from confirmation of the proposed Plan than through an orderly liquidation and sale process.

Table I: Assets Available for Distribution

($ in 000's)	Notes	Reorganization Value Low	Reorganization Value High	Liquidation Discount Low	Liquidation Discount High	Hypothetical Liquidation Values Low	Hypothetical Liquidation Values High
Hypothetical PropCo Liquidation Value	A	$1,239,750	$1,405,050	75%	75%	$929,813	$1,053,788
Cash and Cash Equivalents	B	$250,000	$250,000	100%	100%	$250,000	$250,000
Other Assets:	C						
Goodwill		-	-	0%	0%	-	-
Intangible Assets, net		-	-	0%	0%	-	-
Total Other Assets		-	-			-	-
Total Liquidation Proceeds Available for Distribution						**$1,179,813**	**$1,303,788**

Table II: Estimated Chapter 7 Expenses

($ in 000's)	Notes	Estimated Balance / Claim	Estimated Creditor Recovery Percentage Low	Estimated Creditor Recovery Percentage High	Hypothetical Creditor Recovery Values Low	Hypothetical Creditor Recovery Values High
Chapter 7 Expenses	D					
Chapter 7 Trustee Fees (3% of Liquidation Proceeds)					$35,394	$39,114
Chapter 7 Professional Fees & Costs ($3 million/month; 12 months)		36,000	100%	100%	36,000	36,000
Total Chapter 7 Expenses		$36,000			$71,394	$75,114
Net Proceeds after Chapter 7 Administrative Claims					**$1,108,418**	**$1,228,674**

Table III: Estimated Creditor Recoveries

($ in 000's)	Notes	Estimated PropCo Claims		Estimated Creditor Recovery Percentage		Hypothetical Creditor Recovery Values	
		Low	High	Low	High	Low	High
Administrative Claims (Corporate Overhead During Wind Down)	E	$10,000	$20,000	*100.0%*	*100.0%*	$10,000	$20,000
P.1 Other Secured Claims	F	-	-	*NA*	*NA*	-	-
P.2 Prepetition Mortgage Loan Claims	G	$1,801,272	$1,801,272	*61.0%*	*67.1%*	1,098,418	1,208,674
P.3 General Unsecured Claims	H	$144,003	$144,003	*0.0%*	*0.0%*	-	-
P.4 Intercompany Claims	H	$8,805	$8,805	*0.0%*	*0.0%*	-	-
Total PropCo Claims (Excl. Equity)		**$1,964,079**	**$1,974,079**	*56.4%*	*62.2%*	**1,108,418**	**1,228,674**
P. 5 Equity Interests						-	-

c. Recovery of Claims and Interests Against the Mezzco Debtors

As discussed above, in connection with the 2007 Going Private Transaction, in November 2007, Propco entered into the CMBS Loan. Pursuant to the CMBS Loan structure, the Debtors formed the Mezzco Debtors. As shown in Chart I above, the corporate structure of the Mezzco Debtors is "nested" so that, for example, Mezzco I holds 100% of the equity interests of Propco, Mezzco II holds 100% of the equity interests of Mezzco I, Mezzco III holds 100% of the equity interests of Mezzco II, etc.

In addition, pursuant to the security documentation associated with the CMBS Loan: (i) all Propco Equity Interests were pledged to holders of Mezz I Loan Claims; (ii) all Mezzco I Equity Interests were pledged to holders of Mezz II Loan Claims; (iii) all Mezzco II Equity Interests were pledged to holders of Mezz III Loan Claims; and (iv) all Mezzco III Equity Interests were pledged to holders of Mezz IV Loan Claims.

As a result of these arrangements, and because each Mezzco Debtor has no tangible or intangible assets other than its equity interest in its respective mezzanine subsidiary, the recovery of each claim and interest of each Mezzco Debtor is derivative of the value of that Mezzco Debtor's equity interest in its respective mezzanine subsidiary. Each such value is, through structural subordination, ultimately derivative of the estimated recovery to Propco Equity Interests. Since Propco Equity Interests (pursuant to the Propco/Mezzco Liquidation Analysis described above) are expected to receive no recovery in a hypothetical liquidation, it follows that all claims and interests of each Mezzco Debtor will receive no recovery in a hypothetical liquidation.

Notes to the Propco/Mezzco Liquidation Analysis

A. Hypothetical Propco Liquidation Value

With respect to the Propco Properties, the Propco/Mezzco Liquidation Analysis assumes that such assets are sold as continuing operations with a normal level of working capital. Therefore, the recovery percentage related to these assets is based on the estimated range of value that may be obtained in a going concern sale transaction, less an assumed forced sale discount of 25%. Lazard believes that this assumption represents a reasonable estimate of the discount that would be applicable to the Propco Properties in a forced sale environment and is within the range of similar forced-sale discounts used in liquidation analyses performed in other recent gaming sector bankruptcies. The Propco/Mezzco Liquidation Analysis assumes that the normalized working capital level is purchased by the buyer(s) of the Propco Properties.

B. Cash

Cash and Cash Equivalents represent the Debtors' best estimate of existing cash (i.e., cash held by Propco on its own balance sheet or cash in which Propco has a security interest) as of the Chapter 7 Petition Date, less amounts estimated as required to run the Propco Properties (i.e., minimum cash required by the Nevada Gaming Control Board and minimum cash required to meet the minimum operating requirements of the Propco Properties). The Propco/Mezzco Liquidation Analysis identifies the potential "excess" cash above the operating requirements of the Propco Properties as recoverable (approximately $100 million). All other Cash and Cash Equivalents ($45 million) are assumed to be purchased by the buyer(s) of the Propco Properties.

In addition, the Propco/Mezzco Liquidation Analysis assumes that cash flows (i.e., EBITDA, net of maintenance capital expenditures) from the operation of the Propco Properties during the 12-month liquidation period will total approximately $150 million, resulting in a total estimated distributable cash balance of $250 million.

C. Other Assets

Other Assets are comprised of goodwill and intangibles. Goodwill and intangible assets would have no specific recovery in the Propco/Mezzco Liquidation Analysis other than the estimated recovery based on the proposed sale of the Propco Properties as going concerns.

D. Estimated Chapter 7 Expenses

Detail regarding the costs of the wind-down is set forth below. Wind-down costs consist of the regularly occurring general and administrative costs required to operate the Debtors' assets during the liquidation process, and the costs of any professionals the Trustee employs to assist with the liquidation process, including investment bankers, attorneys and other advisors. Total fees for such professionals have been estimated at $3 million per month for the duration of the wind-down period. Lazard believes that this assumption is a reasonable one and may in fact be conservative in light of the fact that professional fees incurred by the Debtors in these cases have ranged approximately between $4 million and $7 million per month since the Petition Date.

Trustee fees necessary to facilitate the sale of the Propco Properties were assumed at the rate of 3% of available Liquidation Proceeds. These fees would be used for developing marketing materials and facilitating the solicitation process for the parties, in addition to general administration expenses, including the Trustee's compensation.

Given the complexity and nature of the Debtors' Estates, the Propco/Mezzco Liquidation Analysis assumes a twelve-month liquidation process to sell assets, allowing the buyer(s) of the Propco Properties to become licensed and allow the Debtors to otherwise settle claims and wind down the accounting and tax affairs of the Estates. This estimate also takes into account the time that will be required for the Trustee and any professionals to become educated with respect to the Debtors' businesses and the Chapter 11 Cases.

E. Administrative Expenses (Corporate Overhead During Wind Down)

The Propco/Mezzco Liquidation Analysis assumes a gradual decline in corporate overhead during the wind-down period, with total corporate overhead during the wind-down period estimated at $10 to 20 million. Lazard believes that this assumed overhead range is reasonable based on the estimated corporate overhead that would be expected to be incurred by comparable gaming companies with operations of similar size as the Propco Properties.

F. Other Secured Claims

Other Secured Claims include any hypothetical secured claim (other than Prepetition Mortgage Loan Claims). SCI and its advisors estimate that Other Secured Claims associated with the Propco Properties are *de minimis* and, for purposes of the Propco/Mezzco Liquidation Analysis, have been assumed to be $0.

G. Prepetition Mortgage Loan Claims

The balance of Prepetition Mortgage Loan Claims was determined pursuant to a claims stipulation between the CMBS Lenders, the Debtors and various other parties dated as of January 21, 2010 [Docket No. 908].

H. General Unsecured Claims and Intercompany Claims

General Unsecured Claims and Intercompany Claims reflect the claims in those classes that have been filed and scheduled with respect to Propco. In the event that non-debtor entities affiliated with SCI would need to file for bankruptcy in order to effectuate the practical sale of the Propco Properties as going concerns, the amount of such claims may well be higher (and, if so, would further dilute the recoveries for those classes that are reflected herein).

EXHIBIT 2

LEXSEE 2009 BANKR. LEXIS 1814

Analysis
As of: Jun 30, 2010

In re SHAFI JAMAL KEISLER, KELLY LYNNE DICKENS, Debtors

Case No. 08-34321

UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF TENNESSEE

2009 Bankr. LEXIS 1814

June 29, 2009, Decided
June 29, 2009, Filed

CASE SUMMARY:

PROCEDURAL POSTURE: The debtors filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code. The debtors filed a first amended plan of reorganization and a first amended disclosure statement. The original bridge lenders objected to the amended plan and disclosure statement.

OVERVIEW: In the amended plan, the debtors characterized 11 classes of claims and proposed funding the plan with an unsecured note, the sale of some property, and tax refunds for two tax years. The original bridge lenders objected to the proposed plan because they claimed that the debtors significantly undervalued the stock that would be pledged for collateral on their loans, the debtors did not establish the amounts of the secured claims of the original bridge lenders, and the debtors did not disclose that the original bridge lenders had filed a competing plan of reorganization, offering to purchase a portion of the stock. The court found that the first amended disclosure statement contained adequate information as required by *11 U.S.C.S. § 1125*. The objections by the bridge lenders related to valuation of the stock and valuation was not a necessary component of what was needed in a valuation statement under *§ 1125(b)*. The disclosure statement met the court's primary concern of providing the creditors with sufficient information to make an informed decision on acceptance or rejection of the first amended plan. All remaining questions can be addressed at confirmation.

OUTCOME: The court overruled the objection and approved the debtors' first amended disclosure statement.

COUNSEL: [*1] For Shafi Jamal Keisler, Maryville, TN, Debtor: Michael H. Fitzpatrick, Jenkins & Jenkins Attorneys, PLLC, Knoxville, TN.

For Kelly Lynne Dickens, Maryville, TN, Joint Debtor: Michael H. Fitzpatrick, Jenkins & Jenkins Attorneys, PLLC, Knoxville, TN.

JUDGES: RICHARD STAIR, JR., UNITED STATES BANKRUPTCY JUDGE.

OPINION BY: RICHARD STAIR, JR.

OPINION

MEMORANDUM ON ADEQUACY OF THE DEBTORS' FIRST AMENDED DISCLOSURE STATEMENT FILED MAY 13, 2009

RICHARD STAIR, JR.

UNITED STATES BANKRUPTCY JUDGE

A hearing was held on May 21, 2009, to consider the adequacy of the First Amended Disclosure Statement filed by the Debtors on May 13, 2009, in conjunction with the First Amended Plan of Reorganization filed the same day. The Objection By Mission Compound LLC, Courmont & Wapner Associates, LLC, Dr. R. Glenn Hall, Fundacion Galvez, James Hall, John Bracken, Jordan E. Glazov and Sheila N. Glazov, and Kenneth and Ellen Nibali Trust to the Debtors' Disclosure Statement Dated May 13, 2009 (Objection) was filed by Mission Compound LLC, Courmont & Wapner Associates, LLC, Dr. R. Glenn Hall, Fundacion Galvez, James Hall, John Bracken, Jordan E. Glazov and Sheila N. Glazov, and Kenneth and Ellen Nibali Trust (collectively, the "Original Bridge [*2] Lenders") on June 3, 2009. Following the hearing and pursuant to the Order emanating therefrom, the court reserved ruling pending the filing of the Objection by the Original Bridge Lenders and the Debtors' response, which was filed on June 10, 2009 (Response).

This is a core proceeding. *28 U.S.C. § 157(b)(2)(L).*

I

The Debtors filed the Voluntary Petition commencing their Chapter 11 case on September 29, 2008. On March 13, 2009, the Debtors filed a Plan of Reorganization and a Disclosure Statement, which was scheduled for a hearing on adequacy on April 30, 2009. Objections to the adequacy of the March 13, 2009 Disclosure Statement were each filed on April 23, 2009, by the United States Trustee, Seward & Kissel LLP, and the Original Bridge Lenders. Thereafter, on May 13, 2009, the Debtors filed the First Amended Plan of Reorganization and First Amended Disclosure Statement, which was scheduled for hearing on May 21, 2009. On May 18, 2009, the United States Trustee withdrew his objection, and on May 21, 2009, the court entered an order overruling the limited objection of Seward & Kissel LLP for failure to appear and prosecute. Only the Objection filed by the Original Bridge Lenders remains [*3] pending.

In Exhibit 3 to the First Amended Disclosure Statement, the Debtors list their assets, consisting of their home located at 267 Kings Grant Road, Maryville, Tennessee, real property located at Lot # 6 Willow Lane, Sevierville, Tennessee, a 1/13th share in a condominium located at 1310 Ocean Club, Isle of Palms, South Carolina, cash, security deposits, household goods, books and pictures, wearing apparel, jewelry, sports equipment, IRAs, tax refunds, a note owed by American Gear & Transmission, Inc., vehicles, shelving, farm equipment, farm animals, animal feed and care, miscellaneous, an ownership interest in Wildwood Properties, LLC, and Keisler Engineering, Inc. stock. The Debtors list the equity value of these assets at $ 380,641.02 and the liquidation value of the equity at $ 252,341.02.

The treatment proposed for the eleven classes provided for in the Debtors' First Amended Plan of Reorganization (First Amended Plan), also filed on May 13, 2009, is summarized in the First Amended Disclosure Statement as follows:

> Class 1: Administrative expense claims which are to be paid in full upon the effective date of the Plan.
>
> Class 2: The secured claim of Farm Credit which is to be paid [*4] according to contract.
>
> Class 3: The secured claim of BB&T which is to be paid according to contract.
>
> Class 4: The claim of Kubota Credit, USA which is partially secured. The secured portion of the claim, $ 5,000.00, will be paid in full through monthly payments of $ 200.00 plus 5% interest.
>
> Class 5: The secured claims of creditors who loaned money to American Gear & Transmission, Inc., secured by Mr. Keisler's ownership rights in Keisler Engineering, Inc. Class 5 is impaired and the court will determine the nature, extent,

and value of the secured claims making up Class 5. If the claims are fully secured in the stock interest of both Debtors, they will receive a note in the amount of $ 400,000.00 payable to the class, to be paid quarterly over 132 months with 5% interest and prorated according to the claim amounts. If the claims are not all fully secured by the stock interests of both Debtors, those creditors whose claims are secured by the stock interests of both Debtors will receive a note from Keisler Engineering, Inc. in an amount of the claims determined or $ 400,000.00, whichever is less, and those creditors whose claims are secured only by the stock interests of Mr. Keisler will [*5] be paid the value of their claims as determined by the court in equal monthly payments plus 5% interest over twelve months. Any remaining balances of the claims in this class shall be paid as part of Class 10 as general unsecured claims.

Class 5 is subdivided as follows:

Class 5A, identified as the "Sub-Prime Lenders Group A," consists of claims filed by the Bridge Lenders. These claims are provided the alternate treatment discussed above depending on the decision of the court on the nature, extent, and value of their secured claims.

Class 5B, identified as "Sub-Prime Lenders Group B," consists of Clifford Johnson, Donald Tarr, Edward Drummond, George Kershaw, Joe Brownlee, Jr., John Kerr, Phillip Young, and Tom Raymond. These claims are provided the alternative treatment discussed above depending on the decision of the court on the nature, extent, and value of their secured claim.

Class 6: The "BB&T Wildwood Note" consists of a claim guaranteed by the Debtors which will be paid by "Wildwood" in accordance with the note between the parties, with the Debtors' guaranty to be discharged.

Class 7: The claim of Alcoa Tennessee Federal Credit Union which will be paid $ 603.10 monthly by Keisler [*6] Engineering.

Class 8: The claim of Alcoa Tennessee Federal Credit Union which will be paid $ 874.85 monthly by Keisler Engineering.

Class 9: All pre-petition nonpriority unsecured claims filed or scheduled for less than $ 1,000.00, which will be paid in full without interest on the effective date of the plan.

Class 10: All pre-petition nonpriority unsecured claims which are not disputed, contingent, or unliquidated and timely filed before the bar date will receive an unsecured note from Keisler Engineering, Inc. in the amount of $ 175,000.00 plus 2.09% interest, resulting in monthly payments of $ 1,581.83 to be paid pro rata for 132 consecutive months beginning thirty days after confirmation, in addition to the net proceeds from the sale of the Debtors' condo interest and unimproved lot and through their 2007 and 2008 tax refunds.

Class 11: The interest of the Debtors which will be "|d|ischarged and vested in property of the estate."

The Debtors propose to fund the First Amended Plan with: (1) an unsecured note in the amount of $

175,000.00 from Keisler Engineering, Inc.; (2) the sale of the unimproved Lot # 6 Willow Lane, Sevierville, Tennessee, valued by the Debtors at $ 6,000.00; (3) [*7] the sale of the Debtors' 1/13th interest in the Ocean Club condominium in South Carolina, valued by the Debtors at $ 80,000.00; and (4) tax refunds for tax years 2007 and 2008, valued by the Debtors at $ 38,857.00.

The Objection of the Original Bridge Lenders is grounded upon the following: (1) the Debtors' valuation of the shares of capital stock of Keisler Engineering, Inc., which has been pledged as collateral for their loans and which the Debtors value at $ 400,000.00, but which the Original Bridge Lenders contend has a value of more than $ 2,000,000.00; (2) the unestablished amounts of the secured claims of the Original Bridge Lenders; and (3) the Debtors' failure to disclose that the Original Bridge Lenders have filed a competing plan of reorganization, offering to purchase 17.6964% of the shares of Keisler Engineering, Inc. stock for $ 400,000.00. In response, the Debtors state that valuation should be resolved at confirmation and that the Original Bridge Lenders have not raised any true adequacy issues.

II

The adequacy of a disclosure statement is governed by *11 U.S.C. § 1125*, which provides that:

> An acceptance or rejection of a plan may not be solicited after the commencement [*8] of the case under this title from a holder of a claim or interest with respect to such claim or interest, unless, at the time of or before such solicitation, there is transmitted to such holder the plan or a summary of the plan, and a written disclosure statement approved, after notice and a hearing, by the court as containing adequate information. The court may approve a disclosure statement without a valuation of the debtor or an appraisal of the debtor's assets.

11 U.S.C. § 1125(b). As it pertains to *§ 1125(b)*, *subsection (a)* provides the following definitions:

> (a) In this section--
>
> (1) "adequate information" means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan, but adequate information need not include such information [*9] about any other possible or proposed plan and in determining whether a disclosure statement provides adequate information, the court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information; and
>
> (2) "investor typical of holders of claims or interests of the relevant class" means investor having--
>
> (A) a claim or interest of the relevant class;
>
> (B) such a relationship with the debtor as the holders of other claims or interests of such class generally have; and
>
> (C) such ability to obtain such information from sources other than the disclosure required by this section as holders of claims or interests in such class generally have.

11 U.S.C. § 1125(a).

Whether a disclosure statement provides adequate disclosure is "'left essentially to the judicial discretion of the court' and . . . 'the information required will

necessarily be governed by the circumstances of the case.'" *Mabey v. S.W. Elec. Power Co. (In re Cajun Elec. Power Co.), 150 F.3d 503, 518 (5th Cir. 1998)* (quoting S. REP. No. 95-989, at 121 (1978), *reprinted in* 1978 U.S.C.C.A.N. 5787, 5907). Courts determine adequacy [*10] on a case-by-case basis, with the following as a "yardstick against which the adequacy of disclosure may be measured":

> (1) the circumstances that gave rise to the filing of the bankruptcy petition; (2) a complete description of the available assets and their value; (3) the anticipated future of the debtor; (4) the source of the information provided in the disclosure statement; (5) a disclaimer, which typically indicates that no statements or information concerning the debtor or its assets or securities are authorized, other than those set forth in the disclosure statement; (6) the condition and performance of the debtor while in Chapter 11; (7) information regarding claims against the estate; (8) a liquidation analysis setting forth the estimated return that creditors would receive under Chapter 7; (9) the accounting and valuation methods used to produce the financial information in the disclosure statement; (10) information regarding the future management of the debtor, including the amount of compensation to be paid to any insiders, directors, and/or officers of the debtor; (11) a summary of the plan of reorganization; (12) an estimate of all administrative expenses, including attorneys' [*11] fees and accountants' fees; (13) the collectibility of any accounts receivable; (14) any financial information, valuations or *pro forma* projections that would be relevant to creditors' determinations of whether to accept or reject the plan; (15) information relevant to the risks being taken by the creditors and interest holders; (16) the actual or projected value that can be obtained from avoidable transfers; (17) the existence, likelihood and possible success of non-bankruptcy litigation; (18) the tax consequences of the plan; and (19) the relationship of the debtor with affiliates.

In re Cardinal Congregate I, 121 B.R. 760, 765 (Bankr. S.D. Ohio 1990) (quoting *In re Scioto Valley Mortgage Co., 88 B.R. 168, 170-71 (Bankr. S.D. Ohio 1988)* (citations omitted)). "Generally, a disclosure statement must contain all pertinent information bearing on the success or failure of the proposals in the plan of reorganization," *Cardinal Congregate I, 121 B.R. at 765*, and "must clearly and succinctly inform the average unsecured creditor what it is going to get, when it is going to get it, and what contingencies there are to getting its distribution." *In re Ferretti, 128 B.R. 16, 19 (Bankr. D.N.H. 1991)*.

After [*12] review of the First Amended Disclosure Statement, the Original Bridge Lenders' Objection, and the Debtors' Response, the court finds that the First Amended Disclosure Statement contains adequate information. Each portion of the Objection by the Original Bridge Lenders relates to the question of the value of the Keisler Engineering, Inc. stock, which the Original Bridge Lenders argue is significantly understated. Nevertheless, as provided by *§ 1125(b)*, valuation is not a necessary component in the determination of whether a disclosure statement contains adequate information. The court's primary concern in the adequacy stage is not whether a plan is feasible or in the best interests of creditors -- it is simply whether creditors have been provided with sufficient information to make an informed decision as to whether they should accept or reject the First Amended Plan -- and the Debtors have adequately provided such information, disclosing that there is a dispute as to the value of the Keisler Engineering, Inc. stock and proposing alternative treatments depending upon the valuation, which shall be determined by the court in due course. All remaining questions concerning the valuation [*13] of the Keisler Engineering, Inc. stock and the amounts of the Original Bridge Lenders' secured claims are strictly confirmation issues.

Furthermore, the Debtors are not required to disclose that the Original Bridge Lenders have filed a competing plan. Aside from the fact that the competing plan was filed on June 1, 2009, after the First Amended Disclosure Statement was filed on May 13, 2009, the accompanying Disclosure Statement also filed by the Bridge Lenders on June 1, 2009, has not yet been determined adequate by the court. [1] In the event that the disclosure statement is

determined to contain adequate information, it will be sent to creditors, who will have an opportunity to make their own determinations as to both plans; however, the Debtors are not required to amend once more to disclose the existence of the competing plan.

1 The hearing on adequacy of the Disclosure Statement filed by the Original Bridge Lenders is scheduled for July 23, 2009.

Having determined that the First Amended Disclosure Statement filed by the Debtors contains adequate information as required by *11 U.S.C. § 1125(b)*, the court will overrule the Objection filed by the Bridge Lenders and will approve the Debtors' [*14] First Amended Disclosure Statement as containing adequate information. In view of the competing Plan filed by the Bridge Lenders and in order to keep the two Plans on the same track, the court will not immediately set a confirmation hearing on the Debtors' First Amended Plan but will set a status conference for July 23, 2009.

An order consistent with this Memorandum will be entered.

FILED: June 29, 2009

BY THE COURT

/s/ RICHARD STAIR, JR.

RICHARD STAIR, JR.

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 3

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 38, 39 and 4)*

STATION CASINOS, INC.
(Name of Issuer)

Common Stock, par value $0.01 per share
(Title of Class of Securities)

857689103
(CUSIP Number)

Frank J. Fertitta III
STATION CASINOS, INC.
1505 South Pavilion Center Drive,
Las Vegas, Nevada 89135
(702) 367-2411
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

April 26, 2010
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. ☐

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 857689103

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)
FCP Voteco, LLC
EIN: 26-0443751

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) ☐

(b) ☒

3. SEC Use Only

THIS TERM SHEET DOES NOT CONSTITUTE (NOR SHALL IT BE CONSTRUED AS) AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OR REJECTIONS AS TO ANY PLAN OF REORGANIZATION, IT BEING UNDERSTOOD THAT SUCH AN OFFER OR SOLICITATION, IF ANY, WILL ONLY BE MADE IN COMPLIANCE WITH APPLICABLE PROVISIONS OF SECURITIES AND/OR BANKRUPTCY LAWS. THIS TERM SHEET IS A DRAFT FOR DISCUSSION PURPOSES ONLY AND DOES NOT ADDRESS ALL MATERIAL TERMS THAT WOULD BE REQUIRED IN CONNECTION WITH THE RESTRUCTURING (AS DEFINED HEREIN) AND IS SUBJECT TO THE COMPLETION AND EXECUTION OF DEFINITIVE DOCUMENTATION ACCEPTABLE TO THE PARTIES AND THE RECEIPT BY THE MORTGAGE LENDERS OF CREDIT AND OTHER INTERNAL APPROVALS.

STATION CASINOS, INC.
FCP PROPCO, LLC
RESTRUCTURING TERM SHEET

MARCH 24, 2010

This term sheet (the "Term Sheet") outlines a proposed restructuring transaction (as further defined below, the "Restructuring") for Station Casinos, Inc. and certain of its subsidiaries and FCP PropCo, LLC to be implemented pursuant to a joint plan of reorganization (the "Plan") under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code") and certain related transactions. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Bankruptcy Code. This Term Sheet does not include a description of all of the terms, conditions and other provisions that are to be contained in the definitive documentation governing the Restructuring, which remain subject to discussion and negotiation.

Relevant Parties:

Opco:	Station Casinos, Inc., a Nevada corporation ("Opco") and certain of its subsidiaries and affiliates described on Annex 1 (the "Opco Debtors").
Propco:	FCP PropCo, LLC, a Delaware limited liability company ("Propco").
New Propco:	A new entity formed by the Mortgage Lenders for the purpose of acquiring the assets of Propco and certain of the assets of the Opco Debtors and certain other Opco subsidiaries as part of the Restructuring, together with its subsidiaries, all in accordance with the terms and conditions summarized herein ("New Propco").
MezzCo Debtors:	FCP MezzCo Parent, LLC, FCP MezzCo Parent Sub, LLC, FCP MezzCo Borrower VII, LLC, FCP MezzCo Borrower VI, LLC, FCP MezzCo Borrower V, LLC, FCP MezzCo Borrower IV, LLC, FCP MezzCo Borrower III, LLC, FCP MezzCo Borrower II, LLC, FCP MezzCo Borrower I, LLC, each a Delaware limited liability company (the "MezzCo Debtors"). FCP MezzCo Borrower IV, LLC, FCP MezzCo Borrower III, LLC, FCP MezzCo Borrower II, LLC, FCP MezzCo Borrower I, LLC are also collectively the "MezzCo Borrowers".

relating thereto, the "Restructuring Documents"), in each case in form and substance acceptable to the Mortgage Lenders, New Propco and FG.

Tax. The parties will endeavor to structure the Restructuring (including the closing thereof) and the Plan in a tax efficient manner. The tax structure shall be agreed by the Mortgage Lenders and FG in the Restructuring Documents.

Regulatory. The Restructuring and the Plan will be subject to all regulatory requirements, including gaming regulations. The gaming regulatory approach will be agreed by the Mortgage Lenders and FG in the Restructuring Documents.

Propco Restructuring Transactions:

Propco Restructuring:

The Plan will provide for the following treatment of claims against and interests in Propco:

(a) Propco Plan Recipients: The holders of Mortgage Loans (collectively, the "Propco Plan Recipients"), will be entitled under the Plan, ratably in accordance with their 62.5% and 37.5% shares of the outstanding Mortgage Loans, to receive, directly or through New Propco as their designee, the following (collectively, the "Senior Plan Recovery"): (i) all existing collateral for the Mortgage Loan; (ii) [*]; (iii) any other FF&E and reserves pledged to Propco under the Master Lease and the existing FF&E Security Agreement; (iv) all cash collateral held at Propco; (v) all distributions from Opco received by Propco on account of the claims of Propco against Opco, including claims for rejection of the Master Lease; and (vi) general releases from Opco, Propco and their respective estates and affiliates as described below under Definitive Documentation. Concurrently therewith, CV Holdco, LLC shall transfer to New Propco or a subsidiary thereof all of its equity interests in the Land Loan Borrower, CV Propco, LLC. Transfers to New Propco or the Land Loan Borrower will include all construction, design and branding assets related to any of the properties to be transferred to such entity

(b) Formation of New Propco: The Propco Plan Recipients will form New Propco prior to the Effective Date and will designate New Propco or a subsidiary thereof as their designee to receive all asset transfers described above

* Material has been omitted pursuant to a request for confidential treatment and has been filed separately with the SEC.

(other than any claims under the rejected Master Lease and the rejected License Agreement and "Excess Effective Date Cash", as defined below, which will be retained by the Propco Plan Recipients) and will capitalize New Propco with all Retained Available Cash (as defined below) and in consideration of such asset transfers the Propco Plan Recipients will receive, ratably in accordance with their interests in the Mortgage Loans, a senior secured mortgage loan facility, in an aggregate principal amount equal to $1.6 billion, to be secured by (x) substantially all of the assets of New Propco, including the assets described in items (i) through (iv) of paragraph (a) above (but excluding collateral for the Land Loan and including the other collateral and terms described on Annex 2), (y) any equity interests in any subsidiaries acquired or formed by New Propco in connection with the Restructuring; and (z) 100% of the limited liability company interests of New Propco (the "New Propco Equity"). The New Propco Equity shall consist both of non-voting interests to be issued to a holding company ("Holdco") owned by the Propco Plan Recipients and voting equity interests with minimal economic rights to be issued in favor of a limited liability company called "Voteco" as more particularly described on Annex 7. References herein to New Propco Equity or New Propco, as the case may be, shall refer to either New Propco, Holdco or both such entities, as the context may require. Holdco would also issue certain out-of-the-money warrants on terms described in Annex 3.

(c) Holders of Other General Unsecured Claims: Holders of Propco general unsecured claims will not be entitled to distributions under the Plan.

(d) Equity: Holders of existing Propco Equity will not be entitled to distributions under the Plan. On the Effective Date, all existing Propco Equity will be extinguished.

Mezzanine Debtors and Borrowers Plan Treatment:

Holders of Mezzanine Loans and any other creditors of MezzCo Debtors will not be entitled to any distributions under the Plan from the Debtors. On the Effective Date, the Mezzanine Debtors will be dissolved and all equity issued by the Mezzanine Debtors will, unless otherwise agreed by the Mortgage Lenders, be distributed in satisfaction of the claims of the lenders to the Mezzanine Debtors; provided that any equity so distributed will be deemed cancelled upon delivery and the holders thereof will have no rights to pursue any claims or rights against Propco, Opco or their respective affiliates.

Assignments by Propco Plan Recipients and FG:

The Propco Plan Recipients may assign to certain parties in interest cash and/or portions of their interests in New Propco. Specifically it is contemplated that, in settlement of certain

FG or the Mortgage Lenders to fail to consummate the Restructuring as otherwise contemplated herein.

Transition Services:

Transition services and transfers/licenses will include, both as part of the Plan to be effectuated following Plan confirmation and as part of the transition prior to the Effective Date, and as part of the amended Compromise to be effectuated in the event the Plan is ultimately not confirmed, the transition services, the transfers to New PropCo of all assets on which Propco has a prepetition lien, and the additional assets to be transferred by Opco or its subsidiaries to New Propco, each as more particularly described on Annex 8.

Employees: Annex 8 describes the allocation of employees. Upon the Effective Date of the Plan, the existing employment agreements of the employees who accept employment with New Propco or FG will (i) if approved by the Mortgage Lenders, be assumed by and assigned to New Propco or (ii) be rejected (with all related claims being included in the Opco unsecured claims or extinguished) on the Effective Date, and employees will be released from all non-compete obligations to the extent necessary to consummate such assumptions.

Other Transition Matters: Transition matters not described above shall be similar in scope and terms to those agreed upon in the amended Master Lease Compromise Agreement to be filed with the Bankruptcy Court in connection with the proposed Restructuring or otherwise as set forth on Annex 8.

Sale and License to FG:

Sale: On the Effective Date, (i) the Mortgage Lenders will sell (pro rata in proportion to the New Propco Equity owned by each, or as otherwise agreed by the Mortgage Lenders), and FG (or the Fertitta Brothers and Fertitta Family Entities) will collectively purchase (and may subsequently reassign such New Propco Equity among themselves and other Fertitta Affiliates), 50% of the New Propco Equity and certain warrants as described on

Annex 3 for a cash purchase price of $85.65 million(3) and (ii) New Propco shall, as part of the consideration for the FG Management Agreement described below, grant to FG a non-exclusive, non-assignable, non-sublicenseable fully paid perpetual license to use Propco's IT System (as described on Annex 8) (including with respect to all non-Propco assets managed, owned, or operated by FG or a Fertitta Affiliate). Such purchase and sale will be consummated pursuant to a purchase agreement on terms customary for a transaction of this nature (including no seller reps or warranties, express or implied).

FG Management Agreement and other FG Matters:

Subject to the terms of the new loan documentation, FG will enter into a 25 year management agreement with New Propco (the "FG Management Agreement") pursuant to which (i) FG or such affiliate will agree to manage the business and affairs of New Propco, and (ii) New Propco will pay management fees to FG equal to the sum of 2.0% of New Propco gross revenues plus 5.0% of EBITDA, all as set forth on Annex 4. It is expressly understood that FG may elect to form a new Fertitta Affiliate to act as the manager for New Propco in which event references in this Term Sheet to FG in its capacity as manager shall mean and be references to such Fertitta Affiliate as the context may require.

In a separate non-competition agreement, New Propco will agree with the Fertitta Brothers and FG that there shall be no restrictions on the ability of FG or any Fertitta Affiliate (as defined below) to enter into management agreements (where no equity contribution is being made by FG or any such Fertitta Affiliate) in respect of other gaming and non-gaming enterprises of any kind, wherever located. If, however, such management-only agreements (i) pertain to a gaming and/or hotel management opportunity located within the Las Vegas Locals Market (as defined below) and (ii) provide all-in compensation to any Fertitta Affiliate in excess of the compensation that such Fertitta Affiliate would have received if such management agreement was compensated on the basis of the "sum of 2.0% of the management opportunity gross revenues plus 5.0% of EBITDA" compensation structure on the terms set forth in the FG Management Agreement, then such "excess" amount shall be paid over to New Propco as a consent fee if, as and when received. As used herein, "Fertitta Affiliate" shall mean (a) Frank Fertitta or Lorenzo Fertitta, any spouse or child or Fertitta Family Entity (each, a "Specified Person"), (b) a person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, a Specified Person, (c) any person that is an officer, director, partner, manager or trustee of, or serves in a similar capacity with respect to, a Specified Person or of which a Specified Person is an

(3) Calculated using a negotiated management discount to a $200 million POR equity value.

officer, partner, manager or trustee, or with respect to which a Specified Person serves in a similar capacity; or (d) any person one-third or more of whose equity securities are owned by Specified Persons. Without otherwise limiting the scope of the definition of Fertitta Affiliate, it is agreed that neither Zuffa, LLC nor its subsidiaries and joint ventures shall constitute a Fertitta Affiliate unless engaged in the investment in, ownership of or management of a hotel or any activity that requires licensing as a casino gaming company.

With respect to gaming or hotel investment opportunities (other than management-only agreements and other than investments in entities not constituting hotels and holding only a "restricted license" as currently defined in the Nevada Revised Statutes) arising within the Las Vegas Locals Market (as defined below), FG shall not, and shall not allow any Fertitta Affiliate to, invest in such opportunity (including without limitation any investment in Opco) unless (i) the percentage of total equity and any equity equivalents invested in such entity (including Opco or any subsidiary thereof) by FG and the Fertitta Brothers (directly or indirectly through any Fertitta Affiliates) is not greater than the percentage of equity owned by the Fertitta Affiliates in New Propco at the time of investment ; (ii) New Propco has been given a right of first refusal with respect to all or any portion of such investment, which right of first refusal will be exercisable at the direction of the Other Holders (as defined in Annex 7) and (iii) if the Propco Plan Recipients are willing to fund their percentage share of such bid (based on their percentage interests in New Propco) or allow New Propco to fund such bid, then any FG bid for such assets must be a joint bid involving New Propco and/or the Propco Plan Recipients as applicable. FG and the Fertitta Brothers (whether alone or as part of a group) will be entitled to pursue any such opportunity independently if the right of first refusal is not exercised. If the right of first refusal is not exercised by New Propco and FG or any Fertitta Affiliate will manage the opportunity in which the investment is being made and such management agreement together with any analogous agreements provides all-in compensation to any Fertitta Affiliate in excess of the compensation that such Fertitta Affiliate would have received if such management agreement was compensated on the basis of the "sum of 2.0% of the management opportunity gross revenues plus 5.0% of EBITDA" compensation structure on the terms set forth in the FG Management Agreement, then such "excess" amount shall be paid over to New Propco as a consent fee if, as and when received.

Cash investments in the Las Vegas Locals Market by FG, Frank Fertitta, Lorenzo Fertitta or any Fertitta Affiliates shall not, in any event, exceed an aggregate amount equal to their initial net cash investment in equity of New Propco of $85 million plus any additional concurrent or subsequent cash investments by FG,

Frank Fertitta, Lorenzo Fertitta or any other Fertitta Affiliates in equity of New Propco (such aggregate amount, the "Investment Cap").

Nothing shall restrict FG and the Fertitta Affiliates (whether alone or as part of a group) from independently pursuing any gaming or non-gaming opportunity of any kind arising anywhere outside of the Las Vegas Locals Market and New Propco's right of first refusal shall not apply to any opportunity of any kind arising outside of the Las Vegas Local Market, provided that, with respect to gaming investment opportunities only, unless such investment opportunities are funded exclusively through the capital of FG, the Fertitta Brothers or the Fertitta Family Entities or the capital of other parties (including any Fertitta Affiliates) who committed to provide equity simultaneously to or prior to the time that Fertitta Affiliates entered into a binding agreement to make such investment, then the Propco Plan Recipients (to the extent that they still own New Propco Equity), ratably together with certain third-party assignees of FG owning New Propco Equity at closing that are not Fertitta Affiliates, shall have a right of first refusal to purchase all or any portion of the equity investment to be provided by such other parties. This right of first refusal may be exercised by each of the Propco Plan Recipients that at the time of the offer still owns at least ten percent (10%) of the outstanding New Propco Equity at such time, and must be exercised within 30 business days after the making of such offer to such Propco Plan Recipients.

As used herein, "Las Vegas Locals Market" refers to any area within the Las Vegas, Nevada city limits or within a 50 mile radius of the intersection of Las Vegas Boulevard South and Charleston Boulevard in Las Vegas, Nevada other than (x) the area bordered by Sunset Road on the south, the I-15 freeway on the west, Charleston Boulevard on the north and

EXHIBIT 4

REDACTED

EXHIBIT 5

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

STATION CASINOS, INC.

- ☐ Affects this Debtor
- ☐ Affects all Debtors
- ☐ Affects Northern NV Acquisitions, LLC
- ☐ Affects Reno Land Holdings, LLC
- ☐ Affects River Central, LLC
- ☐ Affects Tropicana Station, LLC
- ☐ Affects FCP Holding, Inc.
- ☐ Affects FCP Voteco, LLC
- ☐ Affects Fertitta Partners LLC
- ☐ Affects FCP MezzCo Parent, LLC
- ☐ Affects FCP MezzCo Parent Sub, LLC
- ☐ Affects FCP MezzCo Borrower VII, LLC
- ☐ Affects FCP MezzCo Borrower VI, LLC
- ☐ Affects FCP MezzCo Borrower V, LLC
- ☐ Affects FCP MezzCo Borrower IV, LLC
- ☐ Affects FCP MezzCo Borrower III, LLC
- ☐ Affects FCP MezzCo Borrower II, LLC
- ☐ Affects FCP MezzCo Borrower I, LLC
- ☒ Affects FCP PropCo, LLC

Chapter 11

Case No. BK-09-52477
Jointly Administered
BK 09-52470 through BK 09-52487

GLOBAL NOTES AND STATEMENTS OF LIMITATION, METHODLOGY AND DISCLAIMER REGARDING DEBTORS' STATEMENTS OF FINANCIAL AFFAIRS AND SCHEDULES; ALONG WITH RESERVATIONS OF RIGHTS

To: THE HONORABLE GREGG ZIVE, UNITED STATES BANKRUPTCY JUDGE; THE OFFICE OF THE UNITED STATES TRUSTEE AND ALL PARTIES IN INTEREST:

Station Casinos, Inc. ("SCI") and its affiliated debtors and debtors in possession

(collectively, the "Debtors")[1] in the above-captioned chapter 11 case (the"Cases"), pursuant 11 U.S.C. § 521, Rule 1007 of the Federal Rules of Bankruptcy Procedure (the "FRBP"), the United States Trustee Guidelines for Region 17 (the "Guidelines") and pursuant to Final Order "11 U.S.C. § 521 Fed. R. Bankr. P. 1007 and Local Rule 1007 Extending Time to File Schedules and Statement of Financial Affairs" [Docket No. 46], entered on August 5, 2009 and the "Order Granting Emergency Motion Pursuant to 11 U.S.C. § 521, Fed. R. Bankr. P. 1007 and local rule 1007 Further Extending Time to File Schedules and Statements of Financial Affairs" [Docket No. 381] (together the "Filing Extension Order"), hereby set forth the following Global Notes and Statements of Limitations, Methodology and Disclaimer Regarding Debtors' Statements of Financial Affairs and Schedules; Along with Reservations of Rights (the "Global Notes").

PRELIMINARY STATEMENT

The Schedules of Assets and Liabilities and Statements of Financial Affairs (the "Schedules and Statements") filed herewith by the Debtors were prepared pursuant to 11 U.S.C. § 521 and FRBP Rule 1007 by Debtors' management, with the assistance of the Debtors' employees and court-approved professionals, and are unaudited.

While the Debtors' management has made every effort to ensure that the Schedules and Statements are accurate and complete based on information that was available at the time of preparation, inadvertent errors or omissions may have occurred. The Schedules and Statements remain subject to further review and verification by the Debtors. Subsequent information may result in material changes in financial and other data contained in the Schedules and Statements.

While the Debtors filed their respective bankruptcy petitions on July 28, 2009, they did not complete a separate, corresponding "closing" of their books and ledgers. Except as noted in the Schedules and Statements, all asset data is reported as of the close of business on July 31, 2009 and all liability data is reported as of the close of business July 28, 2009. The Debtors

[1] The Debtors in these chapter 11 cases are Station Casinos, Inc., Northern NV Acquisitions, LLC, Reno Land Holdings, LLC, River Central, LLC, Tropicana Station, LLC, FCP Holding, Inc., FCP Voteco, LLC, Fertitta Partners LLC, FCP MezzCo Parent, LLC, FCP MezzCo Parent Sub, LLC, FCP MezzCo Borrower VII, LLC, FCP MezzCo Borrower VI, LLC, FCP MezzCo Borrower V, LLC, FCP MezzCo Borrower IV, LLC, FCP MezzCo Borrower III, LLC, FCP MezzCo Borrower II, LLC, FCP MezzCo Borrower I, LLC, and FCP PropCo, LLC.

believe that any financial differences arising during the 3-day period are minor and immaterial to the overall outcome of the Cases.

The Debtors have used their best efforts to compile the information set forth in the Schedules and Statements from their books and records maintained in the ordinary course of their businesses. The Debtors reserve their right to amend their Schedules and Statements from time to time as may be necessary or appropriate.

These Global Notes are incorporated by reference in, and comprise an integral part of, the Schedules and Statements, and should be referred to and reviewed in connection with any review of the Schedules and Statements.

1. Basis of Presentation. For financial reporting purposes, the Debtors prepare consolidated financial statements, which include financial information for all subsidiaries and which in the past have been filed with the United States Securities and Exchange Commission (the "SEC"), audited annually and reviewed quarterly. The Schedules and Statements are unaudited and reflect the Debtors' best efforts to report the assets and liabilities of each Debtor on an unconsolidated basis. These Schedules and Statements neither purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles in the United States ("GAAP"), nor are they intended to fully reconcile to the financial statements.

2. Summary of Significant Reporting Policies. The Schedules and Statements have been signed by Thomas M. Friel, Chief Accounting Officer. In reviewing and signing the Schedules and Statements, Mr. Friel has necessarily relied upon the efforts, statements and representations of the accounting and non-accounting personnel located at SCI's headquarters. Mr. Friel has not (and could not have) personally verified the accuracy of each such statement and representation, including statements and representations concerning amounts owed to creditors. Each of the Debtors made its best effort to report asset, liability, disbursement and other information on each appropriate Schedule and Statement. However, the following qualifications and limitations apply to each of Debtor's Schedules and Statements:

a. Reporting Date. Unless otherwise noted, asset values are reported in the Debtors' Schedules and Statements as of the close of business on July 31, 2009 and liability values are

reported as of the close of business July 28, 2009.

b. Net Book Value. It would be cost prohibitive and unduly burdensome to obtain current market valuations of the Debtors' property interests. Accordingly, unless otherwise indicated, net book values, of July 31, 2009, rather than current market values of the Debtors' interest in property are reflected on the Debtors' Schedules. The Debtors' assets are presented, in detail, as they appear on the Debtors' accounting sub-ledgers. As such, the detail includes error corrections and value adjustments (shown as negative values or multiple line items for an individual asset ID).

c. Causes of Action. The Debtors have not set forth all causes of action against all third parties as assets in their Schedules and Statements. The Debtors reserve all of their rights with respect to any causes of action that they may have, and neither these Global Notes nor the Schedules and Statements are intended to be and shall not be deemed a waiver of any such causes of action or of the right to amend the Schedule and Statement.

d. Schedule D:

i. Except as otherwise agreed pursuant to a stipulation or agreed order or any other final order entered by the Bankruptcy Court, the Debtors reserve their rights to dispute or challenge the validity, perfection, or immunity from avoidance of any lien purported to be granted or perfected in any specific asset to a secured creditor listed on Schedule D of any Debtor. Moreover, although the Debtors have scheduled claims of various creditors as secured claims, the Debtors reserve all rights to dispute or challenge the secured nature of any such creditor's claim or the characterization of the structure of any such transaction, or any document or instrument related to such creditor's claim provided such reservation is not inconsistent with any final order entered by the Bankruptcy Court.

ii. In certain instances, a Debtor may be a co-obligor, co-mortgagor, or guarantor with respect to scheduled claims of other Debtors. No claim set forth on Schedule D of any Debtor is intended to acknowledge claims of creditors that are otherwise satisfied or discharged, in whole or part, by other entities. The descriptions provided in Schedule D are intended only to be a summary. Reference to the applicable loan agreements and related

documents is necessary for a complete description of the collateral and the nature, extent, and priority of any liens. Nothing in the Global Notes or the Schedules and Statements shall be deemed a modification or interpretation of the terms of such agreements. Holders of secured claims by virtue of holding setoff rights against the Debtors are not included on Schedule D.

iii. Lessors, utility companies and other parties which may hold security deposits have not been listed on Schedule D.

iv. The Debtors have only included liens filed as of the Petition Date on Schedule D. Certain parties may be entitled to and may have filed liens postpetition, that relate back to the date of first work which may be prepetition.

v. In some cases, liens were filed naming multiple Debtors. The Debtors have scheduled liens filed on the Schedule D for each named Debtor as contingent, unliquidated, and disputed.

e. Schedule F. In certain instances, a Debtor may be a co-obligor, co-mortgagor, or guarantor with respect to scheduled claims of other Debtors, and no claim set forth on Schedule F of any Debtor is intended to acknowledge claims of creditors that are otherwise satisfied or discharged by other entities. The descriptions provided in Schedule F are intended only to be a summary. Nothing in the Global Notes or the Schedules and Statements shall be deemed a modification or interpretation of the terms of such agreements. The claims of individual creditors for, among other things, merchandise, goods, services or taxes are listed at the amounts listed on the Debtors' books and records and may not reflect credits or allowances due from such creditor. The Debtors reserve all of their rights respecting such credits and allowances. The dollar amounts listed may be exclusive of contingent and unliquidated amounts. The Debtors expressly incorporate by reference into Schedule F all parties to pending and potential pending litigation listed in the Debtors' Statements as contingent, unliquidated and disputed claims to the extent not already listed on Schedule F. All parties to executory contracts, including those listed on Schedule G, are holders of contingent and unliquidated unsecured claims arising from (i) obligations under those executory contracts and/or (ii) rejection damages in the event that such executory contract is rejected. Not all such claims are duplicated on Schedule F.

f. Schedule G:

i. The businesses of the Debtors are complex. While every effort has been made to ensure the accuracy of the Schedule of Executory Contracts, inadvertent errors or omissions may have occurred. The Debtors hereby reserve all of their rights to dispute the validity, status, or enforceability of any contracts, agreements, or leases set forth in Schedule G and the right to amend or supplement such Schedule as necessary.

ii. The contracts, agreements, and leases listed on Schedule G may have expired or may have been modified, amended, or supplemented from time to time by various amendments, restatements, waivers, estoppel certificates, letters, and other documents, instruments, and agreements that may not be listed therein.

iii. The presence of a contract or agreement on Schedule G does not constitute an admission that such contract or agreement is an executory contract or unexpired lease or valid and enforceable. The Debtors reserve all of their rights, claims, and causes of action with respect to the contracts and agreements listed on Schedule G.

g. Dates of Incurred Claims. The claims listed in Schedules D, E, and F were incurred on various dates. A determination of the date upon which each claim was incurred would be unduly burdensome and cost prohibitive.

3. Claims. The Debtors' Schedules list creditors and set forth the Debtors' estimate of the number of claims of creditors as of the close of business on July 28, 2009. Payments or transfers otherwise reducing claims have been made subsequently to certain claimants pursuant to the Bankruptcy Court's orders in the Debtors' cases. The Debtors have attempted to reflect these subsequent payments in the Schedules and Statements, but the actual unpaid claims of creditors may differ from the amounts set forth in the Schedules and Statements.

4. Employee and Former Employee Addresses. Where directors, employees, former employees, and equity holders have been identified in the Schedules and Statements, their personal addresses have not been disclosed. These addresses will be provided with appropriate confidentiality provisions upon request.

5. Employee Claims. On July 30, 2009, the Bankruptcy Court entered a first-day

interim order granting authority to the Debtors to pay prepetition employee wages, salaries, benefits, and other obligations for employees. See "Interim Order Pursuant to 11 U.S.C. § 105(a), 363(b) and 507(a) (i) Authorizing Payment of Wages, Compensation and Employee Benefits, and (ii) Authorizing and Directing Financial Institutions to Honor and Process Checks and Transfer Related to Such Obligations, " entered on July 30, 2009 [Docket No. 24] (the "Interim Employee Wages Order"). Pursuant to the Employee Wages Order, the Debtors believe that, other than claims of former employees for severance, any employee claims for pre-petition amounts either have been satisfied or are in the process of being satisfied. Accordingly, employee claims for amounts owing as of the end of the day on July 28, 2009 that have been paid or that are intended to be paid have not been included in the Schedules and Statements.

6. Disputed, Contingent, and/or Unliquidated Claims. Schedules D, E, and F permit each of the Debtors to designate a claim as disputed, contingent, and/or unliquidated. A failure to designate a claim on any of these schedules as disputed, contingent, and/or unliquidated does not constitute an admission that such claim is not subject to objection or that such claim in or should be allowed. The Debtors reserve the right to dispute, or assert offsets or defenses to any claim reflected on these Schedules as to nature, amount, liability, or status or to otherwise subsequently designate any claim as disputed, contingent or unliquidated.

7. Global Notes Control. In the event that the Schedules and Statements differ from the Global Notes, the Global Notes shall control.

8. Reservation of Rights. Nothing contained in the Schedules and Statements or these Global Notes shall constitute a waiver of any of the Debtors' rights or an admission with respect to their chapter 11 cases, including, but not limited to, any issues involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or re-characterization of contracts, assumption or rejection of contracts under the provisions of chapter 3 of the Bankruptcy Code and/or causes of action arising under the provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable laws to recover assets or avoid transfers.

9. Amendments. The Debtors each reserve the right to amend the Schedules and Statements in all respects at any time as may be necessary or appropriate, including without

limitation, (a) to assert offsets or defenses to any claim, (b) to amend the amount, liability, or classification of any claim, or (c) to otherwise designate any claim as contingent, unliquidated or disputed. Any failure to designate a claim as contingent, unliquidated, or disputed does not constitute an admission by any Debtor that such claim is not contingent, unliquidated, or disputed.

*****END OF GLOBAL NOTES*****
****SCHEDULES AND STATEMENTS BEGIN ON THE FOLLOWING PAGE****

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re: FCP PROPCO, LLC Debtor.	Chapter 11 Case No. 09-52487-gwz

SCHEDULE F - CREDITORS HOLDING UNSECURED NON-PRIORITY CLAIMS

State the name, mailing address, including zip code, and account number, if any, of all entities holding unsecured claims without priority against the Debtor or the property of the debtor, as of the date of filing of the petition. Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H-Codebtors. If a joint petition is filed, state whether husband, wife, both of them or the marital community may be liable on each claim by placing an "H","W","J", or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotal" on each sheet. Report the total of all claims listed on this Schedule F in the box labeled "Total" on the last sheet of the completed schedule. Repeat this total also on the Summary of Schedules.

☐ Check this box if Debtor has no creditors holding unsecured claims to report on this Schedule F.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE	CODEBTOR	H W J C	DATE CLAIM WAS INCURRED, NATURE OF LIEN AND DESCRIPTION OF MARKET VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	DISPUTED	UNLIQUIDATED	TOTAL AMOUNT OF CLAIM
Acct No. 1062435 - 10005598 BOULDER STATION INC. 4111 BOULDER HIGHWAY LAS VEGAS, NV 89121			UNSECURED DEBT Intercompany				11,710,728.00
Acct No. N72325N 1058874 - 10005592 DEUTSCHE BANK AG NEW YORK 60 WALL STREET NEW YORK, NY 10005			UNSECURED DEBT Interest Rate Swap (as of 7/31/09)				145,059,092.30
Acct No. 1062265 - 10005594 GIBSON, DUNN & CRUTCHER 333 S GRAND AVENUE LOS ANGELES, CA 90071-3197			UNSECURED DEBT Legal/Professional Fees				20,000.00

SCHEDULE F - CREDITORS HOLDING UNSECURED NON-PRIORITY CLAIMS

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE	CODEBTOR	HWJC	DATE CLAIM WAS INCURRED, NATURE OF LIEN AND DESCRIPTION OF MARKET VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	DISPUTED	UNLIQUIDATED	TOTAL AMOUNT OF CLAIM
Acct No. 1062434 - 10005597 PALACE STATION HOTEL & CASINO INC. 2411 W. SAHARA AVENUE LAS VEGAS, NV 89102			UNSECURED DEBT Intercompany				10,874,554.00
Acct No. 1062266 - 10005595 ROBERT KORS - DIRECTOR'S FEES 1505 S. PAVILION CENTER DRIVE LAS VEGAS, NV 89135			UNSECURED DEBT Legal/Professional Fees				40,000.00
Acct No. 1062267 - 10005596 ROBERT WHITE - DIRECTOR'S FEES 1505 S. PAVILION CENTER DRIVE LAS VEGAS, NV 89135			UNSECURED DEBT Legal/Professional Fees				40,000.00
Acct No. 1061404 - 10005593 STATION CASINOS, INC. 1505 S. PAVILION CENTER DRIVE LAS VEGAS, NV 89135			UNSECURED DEBT Intercompany				70,076,155.00
Acct No. 1062268 - 10005599 VISTA HOLDINGS, LLC 1505 S. PAVILION CENTER DRIVE LAS VEGAS, NV 89135			UNSECURED DEBT Intercompany				5,972,107.00
						TOTAL:	243,792,636.30

EXHIBIT 6

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA
RENO DIVISION

IN RE:	)	CASE NO: 09-52477-GWZ
	)	CHAPTER 11
	)	
STATION CASINOS, INC,	)	Reno, Nevada
	)	
	)	Wednesday, May 5, 2010
Debtor.	)	(9:03 a.m. to 12:01 p.m.)
	)	(1:21 p.m. to 4:57 p.m.)

MOTION BY JOINTLY ADMINISTERED DEBTORS STATIONS CASINOS, ET AL. FOR ORDER AUTHORIZING OPCO DEBTORS TO ENTER INTO RESTRUCTURING SUPPORT AGREEMENT WITH OPCO LENDERS (11 USC 105(a); 363(b); AND FRBP 9019 [DE #1298]

BEFORE THE HONORABLE GREGG W. ZIVE,
UNITED STATES BANKRUPTCY JUDGE

Appearances:	See next page
Court Reporter:	Recorded; FTR
Transcribed by:	Exceptional Reporting Services, Inc 14493 South Padre Island Drive, #A-400 Corpus Christi, TX 78418-5940 361 949-2988

Proceedings recorded by electronic sound recording; transcript produced by transcription service.

application that *203 North LaSalle* has here.

This is not a new value plan. This is not an insider trying to cling to an exclusive opportunity to put in new value through a plan. In fact, this is the antithesis of the facts in *203 North LaSalle,* your Honor. This is a public auction expressly subject to overbid and, if you approve this bid procedures motion, expressly subject to court-approved bid procedures designed to encourage and maximize bids.

Your Honor, Mr. Goldberg raises in his objection the concept of the no shop provision that is in Section 1.1(f) of the OPCO Support Agreement. I'll dwell on this for about 30 seconds. Your Honor, 1.1(f) expressly says that the company will not solicit bids or offers or proposals for the OPCO assets except as provided in the bidding procedures order. Your Honor, all this provision does is require the company to conduct itself in accordance with whatever bidding procedures you ultimately approve. How that can be objectionable to any party is beyond me.

Your Honor, the last discrete point I'll make on this, there are complaints about the limitations that the bid procedures would put on direct contacts that creditors may have with potential bidders and requires that those contacts be run through the Debtors and specifically through Lazard as financial advisor overseeing and running this process. Your Honor, I think you're well aware of the sensitivities in this

EXHIBIT 7

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:	Chapter 11
LAKE AT LAS VEGAS JOINT VENTURE, LLC ☐ Affects this Debtor	Case No. 08-17814-LBR
LLV-1, LLC ☐ Affects this Debtor	Case No. 08-17815-LBR
LLV HOLDCO, LLC ☐ Affects this Debtor	Case No. 08-17817-LBR
LAKE LAS VEGAS PROPERTIES, L.L.C. ☐ Affects this Debtor	Case No. 08-17820-LBR
LLV FOUR CORNERS, LLC ☐ Affects this Debtor	Case No. 08-17822-LBR
NORTHSHORE GOLF CLUB, L.L.C. ☐ Affects this Debtor	Case No. 08-17825-LBR
P-3 AT MONTELAGO VILLAGE, LLC ☐ Affects this Debtor	Case No. 08-17827-LBR
THE GOLF CLUB AT LAKE LAS VEGAS, LLC ☐ Affects this Debtor	Case No. 08-17830-LBR
MARINA INVESTORS, L.L.C. ☐ Affects this Debtor	Case No. 08-17832-LBR
THE VINEYARD AT LAKE LAS VEGAS, L.L.C. ☐ Affects this Debtor	Case No. 08-17835-LBR
LLV VHI, L.L.C. ☐ Affects this Debtor	Case No. 08-17837-LBR
TCH DEVELOPMENT, L.L.C. ☐ Affects this Debtor	Case No. 08-17841-LBR
TC TECHNOLOGIES, L.L.C. ☐ Affects this Debtor	Case No. 08-17842-LBR
SOUTHSHORE GOLF CLUB, L.L.C. ☐ Affects this Debtor	Case No. 08-17844-LBR
NEVA HOLDINGS, L.L.C. ☐ Affects this Debtor	Case No. 08-17845-LBR
☒ AFFECTS ALL DEBTORS Debtors.	**Jointly Administered Under Case No. BK-S-08-17814-LBR**

MOTION FOR ORDER APPROVING ADEQUACY OF THE "DISCLOSURE STATEMENT DESCRIBING CHAPTER 11 PLAN OF REORGANIZATION PROPOSED BY LAKE AT LAS VEGAS JOINT VENTURE, LLC AND ITS JOINTLY-ADMINISTERED CHAPTER 11 AFFILIATES AND THE OFFICIAL COMMITTEE OF CREDITORS HOLDING UNSECURED CLAIMS (DATED SEPTEMBER 4, 2009)"

(AFFECTS ALL DEBTORS)

Hearing Date: October 15, 2009
Hearing Time: 10:00 a.m.

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Lake at Las Vegas Joint Venture, LLC and its jointly-administered chapter 11 affiliates, debtors and debtors in possession in the above-captioned chapter 11 cases (the "Debtors"), hereby move this Court (the "Motion") for entry of an order, pursuant to section 1125 of title 11 the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code") and Rule 3017 of the Federal Rules of Bankruptcy Procedure, approving the *Disclosure Statement Describing Chapter 11 Plan of Reorganization Proposed by Lake at Las Vegas Joint Venture, LLC and its Jointly-Administered Chapter 11 Affiliates and the Official Committee of Creditors Holding Unsecured Claims (Dated September 4, 2009)* (the "Disclosure Statement") and finding that the Disclosure Statement contains "adequate information" within the meaning of Bankruptcy Code section 1125(a).

This Motion is made and based on the Legal Memorandum set forth below, the record in these cases, and any arguments and evidence presented at or prior to the hearing on this Motion.

LEGAL MEMORANDUM

A. The Disclosure Statement Provides Adequate Information.

Bankruptcy Code section 1125(b) provides that "[a]n acceptance or rejection of a plan may not be solicited after the commencement of the case under this title from a holder of a claim or interest with respect to such claim or interest, unless, at the time of or before such solicitation, there is transmitted to such holder the plan or a summary of the plan, and a written disclosure statement approved, after notice and a hearing, by the court as containing adequate information." 11 U.S.C. § 1125(b). The Bankruptcy Code, as amended by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, defines "adequate information" as follows:

> "[A]dequate information" means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such hypothetical investor of the relevant class to make an informed judgment about the plan, but adequate information need not include such information about any other possible or proposed plan and in determining whether a disclosure statement provides adequate information, the court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information[.]

11 U.S.C. § 1125(a) (1).

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The determination of whether a particular disclosure statement provides "adequate information" is "subjective and made on a case by case basis . . . [and] . . . is largely within the discretion of the bankruptcy court." *In re Tex. Extrusion Corp.*, 844 F.2d 1142, 1157 (5th Cir. 1988); *accord, e.g., Menard-Sanford v. Mabey (In re A.H. Robins Co.)*, 880 F.2d 694, 696 (4th Cir. 1989). According to this Court's Local Rules, a disclosure statement should generally include:

(1) A statement regarding the debtor's background, ownership, and pre-bankruptcy operating and financial history;

(2) A discussion of the reason for the bankruptcy filing;

(3) A summary of proceedings to date in the bankruptcy case;

(4) A summary of assets;

(5) A description of unclassified claims, including estimated amounts of administrative and priority claims;

(6) A description of claims by class, including an estimate of the amount of claims in each class as reflected by the schedules and proofs of claim on file;

(7) A summary of the treatment of unclassified and classified claims under the proposed plan;

(8) A summary of the treatment of executory contracts under the proposed plan;

(9) A liquidation analysis;

(10) A statement explaining how the proponent intends to make the proposed payments; and

(11) The disclosures required by 11 U.S.C. § 1129(a)(5).

LR 3016(d). The Disclosure Statement complies with these requirements.

The Disclosure Statement provides extensive information about the Debtors' chapter 11 cases and a detailed explanation of the Plan and the financial information and assumptions underlying the Plan. Among other things, the Disclosure Statement sets forth the following:

- A detailed disclaimer regarding the Plan and the assumptions underlying the Plan (Section II);
- A detailed description of voting procedures and voting information (Sections III, IV and V);
- A description of the events leading to the filing of the Debtors' chapter 11 petitions (Section VIII.D.3);

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- Descriptions of the Debtors' assets (Section VIII);
- A summary of significant events during the bankruptcy case (Section VIII.E);
- A discussion of claims asserted against the Debtors (Section VIII.E.14);
- A summary of the pending non-bankruptcy legal proceedings by and against the Debtors (Section VIII.E.15 and Exhibit 5a to the Disclosure Statement);
- A summary of preference actions against non-insiders (90-day) and insiders (1-year) (Exhibits 6a and 6b to the Disclosure Statement);
- A detailed summary of the material provisions of the Plan (Section IX);
- Financial projections for the Reorganized Debtors for the 24 month period after the Effective Date (Section X and Exhibit 7 to the Disclosure Statement);
- The impact of a hypothetical chapter 7 liquidation on the return that would be realized by creditors (Section XI and Exhibit 8 the Disclosure Statement);
- A detailed discussion of risk factors associated with the Reorganized Debtors' future operations, risks associated with the New Membership Interests in Reorganized LLV Holdco, and risks associated with the T-16 LID Trust (Section XII); and
- A discussion of the tax consequences of the Plan (Section XIV).

As a result of the foregoing and other disclosures within the Disclosure Statement, the Disclosure Statement clearly provides "adequate information" within the meaning of Bankruptcy Code section 1125 and should be approved for use in soliciting the votes of the Debtors' creditors.

B. Conclusion.

Based upon all the foregoing, the Debtors respectfully request that the Court enter an order granting the Motion and such other and further relief as is appropriate under the circumstances.

DATED: September 4, 2009

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:	Chapter 11
LAKE AT LAS VEGAS JOINT VENTURE, LLC ☐ Affects this Debtor	Case No. 08-17814-LBR
LLV-1, LLC ☐ Affects this Debtor	Case No. 08-17815-LBR
LLV HOLDCO, LLC ☐ Affects this Debtor	Case No. 08-17817-LBR
LAKE LAS VEGAS PROPERTIES, L.L.C. ☐ Affects this Debtor	Case No. 08-17820-LBR
LLV FOUR CORNERS, LLC ☐ Affects this Debtor	Case No. 08-17822-LBR
NORTHSHORE GOLF CLUB, L.L.C. ☐ Affects this Debtor	Case No. 08-17825-LBR
P-3 AT MONTELAGO VILLAGE, LLC ☐ Affects this Debtor	Case No. 08-17827-LBR
THE GOLF CLUB AT LAKE LAS VEGAS, LLC ☐ Affects this Debtor	Case No. 08-17830-LBR
MARINA INVESTORS, L.L.C. ☐ Affects this Debtor	Case No. 08-17832-LBR
THE VINEYARD AT LAKE LAS VEGAS, L.L.C. ☐ Affects this Debtor	Case No .08-17835-LBR
LLV VHI, L.L.C. ☐ Affects this Debtor	Case No. 08-17837-LBR
TCH DEVELOPMENT, L.L.C. ☐ Affects this Debtor	Case No. 08-17841-LBR
TC TECHNOLOGIES, L.L.C. ☐ Affects this Debtor	Case No. 08-17842-LBR
SOUTHSHORE GOLF CLUB, L.L.C. ☐ Affects this Debtor	Case No. 08-17844-LBR
NEVA HOLDINGS, L.L.C. ☐ Affects this Debtor	Case No. 08-17845-LBR
☒ AFFECTS ALL DEBTORS Debtors.	**Jointly Administered Under Case No. BK-S-08-17814-LBR**

CERTIFICATE OF SERVICE

(AFFECTS ALL DEBTORS)

Hearing Date: October 15, 2009
Hearing Time: 10:00 a.m.

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1. On **SEPTEMBER 4, 2009** (*date*) I served the following document(s) (*specify*):

MOTION FOR ORDER APPROVING ADEQUACY OF THE "DISCLOSURE STATEMENT DESCRIBING CHAPTER 11 PLAN OF REORGANIZATION PROPOSED BY LAKE AT LAS VEGAS JOINT VENTURE, LLC AND ITS JOINTLY-ADMINISTERED CHAPTER 11 AFFILIATES AND THE OFFICIAL COMMITTEE OF CREDITORS HOLDING UNSECURED CLAIMS (DATED SEPTEMBER 4, 2009)"
(AFFECTS ALL DEBTORS)

2. I served the above-named document(s) by the following means to the persons as listed below:

(***Check all that apply***)

☒ **a. ECF System** (***You must attach the "Notice of Electronic Filing", or list all persons and addresses and attach additional paper if necessary***)

[SEE ATTACHED EXHIBIT A]

☒ **b. United States mail, postage fully prepaid**
(***List persons and addresses. Attach additional paper if necessary***)

[SEE ATTACHED EXHIBIT B]

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☐ **c. Personal Service** (*List persons and addresses. Attach additional paper if necessary*)

I personally delivered the document(s) to the persons at these addresses:

☐ For a party represented by an attorney, delivery was made by handing the document(s) to the attorney or by leaving the documents(s) at the attorney's office with a clerk or other person in charge, or if no one is in charge by leaving the documents(s) in a conspicuous place in the office.

☐ For a party, delivery was made by handing the document(s) to the party or by leaving the document(s) at the person's dwelling house or usual place of abode with someone of suitable age and discretion residing there.

☐ **d. By direct email (as opposed to through the ECF System)**
(*List persons and email addresses. Attach additional paper if necessary*)

Based upon the written agreement of the parties to accept service by email or a court order, I caused the document(s) to be sent to the persons at the email addresses listed below. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

☐ **e. By fax transmission** (*List persons and fax numbers. Attach additional paper if necessary*)

Based upon the written agreement of the parties to accept service by fax transmission or a court order, I faxed the document(s) to the persons at the fax numbers listed below. No error was reported by the fax machine that I used. A copy of the record of the fax transmission is attached.

☐ **f. By messenger** (*List persons and addresses. Attach additional paper if necessary*)

I served the document(s) by placing them in an envelope or package addressed to the persons at the addresses listed below and providing them to a messenger for service. (A declaration by the messenger must be attached to this Certificate of Service).

I declare under penalty of perjury that the foregoing is true and correct.

Signed on (*date*): **SEPTEMBER 4, 2009**

JUDY A. KACZMAREK
(NAME OF DECLARANT)

/s/ Judy A. Kaczmarek
(SIGNATURE OF DECLARANT)

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EXHIBIT 8

E-Filed 6/19/09

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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

In re:

ZANTE, INC.

- ☐ Affects this Debtor.
- ☒ Affects all Debtors.
- ☐ Affects THE SANDS REGENT
- ☐ Affects PLANTATION INVESTMENTS, INC.
- ☐ Affects LAST CHANCE, INC.
- ☐ Affects DAYTON GAMING, INC.
- ☐ Affects CALIFORNIA PROSPECTORS, LTD.
- ☐ Affects HERBST GAMING, INC.
- ☐ Affects FLAMINGO PARADISE GAMING, LLC
- ☐ Affects E-T-T, INC.
- ☐ Affects MARKET GAMING, INC.
- ☐ Affects THE PRIMADONNA COMPANY, LLC
- ☐ Affects HGI LAKESIDE, INC.
- ☐ Affects HGI ST. JO, INC.
- ☐ Affects HGI MARK TWAIN, INC.
- ☐ Affects CARDIVAN COMPANY
- ☐ Affects CORRAL COIN, INC.
- ☐ Affects CORRAL COUNTRY COIN, INC.
- ☐ Affects E-T-T ENTERPRISES, LLC

Case No.: BK-N-09-50746-GWZ; Chapter 11
Jointly Administered with:

09-50747	The Sands Regent
09-50748	Plantation Investments, Inc.
09-50749	Last Chance, Inc.
09-50751	Dayton Gaming, Inc.
09-50750	California Prospectors, Ltd.
09-50752	Herbst Gaming, Inc.
09-50753	Flamingo Paradise Gaming, LLC
09-50754	E-T-T, Inc.
09-50755	Market Gaming, Inc.
09-50756	The Primadonna Company, LLC
09-50757	HGI Lakeside, Inc.
09-50758	HGI St. Jo, Inc.
09-50759	HGI Mark Twain, Inc.
09-50760	Cardivan Company
09-50761	Corral Coin, Inc.
09-50762	Corral Country Coin, Inc.
09-50763	E-T-T Enterprises, LLC

Date: July 27, 2009
Time: 10:00 a.m. (PDT)

MOTION OF DEBTORS FOR ORDER: (I) APPROVING THE PROPOSEDAMENDED DISCLOSURE STATEMENT TO ACCOMPANY DEBTORS' JOINT PLAN OF REORGANIZATION; (II) SETTING A RECORD DATE FOR VOTING PURPOSES; (III) APPROVING SOLICITATION PACKAGES AND PROCEDURES FOR DISTRIBUTION THEREOF; (IV) APPROVING FORMS OF BALLOTS; AND (V) SCHEDULING A HEARING AND ESTABLISHING NOTICE AND OBJECTION PROCEDURES IN RESPECT OF CONFIRMATION

Herbst Gaming, Inc., a Nevada corporation; California Prospectors, Ltd., a Nevada limited liability company; Cardivan Company, a Nevada corporation; Corral Coin, Inc., a Nevada corporation; Corral Country Coin, Inc., a Nevada corporation; Dayton Gaming, Inc., a Nevada corporation; E-T-T, Inc., a Nevada corporation; E-T-T Enterprises, LLC, a Nevada limited liability company; Flamingo Paradise Gaming, LLC, a Nevada limited liability company; HGI Lakeside, Inc., a Nevada corporation; HGI Mark Twain, Inc., a Nevada corporation; HGI St. Jo, Inc., a Nevada corporation; Last Chance, Inc., a Nevada corporation; Market Gaming, Inc., a Nevada corporation; Plantation Investments, Inc., a Nevada corporation; The Primadonna Company, LLC, a Nevada limited liability company; The Sands Regent, a Nevada corporation; and Zante, Inc., a Nevada corporation (collectively, the "Debtors"), debtors and debtors-in-possession, by and through their attorneys, the law firm of Gordon Silver, hereby submit their motion (the "Motion") requesting that the Court (i) approve the Proposed Amended Disclosure Statement to Accompany Debtors' Joint Plan of Reorganization (as may be further amended, the "Disclosure Statement") [Docket No. 484], (ii) set a record date for voting purposes, (iii) approve the solicitation packages and procedures for distribution thereof, (iv) approve the forms of ballots and establishing procedures for tabulation of the vote, and (v) schedule a hearing and establishing notice and objection procedures in respect of confirmation of the Debtors' Joint Plan of Reorganization (as may be further amended, the "Plan") [Docket No. 467].[1]

The Motion is made and based on the points and authorities herein, the pleadings, papers, and other records on file with the clerk of the above-captioned Court, judicial notice of which is respectfully requested, and the argument of counsel entertained by the Court at the time of the hearing of the Motion.

. . .

. . .

[1] All references to "Section" herein shall be to the Bankruptcy Code appearing in Title 11 of the U.S. Code; all references to a "Bankruptcy Rule" shall be to the Federal Rules of Bankruptcy Procedure; and all references to a "Local Rule" shall be to the Local Rules of Bankruptcy Practice of the U.S. District Court for the District of Nevada. Unless otherwise defined herein, all defined terms shall have the meaning ascribed to them in the Debtors' Joint Plan of Reorganization.

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I.
JURISDICTION AND VENUE

1. The Bankruptcy Court has jurisdiction to consider and determine this Motion pursuant to 28 U.S.C. §§ 157(b)(1) and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (L).

2. Venue is proper before the Bankruptcy Court pursuant to 28 U.S.C. §§ 1408 and 1409.

II.
BACKGROUND

3. On March 22, 2009 (the "Petition Date"), Debtors filed their voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

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

5. The Debtors' Chapter 11 cases have been procedurally consolidated for administrative purposes.

6. Debtors have filed their proposed Plan and Disclosure Statement. A copy of the proposed Disclosure Statement is attached hereto as Exhibit A.

7. The Court has scheduled a hearing to consider the adequacy of the information contained in the Disclosure Statement (the "Disclosure Statement Hearing") and this Motion on July 27, 2009 at 10:00 a.m. (PDT).

III.
LEGAL ARGUMENT

A. Proposed Disclosure Statement.

8. Pursuant to Section 1125 of the Bankruptcy Code, a plan proponent must provide holders of impaired claims with "adequate information" regarding a debtor's proposed Chapter 11 plan. In that regard, Section 1125(a)(1) of the Bankruptcy Code provides:

> "[A]dequate information" means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the

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> nature and history of the debtor and the condition of the debtor's books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan, but adequate information need not include such information about any other possible or proposed plan and in determining whether a disclosure statement provides adequate information, the court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information

11 U.S.C. § 1125(a)(1).

9. Section 1125(a)(2) of the Bankruptcy Code goes on to define an "investor typical of holders of claims or interests of the relevant class" as an investor having the following: "(A) a claim or interest of the relevant class; (B) such a relationship with the debtor as the holders of other claims or interests of such class generally have; and (C) such ability to obtain such information from sources other than the disclosure required by this section as holders of claims or interests in such class generally have." 11 U.S.C. § 1125(a)(2).

10. The determination of adequate information is made on a case-by-case basis. See Computer Task Group, Inc. v. Brotby (In re Brotby), 303 B.R. 177, 193 (B.A.P. 9th Cir. 2003) (citing In re Texas Extrusion Corp., 844 F.2d 1142, 1157 (5th Cir. 1988)).

11. Local Rule 3016(d) provides that a disclosure statement should include, at a minimum, the following:

> (a) a statement regarding the debtor's background, ownership, and pre-bankruptcy operating and financial history; (b) discussion of the reason for the bankruptcy filing; (c) a summary of proceedings to date in the bankruptcy case; (d) a summary of assets; (e) a description of unclassified claims, including estimated amounts of administrative and priority claims; (f) a description of claims by class, including an estimate of the amount of claims in each class as reflected by the schedules and proofs of claim on file; (g) a summary of the treatment of unclassified and classified claims under the proposed plan; (h) a summary of the treatment of executory contracts under the proposed plan; (i) a liquidation analysis; (j) a statement as to how the proponent intends to achieve the payments proposed; and (k) the disclosures required

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by 11 U.S.C. § 1129(a)(5).

LR 3016(d).

12. In addition, case law has developed a non-exhaustive list of criteria that may be considered in evaluating the sufficiency or the adequacy of a proposed disclosure statement. Relevant factors for evaluating the adequacy of a disclosure statement may include the following:

> (a) the events which led to the filing of a bankruptcy petition; (b) a description of the available assets and their value; (c) the anticipated future of the company; (d) the source of information stated in the disclosure statement; (e) a disclaimer; (f) the present condition of the debtor while in Chapter 11; (g) the scheduled claims; (h) the estimated return to creditors under a Chapter 7 liquidation; (i) the accounting method utilized to produce financial information and the name of the accountants responsible for such information; (j) the future management of the debtor; (k) the Chapter 11 plan or a summary thereof; (l) the estimated administrative expenses, including attorneys' and accountants' fees; (m) the collectability of accounts receivable; (n) financial information, data, valuations or projections relevant to the creditors' decision to accept or reject the Chapter 11 plan; (o) information relevant to the risks posed to creditors under the plan; (p) the actual or projected realizable value from recovery of preferential or otherwise voidable transfers; (q) litigation likely to arise in a nonbankruptcy context; (r) tax attributes of the debtor; and (s) the relationship of the debtor with affiliates.

In re Metrocraft Pub. Servs., Inc., 39 B.R. 567, 568 (Bankr. Ga. 1984); In re Scioto Valley Mortgage Co., 88 B.R. 168, 170-71 (Bankr. S.D. Ohio 1988) (using a similar list). The foregoing list, however, is neither meant to be comprehensive, nor required; rather, the court must decide what is appropriate in each specific case.

13. A creditor's standing to object to disclosure statement approval may be limited to only those matters which affect the ability of that creditor to exercise meaningfully its right to vote on the plan, and which impact on the class of which the objecting creditor is a member. See Everett v. Perez (In re Perez), 30 F.3d 1209, 1217 & n.11 (9th Cir. 1994) (holding that a creditor has standing to contest the adequacy of disclosures even though he voted against the plan, but noting that the question of whether a creditor who voted against the plan could object to

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inadequacies in disclosure that affected no other creditors was still an open question); In re Scioto Valley Mortgage Co., 88 B.R. 168, 171 (Bankr. S.D. Ohio 1988) ("a creditor only has standing to object to the adequacy of a disclosure statement as to its own class and not as to the adequacy of the statement as it affects another class"); In re Middle Plantation of Williamsburg, Inc., 47 B.R. 884, 891 (E.D. Va. 1984) ("Holders of impaired claims who have been induced to vote in favor of a plan are the only ones who may raise the issue of the adequacy of the Disclosure Statement."), aff'd, 755 F.2d 928 (4th Cir. 1985); In re Adana Mortgage Bankers, Inc., 14 B.R. 29, 30 (Bankr. N.D. Ga. 1981) ("Class IV creditors have standing to object to the Disclosure Statement only as to their Class and may not object to the adequacy of the Disclosure Statement as it may affect another class of creditors who have received a notice and who have filed no objection or made any appearance."). As such, if a creditor is either unimpaired and thus deemed to have accepted the plan pursuant to Section 1126(f) of the Bankruptcy Code, or if a creditor is deemed to have rejected the plan pursuant to Section 1126(g) of the Bankruptcy Code because the plan does not entitled the creditor to receive or retain any property under the plan, then such creditor's standing to Object to the disclosure statement and other matters is limited.

14. The only 2 Classes of Claims that are impaired under the Plan, are entitled to vote and are being solicited, are Class 3 (Senior Credit Facility Claims) and Class 7 (Intercompany Claims). Class 4 (General Unsecured Claims) are to be paid in full on the Effective Date and are unimpaired. Class 5 (Senior Subordinated Note Claims) and Class 6 (Section 726(a)(4) Claims) are to receive nothing under the Plan and are deemed to vote no. Debtors submit that their proposed Disclosure Statement in this case addresses each of the salient types of information identified above in a manner that provides Holders of Impaired Claims that are entitled to vote to accept or reject the Plan (Classes 3 and 7) with adequate information to allow them to make an informed judgment about the Plan.

B. Setting Record Date.

15. Bankruptcy Rule 3017(d) provides that, for the purposes of soliciting votes in connection with the confirmation of a Chapter 11 plan, "creditors and equity security holders shall include holders of stock, bonds, debentures, notes and other securities of record on the date

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the order approving the disclosure statement is entered or another date fixed by the court, for cause, after notice and a hearing." Fed. R. Bankr. P. 3017(d). Debtors request that the Court confirm July 27, 2009, the voting record date (the "Record Date").

C. Solicitation Packages And Distribution Procedures.

16. Bankruptcy Rule 3017(d) sets forth the materials that must be provided to holders of claims and equity interests for the purpose of soliciting their votes and providing adequate notice of the hearing on confirmation of a Chapter 11 plan. This Rule provides, in pertinent part, as follows:

> Upon approval of a disclosure statement,--except to the extent that the court orders otherwise with respect to one or more unimpaired classes of creditors or equity security holders--the debtor in possession, trustee, proponent of the plan, or clerk as the court orders shall mail to all creditors and equity security holders, and in a chapter 11 reorganization case shall transmit to the United States trustee,
>
> (1) the plan or a court-approved summary of the plan;
>
> (2) the disclosure statement approved by the court;
>
> (3) notice of the time within which acceptances and rejections of such plan may be filed; and
>
> (4) any other information as the court may direct, including any court opinion approving the disclosure statement or a court-approved summary of the opinion.
>
> In addition, notice of the time fixed for filing objections and the hearing on confirmation shall be mailed to all creditors and equity security holders in accordance with Rule 2002(b), and a form of ballot conforming to the appropriate Official Form shall be mailed to creditors and equity security holders entitled to vote on the plan. . . .

Fed. R. Bankr. P. 3017(d).

17. Following entry of the Disclosure Statement Order, the Debtors propose to distribute solicitation packages (the "Solicitation Packages") containing copies of the following:

a. the order approving the Disclosure Statement, substantially in the form attached hereto as Exhibit B (the "Disclosure Statement Order");;

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b. the confirmation hearing notice, substantially in the form attached hereto as Exhibit C (the "Confirmation Hearing Notice");

c. a ballot (the "Ballot") substantially in the form attached hereto as Exhibit D; and

d. a copy of the Disclosure Statement (together with the Plan attached thereto).

18. The Debtors propose to mail the Solicitation Packages by no later than ten (10) days after entry of the Disclosure Statement Order (the "Solicitation Date") to the Holders of Claims in Class 3 (Senior Credit Facility Claims) and Class 7 (Intercompany Claims), which are the two Classes of Claims entitled to vote on the Debtors' Plan.

D. Notice Of Non-Voting Status.

19. Bankruptcy Rule 3017(d) further provides, in relevant part, as follows:

> If the court orders that the disclosure statement and the plan or a summary of the plan shall not be mailed to any unimpaired class, notice that the class is designated in the plan as unimpaired and notice of the name and address of the person from whom the plan or summary of the plan and disclosure statement may be obtained upon request and at the plan proponent's expense, shall be mailed to members of the unimpaired class together with the notice of the time fixed for filing objections to and the hearing on confirmation.

Fed. R. Bankr. P. 3017(d).

20. The Claims in Class 1 (Other Priority Claims), Class 2 (Other Secured Claims), Class 4 (General Unsecured Claims), and Class 9 (Intercompany Interests) are Unimpaired and thus are conclusively presumed to accept the Plan pursuant to Section 1126(f) of the Bankruptcy Code. The Debtors propose to send to Holders of Unimpaired Claims, as well as any party to an Executory Contract that has not been assumed or rejected as of the Record Date, a notice of nonvoting status, substantially in the form attached hereto as Exhibit E (the "Notice of Non-Voting Status – Unimpaired Classes"), which identifies the Classes designated as Unimpaired and sets forth that a copy of the Plan and Disclosure Statement may be obtained via the Internet at http://www.nvb.uscourts.gov/, or at the Debtors' website at http://www.xroadscms.net/zante,

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or by contacting Debtors' counsel. The Debtors submit that such notice satisfies the requirements of Bankruptcy Rule 3017(d), and accordingly, request that the Court direct that the Plan and Disclosure Statement need not be mailed to any Holder of an Unimpaired Claim unless such party makes a specific request in writing for the same.

21. Similarly, in an effort to conserve the resources of these Estates, the Debtors propose to send to Holders of Claims expected to receive no distribution under the Plan a notice of non-voting status ("Notice of Non-Voting Status: Impaired Classes," and together with the Notice of Non-Voting Status: Unimpaired Classes, the "Notices of Non-Voting Status"), substantially in the form attached hereto as Exhibit F, which identifies the Classes designated as Impaired and not entitled to vote and sets forth that a copy of the Plan and Disclosure Statement may be obtained via the Internet at the above-referenced websites. Claims in Class 5 (Senior Subordinated Note Claims), Class 6 (Section 726(a)(4) Claims). and Class 8 (Equity Interests in Herbst Gaming) will not receive any distributions under the Plan and, thus, are conclusively presumed to reject the Plan pursuant to Section 1126(g) of the Bankruptcy Code. The Debtors submit that such notice satisfies the requirements of the Bankruptcy Code and Bankruptcy Rules. Accordingly, the Debtors request that the Bankruptcy Court determine that they are not required to distribute the Plan and Disclosure Statement to any Holder of an Impaired Claim that is deemed to reject the Plan, unless otherwise requested in writing.

E. Forms Of Ballots.

22. Bankruptcy Rule 3017(d) requires the Debtors to mail a form of ballot, substantially in the form of Official Form No. 14, only to "creditors and equity security holders entitled to vote on the plan." Fed. R. Bankr. P. 3017(d). Bankruptcy Rule 3018(c) provides that acceptance or rejection of a plan must be in writing, signed by the creditor or an authorized agent and conform to the appropriate Official Form. See Fed. R. Bankr. P. 3018(c).

23. The Debtors propose to distribute a Ballot to the Creditors holding Claims in the Voting Classes (as hereinafter defined). The forms of the Ballots are based upon Official Form No. 14 but have been modified to address the particular aspects of these Chapter 11 Cases and to include certain additional information that the Debtors believe to be relevant and appropriate for

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each Class of Claims that is entitled to vote to accept or reject the Plan. The appropriate Ballot forms will be distributed to Holders of Claims in Classes 3 (Senior Credit Facility Claims) and 7 (Intercompany Claims) (collectively, the "Voting Classes"). All other Classes are (a) Unimpaired and conclusively presumed to have accepted the Plan pursuant to Section 1126(f) of the Bankruptcy Code (*i.e.*, Classes 1, 2, 4, and 9), or (b) expected to receive no distribution and are deemed to have rejected the Plan pursuant to Section 1126(g) of the Bankruptcy Code (*i.e.*, Classes 5, 6 and 8).

24. The Debtors shall file a Certification of Acceptance and Rejection of Chapter 11 Plan (Ballot Summary) in conformance with Local Rule 3018.

F. Voting Deadline.

25. Bankruptcy Rule 3017(c) provides that, on or before approval of a disclosure statement, the court shall fix a time within which the holders of claims or equity security interests may accept or reject a plan. The Debtors anticipate mailing the Solicitation Packages on or before the Solicitation Date. Based on such schedule, the Debtors propose that, in order to be counted as a vote to accept or reject the Plan, each Ballot must be properly executed, completed, and delivered to Debtors' counsel so as to be received on or before September 7, 2009 at 5:00 p.m. (PDT) (the "Voting Deadline").

G. Confirmation Hearing.

26. Bankruptcy Rule 3017(c) provides as follows: "On or before approval of the disclosure statement, the court shall fix a time within which the holders of claims and interests may accept or reject the plan and may fix a date for the hearing on confirmation." Fed. R. Bankr. P. 3017(c).

27. In accordance with Bankruptcy Rule 3017(c) and in view of the Debtors' proposed solicitation schedule outlined herein, the Debtors request that a hearing on confirmation of the Plan (the "Confirmation Hearing") be scheduled, subject to the Bankruptcy Court's calendar, no earlier than September 15, 2009. The Confirmation Hearing may be continued from time to time by the Bankruptcy Court or the Debtors without further notice other

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than adjournments announced in open court at the Confirmation Hearing or any subsequent adjourned Confirmation Hearing and that the Plan may be modified pursuant to Section 1127 of the Bankruptcy Code and its terms, prior to, during or as a result of the Confirmation Hearing, in each case without further notice to parties-in-interest. The proposed timing for the Confirmation Hearing is in compliance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and will enable the Debtors to pursue confirmation of the Plan in a timely fashion.

H. Notice Of The Confirmation Hearing.

28. Bankruptcy Rule 2002(b) and (d) require not less than twenty-five (25) days' notice to all creditors and equity security holders of the time fixed for filing objections and the hearing to consider confirmation of a Chapter 11 plan. In accordance with Bankruptcy Rules 2002 and 3017(d), the Debtors propose to provide to all Creditors and Equity Interest Holders as of the Record Date a copy of the Confirmation Hearing Notice, setting forth (a) the date of approval of the Disclosure Statement; (b) the Record Date; (c) the Voting Deadline; (d) the time fixed for filing objections to confirmation of the Plan; and (e) the time, date, and place for the Confirmation Hearing. Such notice will be sent contemporaneously with the Solicitation Packages. The Debtors submit that the foregoing procedures will provide adequate notice of the Confirmation Hearing and, accordingly, request that the Bankruptcy Court approve such notice as adequate.

I. Objections And Replies.

29. Pursuant to Bankruptcy Rule 3020(b)(1), objections to confirmation of a plan must be filed and served "within a time fixed by the court." Fed. R. Bank. P. 3020(b)(1). The Confirmation Hearing Notice provides, and the Debtors request that the Bankruptcy Court direct that, objections to confirmation of the Plan, if any, must: (a) be in writing; (b) state the name and address of the objecting party and the amount and nature of the claim or interest of such party; (c) state with particularity the basis and nature of any objection to the Plan; and (d) be filed with the Court no later than September 7, 2009. All replies to any oppositions to confirmation must be filed with the Court by no later than September 14, 2009. The proposed timing for filing and

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service of objections and replies, if any, will afford the Bankruptcy Court, the Debtors, and other parties in interest sufficient time to consider the objections and replies prior to the Confirmation Hearing. Objections not timely filed and served in accordance with the provisions of this Motion may be overruled on that basis alone.

IV.
CONCLUSION

WHEREFORE, the Debtors respectfully request that the Bankruptcy Court enter an order as follows:

1. Approving the proposed Disclosure Statement, the Solicitation Packages and procedures for distribution thereof;

2. Setting a Record Date for voting purposes;

3. Approving the forms of Ballot and establishing procedures for voting on the Plan, including a deadline for receipt of Ballots;

4. Scheduling a hearing date and establishing notice and objection procedures and deadlines with respect to confirmation to the Plan, including a date for filing all objections to confirmation, and replies thereto; and

5. Granting such other and further relief as is just and proper.

DATED this 19th day of June, 2009.

GORDON SILVER

By: _____
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EXHIBIT 9

Hearing Date and Time: January 21, 2010 at 10:00 a.m., E.T.
Objection Deadline: January 15, 2010 at 4:00 p.m., E.T.

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
Old Carco LLC (f/k/a Chrysler LLC), *et al.*,	:	Case No. 09-50002 (AJG)
Debtors.	:	(Jointly Administered)

MOTION OF DEBTORS AND DEBTORS IN POSSESSION FOR AN ORDER (I) APPROVING DISCLOSURE STATEMENT, (II) ESTABLISHING PROCEDURES FOR SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT JOINT PLAN OF LIQUIDATION, (III) SCHEDULING HEARING ON CONFIRMATION OF JOINT PLAN OF LIQUIDATION AND (IV) APPROVING RELATED NOTICE PROCEDURES

TO THE HONORABLE ARTHUR J. GONZALEZ,
UNITED STATES BANKRUPTCY JUDGE:

The above-captioned debtors and debtors in possession (collectively, the "Debtors") hereby move the Court for the entry of an order (i) approving the Disclosure Statement with Respect to Joint Plan of Liquidation of Debtors and Debtors in Possession, dated December 14, 2009 (as it may be amended or modified, the "Disclosure Statement"), attached hereto as Exhibit A; (ii) establishing the procedures (collectively, the "Solicitation Procedures") for the solicitation and tabulation of votes to accept or reject the Joint Plan of Liquidation of Debtors and Debtors in Possession, dated December 14, 2009 (as it may be amended or modified, the "Plan"), attached to the Disclosure Statement as Exhibit A,[1] including approval of (a) the forms of ballots for submitting votes on the Plan, (b) the deadline for submission of such ballots, (c) the contents of the proposed solicitation packages to be distributed to creditors in connection with the solicitation of votes on the Plan (collectively, the "Solicitation Packages"), (d) the proposed record date for Plan voting and (e) certain related relief; (iii) scheduling a hearing on confirmation of the Plan (the "Confirmation Hearing"); and (iv) approving certain related notice procedures (collectively, the "Confirmation Procedures").

Preliminary Statement

By this Motion, and as described in detail below, the Debtors seek the Court's approval of various substantive and procedural matters central to the Plan confirmation process (and, thus, essential to the Debtors' winddown efforts) and the completion of these chapter 11 cases. As a threshold matter, the Debtors seek approval of the Disclosure Statement as providing "adequate information" within the meaning of section 1125(a) of title 11 of the United States

[1] Capitalized terms not otherwise defined herein have the meanings given to them in the Plan or the exhibits to this Motion (collectively, the "Exhibits"), as applicable. Unless otherwise indicated, all references to paragraphs and Exhibits herein are to the paragraphs in, and Exhibits to, this Motion.

Code (the "Bankruptcy Code"). The Debtors submit that the wealth of information contained in the Disclosure Statement satisfies the standard for approval set forth in the Bankruptcy Code, as interpreted by courts within the Second Circuit (including courts within this District).

Contingent upon approval of the Disclosure Statement, the Debtors further seek approval of two discrete sets of procedures, each designed to implement and/or streamline the Plan confirmation process. Specifically, the Debtors seek approval of: (i) the Solicitation Procedures establishing rules and timelines governing the solicitation and tabulation of votes on the Plan, including the form of ballots and other solicitation documents; and (ii) the Confirmation Procedures scheduling the Confirmation Hearing, providing for adequate notice thereof and creating a framework for the filing and service of objections to Confirmation (and any responses thereto). The Debtors submit that each of these procedures (described at length herein and in the attached Exhibits): (i) are necessary and reasonable given the size and complexity of these chapter 11 cases; and (ii) comply fully with the requirements of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and the Local Rules for the United States Bankruptcy Court of the Southern District of New York (the "Local Bankruptcy Rules") and, therefore, should be approved.

The procedures proposed herein were formulated around important dates and deadlines that are critical to the success of the Plan confirmation process and preservation of the agreements with the Government DIP Lenders to fund the Plan.[2] For the convenience of the Court and parties in interest, the following is a summary timeline identifying each of the relevant dates and proposed deadlines:

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[2] In particular, pursuant to paragraph 16 of the DIP Lender Winddown Order, the Debtors' rights to use the DIP Lenders' cash collateral in connection with the winddown of the Debtors' estates will terminate on March 31, 2010 if the Plan has not been confirmed by that date.

- 12/31/2009: Record Date for voting purposes;
- 1/21/2010: Disclosure Statement hearing;
- 1/28/2010: Completion of service of Solicitation Packages (i.e., commencement of Plan solicitation period);
- 1/28/2010: Date of publication of the Confirmation Hearing Notice;
- 2/15/10: Deadline for Rule 3018 Motions;
- 3/2/2010: Voting Deadline;
- 3/2/2010: Confirmation Objection Deadline;
- 3/9/2010: Deadline for Debtors' consolidated reply to any objections to confirmation;
- 3/9/2010: Deadline for filing of the Tabulation Affidavit; and
- 3/16/2010: Confirmation Hearing.

In further support of this Motion, the Debtors respectfully represent as follows:

Background

1. On April 30, 2009 (the "Petition Date"), Old Carco LLC f/k/a Chrysler LLC ("Old Carco") and 24 of its affiliated Debtors (collectively, the "Original Debtors") commenced their bankruptcy cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On May 19, 2009, Debtor Alpha Holding LP commenced its bankruptcy case by filing a voluntary petition under chapter 11 of the Bankruptcy Code. By orders of the Court (Docket Nos. 97 and 2188), the Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being administered jointly.

2. The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. On May 5, 2009, the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed an official committee of unsecured creditors, pursuant to section 1102 of the Bankruptcy Code (the "Creditors' Committee").

4. As of the Petition Date, the Debtors and their nondebtor direct and indirect subsidiaries (collectively, the "Old Carco Companies") comprised one of the world's largest manufacturers and distributors of automobiles and other vehicles, together with related parts and accessories. On the Petition Date, the Old Carco Companies employed approximately 55,000 hourly and salaried employees worldwide, 70% of whom were based in the United States.

5. For the 12 months ended December 31, 2008, the Old Carco Companies recorded revenue of more than $48.4 billion and had assets of approximately $39.3 billion and liabilities totaling $55.2 billion.

6. In connection with the commencement of these cases, Old Carco and its Debtor subsidiaries, Fiat S.p.A. ("Fiat") and New Chrysler (as defined below) entered into a Master Transaction Agreement dated as of April 30, 2009 (as amended and collectively with other ancillary and supporting documents, the "MTA"). The MTA provided, among other things, that: (a) Old Carco would transfer the majority of its operating assets to New CarCo Acquisition LLC n/k/a Chrysler Group LLC ("New Chrysler"), a newly established Delaware limited liability company formed by Fiat; and (b) in exchange for those assets, New Chrysler would assume certain of the Debtors' liabilities and pay to Old Carco $2 billion in cash (collectively with the other transactions contemplated by the MTA, the "Fiat Transaction"). On May 3, 2009, the Original Debtors filed a motion to approve the Fiat Transaction or a similar transaction with a competing bidder (Docket No. 190).

7. On May 31, 2009, this Court issued: (a) an Opinion Granting the Debtors' Motion Seeking Authority to Sell, Pursuant to § 363, Substantially All of the Debtors' Assets (Docket No. 3073) (the "Sale Opinion"); and (b) an Opinion and Order Regarding Emergency Economic Stabilization Act of 2008 and Troubled Asset Relief Program (Docket Nos. 3074 and 3229) (together with the Sale Opinion, the "Opinions"). On June 1, 2009 and consistent with the Sale Opinion, this Court entered an Order authorizing the Fiat Transaction (Docket No. 3232) (the "Sale Order"). On June 5, 2009, the United States Court of Appeals for the Second Circuit affirmed the Opinions and the Sale Order. See In re Chrysler LLC, 576 F.3d 108 (2d Cir. 2009). Consistent with the Sale Order, the Fiat Transaction was consummated on June 10, 2009.

Jurisdiction

8. This Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

9. Pursuant to sections 1125, 1126 and 1128 of the Bankruptcy Code, Bankruptcy Rules 2002, 3017, 3018 and 3020 and Local Bankruptcy Rules 3017-1 and 3018-1, the Debtors hereby seek the entry of an order (a) approving (i) the Disclosure Statement, (ii) the Solicitation Procedures and (iii) the Confirmation Procedures; and (b) granting related relief.

The Plan and Disclosure Statement

10. The Debtors filed the Plan and the Disclosure Statement with the Court on December 14, 2009. The Plan is premised on the consolidation (for Plan purposes only) of all of the Debtors.

11. The Plan provides for the following treatment of classes of claims against and interests in the Debtors (as well as certain unclassified claims):

a. Class 1 (and certain unclassified claims). Allowed Priority Claims against all of the Debtors are unimpaired under the Plan and will be satisfied in full. Holders of Priority Claims in Class 1 are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

b. Class 2A. First Lien Secured Claims are impaired under the Plan. The holders of First Lien Secured Claims in Class 2A are entitled to vote to accept or reject the Plan.

c. Class 2B. TARP Financing Secured Claims are impaired under the Plan. No property will be distributed to or retained by the holders of TARP Financing Secured Claims in Class 2B, and such Claims will be extinguished on the Effective Date. Each of the holders of a TARP Financing Secured Claim will be deemed to have rejected the Plan.

d. Class 2C. Owners' Secured Claims are impaired under the Plan. No property will be distributed to or retained by the holders of Owners' Secured Claims in Class 2C, and such Claims will be extinguished on the Effective Date. Each of the holders of an Owners' Secured Claim will be deemed to have rejected the Plan.

e. Class 2D. Allowed Other Secured Claims are unimpaired under the Plan. Holders of Other Secured Claims in Class 2D are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.[3]

f. Class 3A. General Unsecured Claims are impaired under the Plan. The holders of General Unsecured Claims in Class 3A are entitled to vote to accept or reject the Plan.

g. Class 3B. Intercompany Claims are impaired under the Plan. The holders of Intercompany Claims in Class 3B will not receive any distribution and are impaired under the Plan, and such Claims will be extinguished on the Effective Date. Notwithstanding this treatment of Class 3B Claims, each

[3] Unless otherwise ordered by the Bankruptcy Court, each Allowed Claim in Class 2D will be considered to be in a separate subclass within Class 2D, and each such subclass will be deemed to be a separate Class for purposes of the Plan. To the extent that any holder of an Allowed Claim in Class 2D asserts in a timely objection to Confirmation of the Plan that its Claim is impaired by the Plan, such subclass will be deemed to have rejected the Plan and the Debtors will seek to confirm the Plan over such rejection pursuant to section 1129(b) of the Bankruptcy Code.

of the holders of an Intercompany Claim (i.e., the Debtors) will be deemed to have accepted the Plan.

h. Class 4A. Equity Interests of Old Carco are impaired under the Plan. No property will be distributed to or retained by the holders of Old Carco Equity Interests in Class 4A, and such Equity Interests will be canceled on the Effective Date. Each of the holders of Equity Interest(s) in Class 4A will be deemed to have rejected the Plan.

i. Class 4B. Subsidiary Debtor Equity Interests are unimpaired under the Plan. On the Effective Date, the Subsidiary Debtor Equity Interests will be Reinstated, subject to the Restructuring Transactions.

12. The hearing to consider approval of the relief requested in this Motion, including approval of the Disclosure Statement, currently is scheduled for 10:00 a.m., Eastern Time, on January 21, 2010 (the "Disclosure Statement Hearing"), with the deadline to object to approval of the Disclosure Statement established as 4:00 p.m., Eastern Time, on January 15, 2010 (the "Disclosure Statement Objection Deadline"). If the Disclosure Statement and the other relief sought in this Motion are approved by the Court, the Debtors propose the following timeline with respect to the solicitation and confirmation of the Plan: (a) the Debtors will mail Solicitation Packages on or before January 28, 2010; (b) the voting and objection deadline with respect to the Plan will be March 2, 2010; and (c) the Confirmation Hearing will be held on March 16, 2010.

13. The timeline set forth above will allow the Debtors to conduct an orderly winddown of their estates in accordance with the previously entered Winddown Orders. Specifically, pursuant to paragraph 16 of the DIP Lender Winddown Order, the Debtors' rights to use the Government DIP Lenders' cash collateral in connection with the winddown of the Debtors' estates will terminate on March 31, 2010 if the Plan has not been confirmed by that date. As such, the timeline set forth herein is required to ensure the Debtors' compliance with the Bankruptcy Code, the Bankruptcy Rules and the DIP Lender Winddown Order.

14. The Debtors also propose to file (a) a consolidated reply to any objections to the Plan and (b) the affidavit of the Solicitation and Tabulation Agent (as such term is defined below)[4] certifying the amount and number of allowed claims of each class accepting or rejecting the Plan (the "Tabulation Affidavit") no later than March 9, 2010.[5] The Debtors submit that the issues raised in any objections to the Plan, and any proposed resolutions to those issues, can more efficiently and effectively be considered by the Court and parties in interest if the Debtors are permitted to file a consolidated reply to the objections that will set forth responses to the issues raised and, if appropriate, proposed modifications to the Plan to address those issues. The Debtors also will include with any consolidated reply a chart summarizing any objections to the Plan and any proposed resolutions thereto for the Court's convenience. In light of the current posture of these chapter 11 cases, the Debtors submit that the proposed timeline is reasonable and appropriate.

Request for Approval of the Disclosure Statement

15. The Debtors request that the Disclosure Statement be approved as providing "adequate information" in accordance with section 1125 of the Bankruptcy Code. For the reasons described below, the Debtors submit that such approval is warranted and appropriate.

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4 On May 4, 2009, the Court entered the Order, Pursuant to Bankruptcy Rule 2002, 28 U.S.C.§ 156(c) and Local Bankruptcy Rule 5075-1, Appointing Epiq Bankruptcy Solutions, LLC as Claims and Noticing Agent (Docket No. 253) appointing Epiq Bankruptcy Solutions, LLC (the "Solicitation and Tabulation Agent") as the claims, noticing and ballot agent in these chapter 11 cases. Among other things, the Solicitation and Tabulation Agent will provide balloting and solicitation services, including producing personalized ballots and tabulating creditor ballots.

5 As of December 1, 2009, Local Bankruptcy Rule 3018-1(a) ("Certification of Vote") provides that "[a]t least seven days prior to the hearing on confirmation of a . . . chapter 11 plan, the proponent of a plan or the party authorized to receive the acceptances and rejections of the plan shall certify to the Court in writing the amount and number of allowed claims or allowed interests of each class accepting or rejecting the plan." As described above, the Debtors currently anticipate that the Tabulation Affidavit will be filed with the Court no later than March 9, 2010, i.e., seven days prior to the commencement of the Confirmation Hearing. Therefore, the Debtors submit that the proposed timeline complies with the requirements of Local Bankruptcy Rule 3018-1(a).

16. Under section 1125 of the Bankruptcy Code, a debtor must provide its creditors and interest holders with "adequate information" regarding the debtor's proposed plan of liquidation:

> "[A]dequate information" means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan . . . . [I]n determining whether a disclosure statement provides adequate information, the court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information . . . .

11 U.S.C. § 1125(a)(1). Thus, a debtor's disclosure statement must, as a whole, provide information that is "reasonably practicable" to permit an "informed judgment" by creditors and interest holders entitled to vote on the debtor's plan of reorganization. See Abel v. Shugrue (In re Ionosphere Clubs, Inc.), 179 B.R. 24, 29 (S.D.N.Y. 1995); In re Amfesco Indus., Inc., No. CV-88-2952 (JBW), 1988 WL 141524, at *5 (E.D.N.Y. Dec. 21, 1988) (stating that "[u]nder section 1125 of the Bankruptcy Code, a reasonable and typical creditor or equity security holder must be provided 'adequate information' to make an informed judgment regarding a proposed plan."); BSL Operating Corp. v. 125 E. Taverns, Inc. (In re BSL Operating Corp.), 57 B.R. 945, 950 (Bankr. S.D.N.Y. 1986) (stating that "[s]ection 1125 might be described as a non-rigid 'how-to-inform' section . . . . A disclosure statement . . . is evaluated only in terms of whether it provides sufficient information to permit enlightened voting by holders of claims or interests."); see also In re Copy Crafters Quickprint, Inc., 92 B.R. 973, 979 (Bankr. N.D.N.Y. 1988) (the adequacy of a disclosure statement is to be "determined on a case-specific

basis under a flexible standard that can promote the policy of chapter 11 towards fair settlement through a negotiation process between informed interested parties.").

17. The Court has broad discretion in determining whether a disclosure statement contains adequate information. See Mabey v. Sw. Elec. Power Co. (In re Cajun Elec. Power Coop.), 150 F.3d 503, 518 (5th Cir. 1998), cert. denied, 119 S. Ct. 2019 (1999); In re WorldCom, Inc., No. M-47 HB, 2003 WL 21498904, at *10 (S.D.N.Y. June 30, 2003) (Gonzalez, J.) (stating that "[t]he determination of what is adequate information is subjective and made on a case by case basis. This determination is largely within the discretion of the bankruptcy court.") (quoting Ionosphere, 179 B.R. at 29); Kirk v. Texaco, Inc., 82 B.R. 678, 682 (S.D.N.Y. 1988) (stating that "[t]he legislative history could hardly be more clear in granting broad discretion to bankruptcy judges under § 1125(a): 'Precisely what constitutes adequate information in any particular instance will develop on a case-by-case basis. Courts will take a practical approach as to what is necessary under the circumstances of each case . . . .'") (quoting H.R. Rep. No. 95-595, at 408-09 (1977), as reprinted in 1978 U.S.C.C.A.N. 5787, 6365).

18. Accordingly, the determination of the adequacy of information in a disclosure statement must be made on a case-by-case basis, focusing on the unique facts and circumstances of each case. In that regard, courts generally examine whether a disclosure statement contains, as applicable, the following types of information:

a. the circumstances that gave rise to the filing of the bankruptcy petition;

b. a complete description of the available assets and their value;

c. the anticipated future of the debtor;

d. the source of the information provided in the disclosure statement;

e. a disclaimer, which typically indicates that no statements or information concerning the debtor or its assets or securities are authorized, other than those set forth in the disclosure statement;

f. the financial condition and performance of the debtor while in chapter 11;

g. information regarding claims against the debtor's estate;

h. a liquidation analysis identifying the estimated return that creditors would receive if the debtor's bankruptcy case were a case under chapter 7 of the Bankruptcy Code;

i. the accounting and valuation methods used to produce the financial information in the disclosure statement;

j. information regarding the future management of the debtor, including the amount of compensation to be paid to any insiders, directors or officers of the debtor;

k. a summary of the plan of reorganization;

l. an estimate of all administrative expenses, including attorneys' fees and accountants' fees;

m. the collectibility of any accounts receivable;

n. any financial information, valuations or pro forma projections that would be relevant to creditors' determinations of whether to accept or reject the plan of reorganization;

o. information relevant to the risks being taken by the creditors and interest holders;

p. the actual or projected value that could be obtained from avoidable transfers;

q. the existence, likelihood and possible success of nonbankruptcy litigation;

r. the tax consequences of the plan of reorganization; and

s. the relationship of the debtor with its affiliates.

See, e.g., In re Scioto Valley Mortgage Co., 88 B.R. 168, 170-71 (Bankr. S.D. Ohio 1988); see also In re Copy Crafters Quickprint, Inc., 92 B.R. 973, 980 (Bankr. N.D.N.Y. 1988) (adequacy of disclosure statement evaluated in light of the factors set forth in Scioto Valley Mortgage). This list of factors is not meant to be exclusive, nor must a disclosure statement provide all the information on the list – rather, the court must decide what information is appropriate in each

case. See In re Ferretti, 128 B.R. 16, 18-19 (Bankr. D.N.H. 1991) (adopting similar list); see also In re Phoenix Petroleum Co., 278 B.R. 385, 393 (Bankr. E.D. Pa. 2001) (making use of similar list but cautioning that "no one list of categories will apply in every case").

19. The Disclosure Statement contains ample information with respect to the topics identified above, including information with respect to: (a) the terms of the Plan; (b) certain events preceding the Debtors' chapter 11 cases; (c) the sale of substantially all of the Debtors' assets during the course of their chapter 11 cases through the Fiat Transaction; (d) potential recovery actions held by the Debtors' estates, including the Daimler Litigation, and other nonbankruptcy litigation; (e) estimates of the claims asserted, or to be asserted, against the Debtors' estates and the value of distributions to be received by holders of allowed claims and allowed interests; (f) the risk factors affecting the Plan; (g) the method and timing of distributions under the Plan; (h) a liquidation analysis identifying the estimated return that creditors would receive if the Debtors' bankruptcy cases were cases under chapter 7 of the Bankruptcy Code; (i) the federal tax consequences of the Plan; and (j) appropriate disclaimers regarding the Court's approval of information only as contained in the Disclosure Statement, including the disclaimer required by Local Bankruptcy Rule 3017-1.[6] Accordingly, the Disclosure Statement contains adequate information within the meaning of section 1125 of the Bankruptcy Code.

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[6] Local Bankruptcy Rule 3017-1(b) provides that "before a proposed disclosure statement has been approved by the Court, the proposed disclosure statement shall have on its cover, in boldface type, the following language or words of similar import: THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE COURT." (emphasis in original)

Request for Approval of the Notice of Disclosure Statement Hearing

20. Effective as of December 1, 2009, Bankruptcy Rule 3017(a) provides as follows:

> [A]fter a disclosure statement is filed in accordance with Rule 3016(b), the court shall hold a hearing on at least 28 days' notice to the debtor, creditors, equity security holders and other parties in interest as provided in Rule 2002 to consider the disclosure statement and any objections or modifications thereto. The plan and the disclosure statement shall be mailed with the notice of the hearing only to the debtor, any trustee or committee appointed under the Code, the Securities and Exchange Commission and any party in interest who requests in writing a copy of the statement or plan.

Fed. R. Bank. P. 3017(a).

21. Bankruptcy Rules 2002(b) and 2002(d) require notice to all creditors, the indenture trustee and equity security holders of the time set for filing objections to, and the hearing to consider the approval of, a disclosure statement. No later than December 15, 2009, the Debtors will have served the Notice of Disclosure Statement Hearing, substantially in the form annexed hereto as Exhibit B and incorporated herein by reference (the "Disclosure Statement Hearing Notice"), by electronic and/or first class mail to: (a) the U.S. Trustee; (b) counsel for the Creditors' Committee; (c) all parties entitled to notice pursuant to this Court's Order, entered on May 12, 2009 (Docket No. 661), implementing case management and notice procedures (the "Case Management Order"); (d) the Securities and Exchange Commission (the "SEC"); and (e) any other known holders of claims against the Debtors (collectively, the "Notice Parties"). In addition, the Debtors will cause the Disclosure Statement Hearing Notice to be published on or before December 23, 2009 one time in the national edition of *The Wall Street Journal* and the worldwide edition of *The Financial Times*. The Debtors thus will have provided the Notice Parties with notice of the time set for filing objections to the proposed Disclosure

Statement, as well as notice of the Disclosure Statement Hearing, in accordance with the Case Management Order and the Bankruptcy Rules.

22. In accordance with Bankruptcy Rule 3017(a), no later than December 15, 2009, the Debtors will provide, by electronic and/or first class mail, a copy of the proposed Disclosure Statement and the Plan to (a) the U.S. Trustee; (b) the SEC; (c) counsel for the Creditors' Committee; and (d) all parties entitled to notice pursuant to the Case Management Order (collectively, the "Rule 3017 Parties"). Any exhibits to the Disclosure Statement that have not already been filed (other than certain Plan Exhibits to be filed in accordance with the Plan), will be filed with the Court before the Disclosure Statement Objection Deadline and served on the Rule 3017 Parties.

23. The Debtors also have provided and will continue to provide copies of the proposed Disclosure Statement and the Plan, at the Debtors' expense, to any party in interest who specifically requests such documents in the manner specified in the Disclosure Statement Hearing Notice and Bankruptcy Rule 3017(a). Copies of the proposed Disclosure Statement and the Plan also are on file with the Office of the Clerk of the Bankruptcy Court for review during normal business hours and are available free of charge at http://www.chryslerrestructuring.com.

24. Because the foregoing procedures provide more than 35 days' notice of the Disclosure Statement Hearing, the Debtors submit that they are in compliance with Bankruptcy Rule 3017(a) which requires 28 days' notice. Accordingly, the Debtors request that the Court approve such notice as adequate.

The Solicitation Procedures

Approval of Form of Ballots

25. Bankruptcy Rule 3017(d) requires the Debtors to mail a form of ballot that substantially conforms to Official Form No. 14 only to "creditors and equity security holders

entitled to vote on the plan." Fed. R. Bankr. P. 3017(d). The Debtors propose to distribute to creditors entitled to vote on the Plan one or more ballots substantially in the forms attached hereto collectively as Exhibit C and incorporated herein by reference (collectively, the "Ballots"). The Ballots are based on Official Form No. 14, but have been modified to address the particular terms of the Plan. The Debtors propose that the appropriate form of Ballot will be distributed to holders of Claims in the classes entitled to vote to accept or reject the Plan, as follows:

Ballot No. 1	Ballot for the First Lien Secured Claims in Class 2A under the Plan (the "Secured Claims Ballots").
Ballot No. 2	Ballot for General Unsecured Claims in Class 3A under the Plan (the "Unsecured Claims Ballots").
Ballot No. 3A	Individual Ballot to be returned to a Master Ballot Agent (as such term is defined below) for General Unsecured Claims under or evidenced by the Bonds in Class 3A under the Plan (the "Form 3A Individual Bond Ballots").
Ballot No. 3B	Individual Ballot to be returned directly to the Solicitation and Tabulation Agent on account of General Unsecured Claims under or evidenced by the Bonds in Class 3A under the Plan (the "Form 3B Individual Bond Ballots").
Ballot No. 3C	Master Ballot to be returned directly to the Solicitation and Tabulation Agent on account of General Unsecured Claims under or evidenced by the Bonds in Class 3A under the Plan (the "Master Bond Ballots").

26. Classes 1 (Priority Claims), 2D (Other Secured Claims) and 4B (Subsidiary Debtor Equity Interests) under the Plan are unimpaired and, therefore, are conclusively presumed to accept the Plan in accordance with section 1126(f) of the Bankruptcy Code.[7] Classes 2B (TARP Financing Secured Claims), 2C (Owners' Secured Claims) and 4A

[7] Section 1126(f) of the Bankruptcy Code provides that "a class that is not impaired under a plan, and each holder of a claim or interest of such class, are conclusively presumed to have accepted the plan, and (Cont.'d)

(Equity Interests of Old Carco) are impaired and holders of claims and interests in these Classes will receive no distributions under the Plan; therefore, these Classes are conclusively presumed to reject the Plan in accordance with section 1126(g) of the Bankruptcy Code.[8] Class 3B (Intercompany Claims) is impaired and holders of claims in Class 3B will receive no distributions under the Plan; however, notwithstanding such treatment, the Plan provides that Class 3B is conclusively presumed to accept the Plan.

27. For the foregoing reasons, solicitation of Classes 1, 2B, 2C, 2D, 3B, 4A and 4B (collectively, the "Non-Voting Classes") under the Plan is not required, and no Ballots have been proposed for creditors and equity holders in the Non-Voting Classes.

28. The Debtors have been informed by the Indenture Trustee (as such term is defined below) that certain beneficial owners hold Bonds through brokers, banks, dealers or other agents or nominees (each, a "Master Ballot Agent"). As described more fully in the proposed Bondholders Solicitation Procedures (as such term is defined below), each Master Ballot Agent will receive both (a) a Master Bond Ballot to be completed by the Master Ballot Agent and (b) the Form 3A Individual Bond Ballots to be completed by the beneficial owners of the Bonds for whom the Master Ballot Agent provides services (collectively, the "Beneficial Owners"). Each Master Ballot Agent will make arrangements to distribute the Form 3A Individual Bond Ballots to the applicable Beneficial Owners, who will complete and return the Form 3A Individual Bond Ballots to the applicable Master Ballot Agent. The Master Ballot Agent then will (a) tally on the Master Bond Ballot the votes of the Beneficial Owners

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solicitation of acceptances with respect to such class from the holders of claims or interests of such class is not required." 11 U.S.C. § 1126(f).

[8] Section 1126(g) of the Bankruptcy Code provides that "a class is deemed not to have accepted a plan if such plan provides that the claims or interests of such class do not entitle the holders of such claims or interests to receive or retain any property under the plan on account of such claims or interests." 11 U.S.C. § 1126(g).

that return the Form 3A Individual Bond Ballots and (b) return the completed Master Bond Ballot to the Solicitation and Tabulation Agent at the mailing address or e-mail address identified on the applicable Master Bond Ballot.

Voting Deadline for Receipt of Ballots

29. Bankruptcy Rule 3017(c) provides that, "[o]n or before approval of [a] disclosure statement, the Court shall fix a time within which the holders of claims and interests may accept or reject [a] plan . . . ." Fed. R. Bankr. P. 3017(c). The Debtors anticipate commencing the Plan solicitation period by mailing Ballots and other approved solicitation materials no later than January 28, 2010 (the "Solicitation Commencement Date"). Based on this schedule, the Debtors propose that, to be counted as votes to accept or reject the Plan, all Ballots must be properly executed, completed and delivered to the Solicitation and Tabulation Agent either (a) by mail in the return envelope provided with each Ballot, (b) by overnight courier or (c) by personal delivery so that, in each case, all Ballots are received by the Solicitation and Tabulation Agent no later than 5:00 p.m., Eastern Time, on March 2, 2010, or such other date established by the Debtors that is at least 30 days after the Solicitation Commencement Date (the "Voting Deadline") in accordance with the proposed general procedures for the solicitation of votes on the Plan set forth in Exhibit D annexed hereto and incorporated herein by reference. In addition, to accommodate the additional tabulation activities that must be performed by Master Ballot Agents, the Debtors further propose that Master Bond Ballots, if necessary, may be submitted by e-mail so that they are received by the Solicitation or Tabulation Agent prior to the Voting Deadline. Except as set forth in the preceding sentence, no Ballots may be submitted by facsimile or e-mail, and any Ballots submitted by facsimile or e-mail would neither be accepted nor counted.

30. The Debtors submit that a solicitation period of not less than 30 days[9] provides sufficient time for (a) creditors to make informed decisions to accept or reject the Plan and submit timely Ballots and (b) Master Ballot Agents to distribute the Form 3A Individual Bond Ballots and complete and submit timely Master Bond Ballots.[10]

Procedures for Vote Tabulation

31. Section 1126(c) of the Bankruptcy Code provides:

> A class of claims has accepted a plan if such plan has been accepted by creditors, other than any entity designated under subsection (e) of this section, that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors, other than any entity designated under subsection (e) of this section, that have accepted or rejected such plan.

11 U.S.C. § 1126(c). Further, Bankruptcy Rule 3018(a) provides that the "court after notice and hearing may temporarily allow the claim or interest in an amount which the court deems proper for the purpose of accepting or rejecting a plan." Fed. R. Bankr. P. 3018(a).

32. Solely for purposes of voting to accept or reject the Plan — and not for the purpose of the allowance of, or distribution on account of, any claim or interest and without prejudice to the rights of the Debtors in any other context — the Debtors propose that each Claim within a class of Claims entitled to vote to accept or reject the Plan be temporarily allowed in accordance with the proposed tabulation rules (collectively, the "Tabulation Rules") set forth on Exhibit E hereto and incorporated herein by reference.

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9 The dates proposed above would result in a 35-day solicitation period.

10 As described in the Tabulation Rules, a Beneficial Owner of Bonds for which a Master Ballot Agent will be completing a Master Bond Ballot must return its Form 3A Individual Bond Ballot to the appropriate Master Ballot Agent in sufficient time to permit the Master Ballot Agent to process the Form 3A Individual Bond Ballot, complete a Master Bond Ballot and forward the Master Bond Ballot to the Solicitation and Tabulation Agent for receipt prior to the Voting Deadline. Record holders of Bonds registered in their own name (rather than in street name through a Master Ballot Agent) must complete the Form 3B Individual Bond Ballot and deliver such Ballot directly to the Solicitation and Tabulation Agent for receipt prior to the Voting Deadline.

33. In tabulating the Ballots, the Debtors request that the following additional procedures be utilized: (a) any Ballot that is properly completed, executed and timely returned to the Solicitation and Tabulation Agent but does not indicate an acceptance or rejection of the Plan, or indicates both an acceptance and rejection of the Plan, will not be counted; (b) if a creditor casts more than one Ballot voting the same Claim before the Voting Deadline, the latest-dated properly executed Ballot received before the Voting Deadline will be deemed to reflect the voter's intent and, thus, will supersede any prior Ballots;[11] and (c) creditors will be required to vote all of their Claims within a particular class under the Plan either to accept or reject the Plan and may not split their votes. In the event that (a) a Ballot or (b) a group of Ballots within a Plan class received from a single creditor partially rejects and partially accepts the Plan, such Ballots shall not be counted.[12]

34. The Debtors believe that the proposed Tabulation Rules will establish a fair and equitable voting process. Nevertheless, if any claimant seeks to challenge (a) the classification of its Claim or (b) the allowance of its Claim for voting purposes in accordance with the Tabulation Rules, the Debtors propose that such claimant be required to file a motion, pursuant to Bankruptcy Rule 3018(a), for an order temporarily allowing such Claim in a different amount or classification for purposes of voting to accept or reject the Plan (a "Rule 3018 Motion") and serve such motion on the Debtors' counsel so that it is received by the later of (i) February 15, 2010 or (ii) ten days after the date of service of a notice of objection, if any, to

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11 Likewise, if a Beneficial Owner submits more than one Form 3A Individual Bond Ballot to a Master Ballot Agent, (a) the latest-dated properly executed Form 3A Individual Bond Ballot received before the submission deadline imposed by the Master Ballot Agent will be deemed to supersede any prior Form 3A Individual Bond Ballot submitted by the Beneficial Owner and (b) the Master Ballot Agent will complete the Master Bond Ballot accordingly.

12 In addition, the Debtors expressly reserve their rights, pursuant to section 1126(e) of the Bankruptcy Code, to request that the Court designate any Ballot or Ballots as not being cast in good faith.

the applicable Claim. In accordance with Bankruptcy Rule 3018, the Debtors further propose that any Ballot submitted by a claimant that files a Rule 3018 Motion will be counted solely in accordance with the Debtors' proposed Tabulation Rules and the other applicable provisions contained herein unless and until the underlying Claim is temporarily allowed by the Court for voting purposes in a different amount and/or classification, after notice and a hearing. The Debtors also reserve the right to seek estimation of a Claim for voting purposes after notice and a hearing.

35. Procedures similar to the above-described Solicitation Procedures have been approved in other large chapter 11 cases, both in this District and elsewhere. See, e.g., In re Young Broadcasting Inc., *et al.*, No. 09-10645 (AJG) (Bankr. S.D.N.Y. Nov. 6, 2009); In re Lenox Sales, Inc., *et al.*, No. 08-14679 (ALG) (Bankr. S.D.N.Y. Nov. 3, 2009); In re Journal Register Company, et al., No. 09-10769 (ALG) (Bankr. S.D.N.Y. May 5, 2009); In re Dana Corp., No. 06-10354 (BRL) (Bankr. S.D.N.Y. Oct. 23, 2007); In re Northwest Airlines Corp., No. 05-17930 (ALG) (Bankr. S.D.N.Y. Mar. 30, 2007); In re Delta Air Lines, Inc., *et al.*, No. 05-17923 (ASH) (Bankr. S.D.N.Y. Feb. 7, 2007); In re Enron Corp., *et al.*, No. 01-16034 (AJG) (Bankr. S.D.N.Y. January 9, 2004); In re WorldCom, Inc., *et al.*, No. 02-13533 (AJG) (Bankr. S.D.N.Y. May 28, 2003).

The Confirmation Procedures

The Confirmation Hearing and the Solicitation Packages

36. Section 1128 of the Bankruptcy Code provides that "[a]fter notice, the court shall hold a hearing on confirmation of a plan" and that "[a] party in interest may object to confirmation of a plan." 11 U.S.C. § 1128.

37. In accordance with Bankruptcy Rule 3017(c)[13] and consistent with the Debtors' proposed solicitation schedule, the Debtors request that the Confirmation Hearing be scheduled for March 16, 2010 at 10:00 a.m., Eastern Time. The Confirmation Hearing may be continued from time to time by the Court without further notice other than an announcement of the adjournment at the Confirmation Hearing or any continued hearing. The Debtors further propose that objections, if any, to the confirmation of the Plan must: (a) be in writing; (b) state the name and address of the objecting party and the nature of the Claim or Interest of such party; (c) state with particularity the basis and nature of any objection to the confirmation of the Plan; and (d) in accordance with Bankruptcy Rule 3020(b)(1),[14] be filed, together with proof of service, with the Court and served on the following parties so that they are received no later than 5:00 p.m., Eastern Time, on March 2, 2010, or such other date established by the Debtors that is at least 30 days after the Solicitation Commencement Date (the "Confirmation Objection Deadline"):

(i) the Debtors, c/o OLD CARCO LLC, 555 Chrysler Drive, Suite T1001, Auburn Hills, Michigan 48326 (Attn: Ronald E. Kolka);

(ii) counsel to the Debtors, JONES DAY, 222 East 41st Street, New York, New York 10017 (Attn: Corinne Ball, Esq. and Veerle Roovers, Esq.); JONES DAY, North Point, 901 Lakeside Avenue, Cleveland, Ohio 44114 (Attn: David Heiman, Esq. and Carl E. Black, Esq.); JONES DAY, 1420 Peachtree Street, N.E., Suite 800, Atlanta, Georgia 30309 (Attn: Jeffrey B. Ellman, Esq.);

(iii) the OFFICE OF THE UNITED STATES TRUSTEE, SOUTHERN DISTRICT OF NEW YORK, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Andrew D. Velez-Rivera, Esq.);

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13 Bankruptcy Rule 3017(c) provides that "[o]n or before approval of the disclosure statement, the court . . . may fix a date for the hearing on confirmation." Fed. R. Bankr. P. 3017(c).

14 Bankruptcy Rule 3020(b)(1) provides that "[a]n objection to confirmation of the plan shall be filed and served on the debtor, the trustee, the proponent of the plan, any committee appointed under the [Bankruptcy] Code and any other entity designated by the court, within a time fixed by the court." Fed. R. Bankr. P. 3020(b)(1).

(iv) counsel to the Creditors' Committee, KRAMER LEVIN NAFTALIS & FRANKEL LLP, 1177 Avenue of the Americas, New York, New York 10036 (Attn: Thomas Moers Mayer, Esq. and Adam C. Rogoff, Esq.);

(v) THE UNITED STATES DEPARTMENT OF THE TREASURY, 1500 Pennsylvania Avenue, N.W., Room 2312, Washington, District of Columbia 20220 (Attn: Chief Counsel Office of Financial Stability);

(vi) of counsel to the U.S. Treasury, CADWALADER, WICKERSHAM & TAFT LLP, One World Financial Center, New York, New York 10281 (Attn: John J. Rapisardi, Esq.); CADWALADER, WICKERSHAM & TAFT LLP, 700 Sixth Street, N.W., Washington, District of Columbia 20001 (Attn: Douglas Mintz, Esq.);

(vii) EXPORT DEVELOPMENT CANADA, 151 O'Connor Street, Ottawa, Ontario, Canada K1A 1K3 (Attn: Loan Services & Asset Management/Covenant Officer);

(viii) counsel to Export Development Canada, VEDDER PRICE P.C., 1633 Broadway, 47th Floor, New York, New York 10019 (Attn: Michael J. Edelman, Esq.); and

(ix) counsel to the First Lien Agent, SIMPSON THACHER & BARTLETT LLP, 425 Lexington Avenue, New York, New York 10017 (Attn: Peter V. Pantaleo, Esq.).

38. As of December 1, 2009, Bankruptcy Rule 2002(b) requires at least 28 days' notice by mail to all creditors and indenture trustees of the time set for (a) filing objections to confirmation of a chapter 11 plan and (b) the hearing to consider confirmation of a chapter 11 plan.[15] Bankruptcy Rule 2002(d) requires that equity security holders be given notice of the foregoing in the manner and the form directed by the Court.[16] The Debtors propose to serve, not less than 30 days prior to the Confirmation Objection Deadline: (a) the Solicitation

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15 Bankruptcy Rule 2002(b) provides that "the clerk, or some other person as the court may direct, shall give the debtor, the trustee, all creditors and indenture trustees not less than 28 days notice by mail of . . . the time fixed for filing objections and the hearing to consider confirmation of a . . . chapter 11 . . . plan." Fed. R. Bankr. P. 2002(b).

16 Bankruptcy Rule 2002(d) provides that "[i]n a chapter 11 reorganization case, unless otherwise ordered by the court, the clerk, or some other person as the court may direct, shall in the manner and form directed by the court give notice to all equity security holders of . . . the time fixed for filing objections to and the hearing to consider confirmation of a plan . . . ." Fed. R. Bankr. P. 2002(d).

Packages, including a copy of a notice substantially in the form attached hereto as Exhibit F and incorporated herein by reference (the "Confirmation Hearing Notice"), on (i) all holders of Claims entitled to vote on the Plan and (ii) holders of Claims and equity security interests in Classes 2B (TARP Financing Secured Claims), 2C (Owners' Secured Claims) and 4A (Equity Interests of Old Carco) who are conclusively presumed to reject the Plan;[17] and (b) the Notice of Non-Voting Status (as defined below) to those creditors in Classes 1 and 2D. The holders of Claims or Interests in Classes 3B (Intercompany Claims) and 4B (Subsidiary Debtor Equity Interests) are either Debtors or affiliates of Debtors and the Debtors believe that it is unnecessary to send any Solicitation Packages or other notices (including the Notice of Non-Voting Status) to the holders of these Claims or Interests. The contents of the Solicitation Packages, as well as the Debtors' proposed procedures for serving the Solicitation Packages, are set forth in the solicitation procedures attached hereto as Exhibit D.

39. Bankruptcy Rule 2002(l) permits the Court to "order notice by publication if it finds that notice by mail is impracticable or that it is desirable to supplement the notice." Fed. R. Bankr. P. 2002(l). In addition to mailing the Confirmation Hearing Notice as part of the Solicitation Packages, the Debtors propose to publish notice of, among other things, the Confirmation Hearing, the Confirmation Objection Deadline and the Voting Deadline on

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[17] To reduce substantially the administrative costs associated with printing and mailing such voluminous documents, the Debtors reserve the right to serve the Disclosure Statement and the Plan (including any exhibits thereto) to all parties via CD-ROM instead of in printed format. This procedure has been approved in other large chapter 11 cases in this district. See, e.g., In re Frontier Airlines Holdings, Inc., No. 08-11298 (RDD) (Bankr. S.D.N.Y. July 22, 2009); In re Northwest Airlines Corp., No. 05-17930 (ALG) (Bankr. S.D.N.Y. Mar. 30, 2007); In re Adelphia Commc'ns Corp., No. 02-41729 (REG) (Bankr. S.D.N.Y. Nov. 23, 2005); In re Enron Corp., No. 01-16034 (AJG) (Bankr. S.D.N.Y. Jan. 9, 2004). The Debtors also (a) have posted the Plan and the Disclosure Statement and (b) will post the exhibits thereto as such exhibits are filed with the Bankruptcy Court at http://www.chryslerrestructuring.com, where such documents can be reviewed without charge. The Debtors understand that the Creditors' Committee also intends to make all exhibits and schedules to the Disclosure Statement and the Plan available to creditors at http://www.chryslercommittee.com.

January 28, 2010, or such other day that is not less than 28 days before the commencement of the Confirmation Hearing, one time in the national edition of *The Wall Street Journal* and the worldwide edition of *The Financial Times*. Additionally, the Debtors will publish the Confirmation Hearing Notice at http://www.chryslerrestructuring.com. The Debtors believe that publication of the Confirmation Hearing Notice will provide sufficient notice of the approval of the Disclosure Statement, the Voting Deadline, the Confirmation Objection Deadline and the time, date and place of the Confirmation Hearing to persons who do not otherwise receive notice by mail as proposed herein.

Notice of Non-Voting Status

40. Bankruptcy Rule 3017(d) provides, in relevant part, as follows:

> If the court orders that the disclosure statement and the plan or a summary of the plan shall not be mailed to any unimpaired class, notice that the class is designated in the plan as unimpaired and notice of the name and address of the person from whom the plan or summary of the plan and disclosure statement may be obtained upon request and at the plan proponent's expense, shall be mailed to members of the unimpaired class together with the notice of the time fixed for filing objections to and the hearing on confirmation.

Fed. R. Bankr. P. 3017(d).

41. All claims in Classes 1 and 2D are unimpaired under the Plan and, therefore, conclusively presumed to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code. Accordingly, the Debtors propose to send to holders of claims in Classes 1 and 2D a notice of non-voting status, substantially in the form attached hereto as Exhibit G (the "Notice of Non-Voting Status"), which: (a) identifies the treatment of the classes designated; (b) sets forth the manner in which a copy of the Plan and Disclosure Statement may

be obtained; and (c) provides notice of the Confirmation Hearing and the time fixed for filing objections to confirmation of the Plan.[18]

42. The Debtors submit that, because Classes 1 and 2D are conclusively presumed to accept the Plan as a matter of law, the Notice of Non-Voting Status satisfies the requirements of Bankruptcy Rule 3017(d) because it sets forth the manner in which copies of the Plan and Disclosure Statement may be obtained, thereby providing each member of Class 1 and 2D with the opportunity to receive all pertinent documents upon request. Accordingly, the Debtors request that the Court determine that they are not required to distribute Solicitation Packages, including the Plan and Disclosure Statement, to Classes 1 and 2D.

The Record Date

43. Bankruptcy Rule 3017(d) provides that the "date [an] order approving the disclosure statement is entered, or another date fixed by the court," is the record date for determining the "holders of stock, bonds, debentures, notes, and other securities" entitled to receive the materials specified in Bankruptcy Rule 3017(d), including ballots for voting on a plan of reorganization. See Fed. R. Bankr. P. 3017(d). Bankruptcy Rule 3018(a) contains a similar provision regarding determination of the record date for voting purposes.[19] In accordance with the rules cited above, the record date is typically the date that an order approving the disclosure statement is entered or a date shortly before approval of the disclosure statement.

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18 Requiring the Debtors to serve the entire printed Disclosure Statement and the Plan on all holders of Claims and Interests in the Non-Voting Classes would impose a substantial economic and resource burden on the estates, particularly since there are thousands of parties in the Non-Voting Classes.

19 Bankruptcy Rule 3018(a) provides that "an equity security holder or creditor whose claim is based on a security of record shall not be entitled to accept or reject a plan unless the equity security holder or creditor is the holder of record of the security on the date the order approving the disclosure statement is entered or on another date fixed by the court, for cause, after notice and a hearing." Fed. R. Bankr. P. 3018(a).

44. Consistent with the foregoing, to permit solicitation of the Plan to begin promptly after approval of this Motion, the Debtors propose that the Court establish December 31, 2009 as the record date pursuant to Bankruptcy Rule 3017(d) for purposes of determining which creditors are entitled to receive Solicitation Packages and, where applicable, vote on the Plan (the "Record Date").

45. With respect to a transferred Claim, the Debtors further propose that the transferee will be entitled to receive a Solicitation Package and cast a Ballot on account of such transferred Claim only if (a) all actions necessary to effect the transfer of the Claim pursuant to Bankruptcy Rule 3001(e) have been completed prior to the Record Date or (b) the transferee files by the Record Date (i) the documentation required by Bankruptcy Rule 3001(e) to evidence the transfer and (ii) a sworn statement of the transferor supporting the validity of the transfer.

Special Solicitation Procedures for Bondholders

46. The Debtors currently lack the information necessary to solicit the votes of holders of Bonds (collectively, the "Bondholders") directly. In particular, the Debtors do not have information regarding the identities of all of the Bondholders or their respective holdings. Because the records of U.S. Bank National Association, as successor trustee to Manufacturers Hanover Trust Company, (the "Indenture Trustee"), identify only registered holders of Bonds, the Indenture Trustee does not have direct access to information regarding the Beneficial Owners that hold the Bonds in "street name" through brokers, banks or other agents.

47. As a result of these circumstances, the Debtors request that the Court approve the special procedures attached hereto as Exhibit H (collectively, the "Bondholder Solicitation Procedures") for the distribution of Solicitation Packages and tabulation of votes with respect to the Bonds.

48. The Debtors submit that the foregoing procedures for providing notice of the Confirmation Hearing, the Confirmation Objection Deadline and related matters fully comply with Bankruptcy Rules 2002, 3017, 3018 and 3020. Accordingly, the Debtors request that the Court approve such procedures as appropriate and in compliance with the requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules.

49. Procedures similar to the Confirmation Procedures described above have been approved in other large chapter 11 cases, both in this District and elsewhere. See, e.g., In re Young Broadcasting Inc., No. 09-10645 (AJG) (Bankr. S.D.N.Y. Nov. 6, 2009); In re Lenox Sales, Inc., No. 08-14679 (ALG) (Bankr. S.D.N.Y. Nov. 3, 2009); In re Journal Register Co., No. 09-10769 (ALG) (Bankr. S.D.N.Y. May 5, 2009); In re Dana Corp., No. 06-10354 (BRL) (Bankr. S.D.N.Y. Oct. 23, 2007); In re Northwest Airlines Corp., No. 05-17930 (ALG) (Bankr. S.D.N.Y. Mar. 30, 2007); In re Delta Air Lines, Inc., No. 05-17923 (ASH) (Bankr. S.D.N.Y. Feb. 7, 2007); In re Enron Corp., No. 01-16034 (AJG) (Bankr. S.D.N.Y. January 9, 2004); In re WorldCom, Inc., No. 02-13533 (AJG) (Bankr. S.D.N.Y. May 28, 2003).

Notice

50. No trustee or examiner has been appointed in these chapter 11 cases. In accordance with the Case Management Order, notice of this Motion has been given to all parties on the General Service List and the Special Service List in these cases (as such terms are identified in the Case Management Order). As described in paragraph 21 above, the Debtors (a) have served or will serve the Disclosure Statement Hearing Notice on the Notice Parties in accordance with the Case Management Order and the Bankruptcy Rules, (b) will cause the Disclosure Statement Hearing Notice to be published on or before December 23, 2009 one time in the national edition of *The Wall Street Journal* and the worldwide edition of *The Financial Times* and (c) have served or will serve the proposed Disclosure Statement and the Plan on the

Rule 3017 Parties. The Debtors submit that no other or further notice of this Motion need be provided.

No Prior Request

51. No prior request for the relief sought in this Motion has been made to this or any other Court.

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as Exhibit I: (i) approving the Disclosure Statement; (ii) scheduling the Confirmation Hearing; (iii) approving the Solicitation Procedures and the Confirmation Procedures, as described herein and on the Exhibits attached hereto; and (iv) granting such other and further relief as the Court may deem proper.

Dated: December 14, 2009
New York, New York

Respectfully submitted,

/s/ Corinne Ball

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ATTORNEYS FOR DEBTORS AND
DEBTORS IN POSSESSION

EXHIBIT 10

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	Chapter 11
Premier International Holdings Inc., *et al.*,[1]	:	Case No. 09-12019 (CSS)
Debtors.	:	(Jointly Administered)
		Obj. Deadline: 10/29/09 at 4:00 p.m (EDT) **Hearing Date: 11/5/09 at 10:00 a.m (EST)**

DEBTORS' MOTION FOR AN ORDER (I) APPROVING THE DISCLOSURE STATEMENT AND NOTICE THEREOF AND (II) ESTABLISHING PROCEDURES FOR SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT THE DEBTORS' AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE INCLUDING (A) FIXING THE VOTING RECORD DATE, (B) APPROVING SOLICITATION PACKAGES AND PROCEDURES FOR DISTRIBUTION THEREOF, AND (C) APPROVING FORMS OF BALLOTS AND ESTABLISHING PROCEDURES FOR VOTING ON THE PLAN; (III) SCHEDULING A CONFIRMATION HEARING AND ESTABLISHING NOTICE AND OBJECTION PROCEDURES IN RESPECT OF CONFIRMATION OF THE PLAN; AND (IV) GRANTING RELATED RELIEF

The above-captioned debtors and debtors-in-possession (collectively, the "Debtors") in the above-captioned chapter 11 cases hereby file this motion (the "Motion") pursuant to sections 105, 1123, 1125, 1126 and 1128 of title 11 of the United States Code, 11

[1] The Debtors are the following thirty-seven entities (the last four digits of their respective taxpayer identification numbers, if any, follow in parentheses): Astroworld GP LLC (0431), Astroworld LP (0445), Astroworld LP LLC (0460), Fiesta Texas Inc. (2900), Funtime, Inc. (7495), Funtime Parks, Inc. (0042), Great America LLC (7907), Great Escape Holding Inc. (2284), Great Escape Rides L.P. (9906), Great Escape Theme Park L.P. (3322), Hurricane Harbor GP LLC (0376), Hurricane Harbor LP (0408), Hurricane Harbor LP LLC (0417), KKI, LLC (2287), Magic Mountain LLC (8004), Park Management Corp. (1641), PP Data Services Inc. (8826), Premier International Holdings Inc. (6510), Premier Parks of Colorado Inc. (3464), Premier Parks Holdings Inc. (9961), Premier Waterworld Sacramento Inc. (8406), Riverside Park Enterprises, Inc. (7486), SF HWP Management LLC (5651), SFJ Management Inc. (4280), SFRCC Corp. (1638), Six Flags, Inc. (5059), Six Flags America LP (8165), Six Flags America Property Corporation (5464), Six Flags Great Adventure LLC (8235), Six Flags Great Escape L.P. (8306), Six Flags Operations Inc. (7714), Six Flags Services, Inc. (6089), Six Flags Services of Illinois, Inc. (2550), Six Flags St. Louis LLC (8376), Six Flags Theme Parks Inc. (4873), South Street Holdings LLC (7486), Stuart Amusement Company (2016). The mailing address of each of the Debtors solely for purposes of notices and communications is 1540 Broadway, 15th Floor, New York, NY 10036 (Attn: James Coughlin).

U.S.C. §§ 101-1532 (the "Bankruptcy Code"), Rules 2002, 3001, 3003, 3017, 3018 and 3020 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 3017-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court (the "Court") for the District of Delaware (the "Local Rules"), for entry of an order, substantially in the form attached hereto as Exhibit A (the "Solicitation Order"): (i) approving the *Disclosure Statement for the Debtors' Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 498] (as may be amended from time to time, the "Proposed Disclosure Statement"); (ii) approving notice and objection procedures for the Disclosure Statement Hearing (as defined below); (iii) establishing procedures for the solicitation and tabulation of votes to accept or reject the *Debtors' Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 496] (as it may be further amended from time to time, the "Plan"),[2] including: (a) fixing the voting record date for purposes of determining which holders of Claims are entitled to vote on the Plan, (b) approving solicitation packages and procedures for distribution thereof in connection with the solicitation of votes on the Plan and (c) approving forms of ballots and notices of non-voting status and establishing procedures for voting on the Plan; (iv) scheduling a Confirmation Hearing (as defined below) and establishing notice and objection procedures in respect thereof; and (v) granting related relief, all as is more fully set forth below. In support of the relief requested in this Motion, the Debtors respectfully represent as follows:

Background

1. On June 13, 2009 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (collectively, the "Bankruptcy

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

Cases"). The Debtors are continuing to operate their business as debtors and debtors-in-possession under sections 1107 and 1108 of the Bankruptcy Code. The United States Trustee for the District of Delaware (the "U.S. Trustee") appointed an official committee of unsecured creditors (the "Creditors' Committee") on June 26, 2009.

2. Six Flags, Inc. ("Six Flags") is the largest regional theme park operator in the world. From its headquarters in New York City, Six Flags indirectly owns or operates twenty parks located in geographically diverse markets across North America, including eighteen domestic parks, one park in Mexico, and one park in Canada. Six Flags and its affiliates currently employ approximately 2,040 full-time employees, 16% of whom are subject to labor agreements with local chapters of national unions. In addition, Six Flags and its affiliates employed 28,500 seasonal employees during the 2008 operating season.

3. Six Flags' operations are highly seasonal in that approximately 80% of park attendance and revenues are generated during the second and third quarters of the calendar year, with the most significant revenue generation occurring between Memorial Day and Labor Day. During the 2008 operating season, Six Flags generated approximately $535 million in ticket sales and an additional $487 million in food, merchandise, and other sales, including sponsorship and licensing revenues, achieving Free Cash Flow[3] for the first time, with operating income more than tripling from the previous year. Overall attendance during the 2008 season increased by approximately 2% percent from the previous year and revenue increased by approximately 5%.

[3] "Free Cash Flow" is defined as Adjusted EBIDTA excluding (i) cash interest expense (net) and debt issuance costs, dividends, and taxes paid in cash and (ii) capital expenditures, net of property insurance recoveries. "Adjusted EBITDA" is defined as Six Flags' net income (loss) before the cumulative effect of changes in accounting principles, discontinued operations, income tax expense (benefit), other expense, early repurchase of debt, equity in operations of partnerships, minority interest in earnings (losses), interest expense (net), amortization, depreciation, stock-based compensation, gain (loss) on disposal of assets, interests of third parties in the Adjusted EBITDA of four parks that are less than wholly owned (consisting of Six Flags Over Georgia, Six Flags Over Texas, Six Flags White Water Atlanta, and Six Flags Discovery Kingdom), and Six Flags' interest in the Adjusted EBITDA of Six Flags Great Escape Lodge & Indoor Waterpark and dick clark productions, inc.

4. As of the Petition Date, the Debtors had approximately $1,268.3 million of fixed-rate senior unsecured notes, with staggered maturities ranging from 2010 to 2016 (the "Unsecured Notes"). In addition, certain of the Debtors entered into a senior secured credit agreement (the "Credit Facility") with a syndicate of lenders (the "Prepetition Lenders"), which provides for (i) an $850 million term loan maturing in April 2015 ($835,125,000 of which was outstanding as of the Petition Date) (the "Term Credit Agreement") and (ii) a revolving facility (the "Revolver") totaling $275 million ($243,492,063 of which was outstanding as of the Petition Date, as well as letters of credit in the amount of $31,402,000 on such date) and an uncommitted optional term loan tranche of up to $300 million. The Revolver matures on March 31, 2013. Finally, the Debtors are obligated to redeem certain outstanding preferred income equity redeemable shares ("PIERS"), which are required to be redeemed for cash on August 15, 2009 and total approximately $287.5 million, in addition to accrued and unpaid dividends, which will total approximately $31.3 million.

5. Several internal and external factors have impacted the Debtors severely, prompting the liquidity pressures that precipitated the decision to commence these Bankruptcy Cases. From 1998 through 2005, Six Flags amassed over $2.4 billion of debt and PIERS obligations in connection with the acquisition of parks and various capital expenditure programs. As a result, the current management team, installed in late 2005 and early 2006, inherited a highly leveraged balance sheet, a burdensome cost structure, and significant legacy costs needing financial reorganization. The current management team has worked diligently to diversify and grow revenues, increase operational efficiency, and reduce the inherited debt obligations through, among other things, the sale of ten parks, a successful exchange offer, and a successful

negotiation and execution of the Credit Facility on more favorable terms and with an extended maturity.

6. The current management team's efforts have been successful. In 2008, Six Flags achieved every one of its five key strategic goals that it had determined to accomplish by the end of the current management's third year. In fact, in 2008, a year that was difficult for many enterprises reliant on discretionary consumer spending, Six Flags: (i) improved the overall guest experience and repositioned the brand by diversifying product offerings, resulting in guest satisfaction scores at or above all-time highs; (ii) created and grew new high margin and low capital sponsorship and licensing businesses, and achieved annual revenues in these businesses in excess of the targeted $50 million, reaching approximately $59 million in 2008; (iii) achieved total revenue per capita of at least $40, or 20% cumulative growth from 2005; (iv) operated at a Modified EBITDA[4] margin of at least 30%; and (v) became Free Cash Flow positive for the first time in Six Flags' history, with an Adjusted EBITDA in excess of $275 million.

7. The Debtors have material ongoing capital expenditure requirements and remain highly leveraged, with substantial cash interest costs as well as significant portions of their debt maturing, and the PIERS being mandatorily redeemable, in the near future. In fact, as noted above, the Debtors' obligations under the PIERS mature on August 15, 2009, and certain of the Unsecured Notes mature in February 2010. Accordingly, the Debtors believe that commencement of bankruptcy proceedings will afford them the best opportunity to restructure their debt comprehensively and decisively.

[4] "Modified EBITDA" is defined as Adjusted EBITDA plus the interests of the third parties in the Adjusted EBITDA of the four parks that are less than wholly owned, less Six Flags' interest in the Adjusted EBITDA of Six Flags Great Escape Lodge & Indoor Waterpark and dick clark productions,inc.

8. On July 22, 2009, the Debtors filed the *Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 239] and the *Disclosure Statement for Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 240], with the support of the Prepetition Lenders. Subsequently, on August 21, 2009, the Debtors filed the Plan and Proposed Disclosure Statement amending these previous filings.

9. On September 2, 2009, the Debtors filed the *Notice of Hearing to Consider Approval of Disclosure Statement for Debtors' Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 538], substantially in the form annexed to the Solicitation Order (as defined below) as Exhibit 1 (the "Notice of Disclosure Statement Hearing"). Pursuant to the Notice of Disclosure Statement Hearing, the hearing on approval of the Proposed Disclosure Statement (the "Disclosure Statement Hearing") was scheduled to be heard on October 8, 2009 at 10:00 a.m. (Eastern Daylight Time). However, pursuant to the Notice of Disclosure Statement Hearing, the Debtors continued the Disclosure Statement Hearing to November 5, 2009 at 10:00 a.m. (Eastern Standard Time). See *Notice of Agenda of Matters Scheduled for Hearing on October 8, 2009 at 10:00 a.m.* [Docket No. 759].

Relief Requested

10. By this Motion, the Debtors respectfully request entry of the proposed Solicitation Order: (i) approving the Proposed Disclosure Statement; (ii) approving notice and objection procedures for the Disclosure Statement Hearing; (iii) establishing procedures for the solicitation and tabulation of votes to accept or reject the Plan, including: (a) fixing the voting record date for purposes of determining which holders of Claims are entitled to vote on the Plan, (b) approving solicitation packages and procedures for distribution thereof in connection with the solicitation of votes on the Plan and (c) approving forms of ballots and notices of non-voting

status and establishing procedures for voting on the Plan; (iv) scheduling a Confirmation Hearing and establishing notice and objection procedures in respect thereof; and (v) granting related relief.

I. THE PROPOSED DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION

11. Under section 1125 of the Bankruptcy Code, a debtor must provide its creditors and interest holders with "adequate information" regarding such debtor's proposed plan of reorganization. To that end, section 1125(a)(1) of the Bankruptcy Code provides that "adequate information" means:

> [I]nformation of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan . . . .

11 U.S.C. § 1125(a)(1). Thus, a debtor's disclosure statement must, as a whole, provide information that is "reasonably practicable" to permit an "informed judgment" by creditors and interest holders entitled to vote on such debtor's plan of reorganization. See, e.g., Century Glove, Inc. v. First Am. Bank of New York, 860 F.2d 94, 100 (3rd Cir. 1988) (Section "1125 seeks to guarantee a minimum amount of information to the creditor asked for its vote."); In re Zenith Elecs. Corp., 241 B.R. 92, 99-100 (Bankr. D. Del. 1999); In re Dakota Rail, Inc., 104 B.R. 138, 142-43 (Bankr. D. Minn. 1989); In re Copy Crafters Quickprint Inc., 92 B.R. 973, 979 (Bankr. N.D.N.Y. 1988) (adequacy of a disclosure statement is to be determined on a case-specific basis under a flexible standard that can promote the chapter 11 policy of fair settlement through a negotiation process between informed interested parties). Congress intended that such

informed judgments would be needed to both negotiate the terms of and vote on a plan of reorganization. Century Glove, 860 F.2d at 100.

12. A court has broad discretion in determining whether a disclosure statement contains adequate information within the meaning of section 1125 of the Bankruptcy Code. See Mabey v. Sw. Elec. Power Co. (In re Cajun Elec. Power Coop.), 150 F.3d 503, 518 (5th Cir. 1998), cert. denied, 119 S. Ct. 2019 (1999); Texas Extrusion Corp. v. Lockheed Corp. (In re Texas Extrusion Corp.), 844 F.2d 1142, 1157 (5th Cir. 1988); In re River Village Assocs., 181 B.R. 795, 804 (E.D. Pa. 1995); see also Dakota Rail, 104 B.R. at 143 (court has "wide discretion to determine . . . whether a disclosure statement contains adequate information without burdensome, unnecessary and cumbersome detail").

13. Accordingly, the determination of the adequacy of information in a disclosure statement must be made on a case-by-case basis, focusing on the unique facts and circumstances of each case. Oneida Motor Freight, Inc. v. United Jersey Bank, 848 F.2d 414, 417 (3d Cir. 1988) ("From the legislative history of § 1125 we discern that adequate information will be determined by the facts and circumstances of each case."). In that regard, courts generally examine whether a disclosure statement contains, where and if applicable, the following types of information:

a. the circumstances that gave rise to the filing of the bankruptcy petition;

b. a complete description of the available assets and their value;

c. the anticipated future of the debtor;

d. the source of the information provided in the disclosure statement;

e. a disclaimer, which typically indicates that no statements or information concerning the debtor or its assets or securities are authorized, other than those set forth in the disclosure statement;

f. the financial condition and performance of the debtor during the pendency of its chapter 11 case;

g. information regarding claims against the debtor's estate;

h. a liquidation analysis identifying the estimated return that creditors would receive if the debtor's bankruptcy case was a case under chapter 7 of the Bankruptcy Code;

i. the accounting and valuation methods used to produce the financial information in the disclosure statement;

j. information regarding the future management of the debtor, including the amount of compensation to be paid to any insiders, directors or officers of the debtor;

k. a summary of the plan of reorganization;

l. an estimate of all administrative expenses, including attorneys' fees and accountants' fees;

m. the collectibility of any accounts receivable;

n. any financial information, valuations or *pro forma* projections that would be relevant to creditors' determinations of whether to accept or reject the plan of reorganization;

o. information relevant to the risks being taken by the creditors and interest holders;

p. the actual or projected value that could be obtained from avoidable transfers;

q. the existence, likelihood and possible success of nonbankruptcy litigation;

r. the tax consequences of the plan of reorganization; and

s. the relationship of the debtor with its affiliates.

See, e.g., In re Scioto Valley Mortgage Co., 88 B.R. 168, 170-71 (Bankr. S.D. Ohio 1988).

14. The Proposed Disclosure Statement contains ample information with respect to the topics identified above where applicable, including, *inter alia*, information with respect to: (a) the terms of the Plan; (b) certain events preceding the Bankruptcy Cases; (c) the status of the

Debtors' businesses during the course of the Bankruptcy Cases; (d) estimates of the Claims asserted or to be asserted against the Debtors' estates and the value of distributions to be received by holders of such Claims; (e) the risk factors affecting the Plan; (f) the Restructuring Transactions hat will occur upon the effectiveness of the Plan; (g) the method and timing of distributions under the Plan; (h) a discussion of the treatment of creditors under the Plan and the treatment such creditors would receive if the Bankruptcy Cases were cases under chapter 7 of the Bankruptcy Code; and (i) appropriate disclaimers regarding the Court's approval of information only as contained in the Proposed Disclosure Statement. Accordingly, the Debtors respectfully submit that the Proposed Disclosure Statement complies with all aspects of section 1125 of the Bankruptcy Code. To the extent necessary, the Debtors will demonstrate at the hearing on this Motion (the "Disclosure Statement Hearing") that the Disclosure Statement addresses the information set forth above in a manner that provides those entities entitled to vote on the Plan with adequate information within the meaning of section 1125.

II. NOTICE OF DISCLOSURE STATEMENT HEARING

15. Bankruptcy Rule 3017(a) provides that after filing of a disclosure statement:

> [T]he court shall hold a hearing on at least 25 days' notice to the debtor, creditors, equity security holders and other parties in interest as provided in Rule 2002 to consider the disclosure statement and any objections or modifications thereto. The plan and the disclosure statement shall be mailed with the notice of hearing only to the debtor, any trustee or committee appointed under the Code, the Securities and Exchange Commission and any party in interest who requests in writing a copy of the statement or plan.

16. On September 2, 2009, the Debtors filed the Notice of Disclosure Statement Hearing and served such notice on the following parties: (a) the U.S. Trustee; (b) counsel to the Creditors' Committee; (c) counsel to the agent bank for the Prepetition Lenders; (d) the Debtors' prepetition indenture trustees; (e) the Securities and Exchange Commission; (f) the Internal Revenue Service; (g) those parties who had requested notice pursuant to Bankruptcy Rule 2002;

(h) all persons or entities listed in the Debtors' schedules of assets and liabilities, schedules of executory contracts and unexpired leases, and statements of financial affairs; and (i) any other known or potential holders of Claims or record holders of equity interests in the Debtors (collectively, the "Noticed Parties"). Among other things, the Notice of the Disclosure Statement hearing provided the Noticed Parties with the time set for filing objections to the Proposed Disclosure Statement and the time and location of the Disclosure Statement Hearing. Further, in accordance with Bankruptcy Rule 3017(a), the Debtors mailed, or cause to be mailed, a copy of the Proposed Disclosure Statement and Plan to, among others, the following parties: (a) the U.S. Trustee; (b) counsel to the Creditors' Committee; and (c) the Securities and Exchange Commission. The Debtors submit that such service comports with the requirements of Bankruptcy Rule 3017(a), and request that the Court approve the Notice of the Disclosure Statement Hearing as adequate.

III. ESTABLISHING SOLICITATION AND NOTICE PROCEDURES

A. Fixing a Record Date

17. Generally, the date used to determine which holders of claims against and interests in a debtor are entitled to vote on such debtor's plan of reorganization is the date the Court enters the order approving the disclosure statement for such plan. See Fed R. Bankr. P. 3017(d). Subject to the Court's approval of the Proposed Disclosure Statement, the Debtors request that this Court exercise its authority to establish November 5, 2009, the date of the Disclosure Statement Hearing, as the record date (the "Voting Record Date") for the purpose of determining (a) creditors or equity interest holders entitled to receive Solicitation Packages (as defined below) or Rejecting Class Notices (as defined below), as applicable, and (b) creditors entitled to vote to accept or reject the Plan, notwithstanding anything else to the contrary in the Bankruptcy Rules or the Local Rules.

B. Approval of Solicitation Packages and Certain Notices and Procedures for Distribution Thereof to Voting Classes, Unimpaired Classes and the Rejecting Classes

i. Solicitation Packages

18. Bankruptcy Rule 3017(d) sets forth the materials that must be provided to holders of claims against and equity interests in the debtors for the purpose of soliciting their votes and providing adequate notice of the Confirmation Hearing. In particular, Bankruptcy Rule 3017(d) provides that:

> Upon approval of a disclosure statement, – except to the extent that the court orders otherwise with respect to one or more unimpaired class of creditors or equity security holders – the debtors in possession, trustee, proponent of the plan, or clerk as the court orders, shall mail to all creditors and equity security holders, and in a chapter 11 reorganization case shall transmit to the United States trustee:
>
> (1) the plan or a court-approved summary of the plan;
>
> (2) the disclosure statement approved by the court;
>
> (3) notice of the time within which acceptances and rejections of the plan may be filed; and
>
> (4) any other information as the court may direct, including any court opinion approving the disclosure statement or a court-approved summary of the opinion.
>
> In addition, notice of the time fixed for filing objections and the hearing on confirmation shall be mailed to all creditors and equity security holders in accordance with Rule 2002(b), and a form of ballot conforming to the appropriate Official Form shall be mailed to creditors and equity security holders entitled to vote on the plan.

19. In accordance with the requirements of Bankruptcy Rule 3017(d), upon the Solicitation Commencement Date (as defined below), the Debtors propose to distribute, or cause to be distributed, solicitation packages, to holders of Claims in Voting Classes (as defined below) and holders of Unimpaired Claims or equity interests in the Debtors. Such solicitation packages (the "Solicitation Packages") will contain copies of:

a. a CD-ROM containing the Proposed Disclosure Statement, together with the Plan and other exhibits annexed thereto;[5]

b. the Solicitation Order, excluding exhibits annexed thereto;

c. the Confirmation Hearing Notice (as defined below);

d. either

(i) the appropriate Ballot (as defined below), together with a return envelope; or

(ii) an Unimpaired Notice of Non-Voting Status (as defined below); and

e. such other materials as the Court may direct or approve, including supplemental solicitation materials the Debtors may file with the Court.

20. In addition, with respect to any transferred Claim in a Voting Class, the Debtors propose that the transferee will be entitled to receive a Solicitation Package and cast a Ballot (as defined below) on account of such transferred Claim only if: (a) all actions necessary to effect the transfer of the Claim pursuant to Bankruptcy Rule 3001(e) have been completed on or before the Voting Record Date; or (b) the transferee files, no later than the Voting Record Date: (i) the documentation required by Bankruptcy Rule 3001(e) to evidence that transfer and (ii) a sworn statement of the transferor supporting the validity of the transfer. In the event a Claim is transferred after the transferor has completed a Ballot and has submitted such Ballot to the Voting Agent, the transferee of such Claim shall also be bound by any vote (and the

[5] The Proposed Disclosure Statement and Plan, including exhibits, comprise approximately 195 pages. Accordingly, to reduce administrative costs associated with printing and mailing such a large document, the Debtors propose, in their discretion, to serve the Proposed Disclosure Statement and Plan (including exhibits) in the form of a CD-ROM. This procedure has been approved by this Court in other chapter 11 cases. See, e.g., In re SemCrude, L.P., Case No. 08-11525 (BLS) (Bankr. D. Del. July 21, 2009); In re Special Devices Inc., Case No. 08-13312 (MFW) (Bankr. D. Del. June 12, 2009); In re Pliant Corp., Case No. 06-10001 (MFW) (Bankr. D. Del. April 18, 2006); In re Premium Papers Holdco, Case No. 06-10269 (CSS), (Bankr. D. Del. November 22, 2006). However, any party receiving the CD-ROM may request, at the Debtors' expense, paper copies of the Proposed Disclosure Statement, together with the Plan and other exhibits annexed thereto, from the Voting Agent (as defined below).

consequences thereof) made on such Ballot by the holder of such transferred Claim as of the Voting Record Date.

21. The Debtors expect that they will be able to commence distribution of the Solicitation Packages immediately upon the entry of the Solicitation Order (the "Solicitation Commencement Date") to all applicable holders of Claims and equity interests in the Debtors. To avoid duplication and reduce expense, the Debtors propose that, to the extent practicable, holders who hold more than one Claim or equity interest in the Debtors in more than one Class entitled to receive a Solicitation Package should only receive one Solicitation Package containing all necessary Ballots.

22. Under the Plan, holders of Administrative Expense Claims, Priority Tax Claims and Professional Compensation and Reimbursement Claims will receive distributions, but their Claims are unclassified for purposes of voting to accept or reject the Plan. To the extent that such parties are not otherwise entitled to receive a Solicitation Package, on the Solicitation Commencement Date the Debtors will commence distribution of (a) the CD-ROM containing the Proposed Disclosure Statement, together with the Plan and other exhibits annexed thereto, (b) the Solicitation Order, excluding exhibits annexed thereto, and (c) the Confirmation Hearing Notice, to all holders of such Claims.

23. In addition, to the extent that the following parties are not otherwise entitled to receive a Solicitation Package under the procedures previously described, on the Solicitation Commencement Date, the Debtors will commence distribution of (a) the CD-ROM containing the Proposed Disclosure Statement, together with the Plan and other exhibits annexed thereto, (b) the Solicitation Order, excluding exhibits annexed thereto and (c) the Confirmation Hearing Notice to: (i) the U.S. Trustee; (ii) counsel to the Creditors' Committee; (iii) counsel to the agent

bank for the Prepetition Lenders; (iv) the Debtors' prepetition indenture trustees; (v) the Securities and Exchange Commission; and (vi) those parties who have requested notice pursuant to Bankruptcy Rule 2002.

ii. Notices to Holders of Unimpaired Claims

24. Allowed Claims in Class 1 (Other Priority Claims), Allowed Claims in Class 2 (Secured Tax Claims), Allowed Claims in Class 3 (Other Secured Claims), Allowed Claims in Class 7 (SFTP and SFTP Subsidiary Unsecured Claims) and Allowed Claims in Class 17 (Preconfirmation Subsidiary Equity Interests) are Unimpaired and therefore, are conclusively presumed to accept the Plan. See 11 U.S.C. § 1126(f). Consistent with section 1126(f) of the Bankruptcy Code, all holders of such Claims and equity interests in the Debtors will receive the Solicitation Package; however, such package will not include a Ballot. Instead of a Ballot, the Solicitation Packages for such holders will include a notice of non-voting status, substantially in the forms annexed to the Solicitation Order as Exhibit 2 (each, an "Unimpaired Notice of Non-Voting Status").

iii. Notices to Deemed to Reject Classes

25. Pursuant to the terms of the Plan, holders of Claims in Class 15 (Funtime, Inc. Unsecured Claims), Class 16 (Subordinated Securities Claims), Class 18 (Preconfirmation SFO Equity Interests) and Class 19 (Preconfirmation SFI Equity Interests) (collectively, the "Rejecting Classes") are impaired, shall neither receive nor retain any property on account of their Claims or equity interests in the Debtors and thus, are presumed to reject the Plan. See id. § 1126(g). The Debtors propose that they not be required to transmit a Solicitation Package to the Rejecting Classes because sending a Solicitation Package to such parties is unnecessary, potentially confusing, and would represent an unnecessary cost to the Debtors' estates. Instead, the Debtors propose to mail or cause to be mailed, by first class mail, within five (5) business

days after Solicitation Commencement Date to each member of a Rejecting Class: (a) the Confirmation Hearing Notice and (b) the appropriate notice of non-voting Status, substantially in the form annexed to the Solicitation Order as Exhibit 3 (the "Rejecting Class Notice").

26. The Confirmation Hearing Notice, which will be sent to, among others, holders of Claims and equity interests in the Debtors in each Class as well as holders of Administrative Expense Claims, Priority Tax Claims and Professional Compensation and Reimbursement Claims, also advises any party wishing to obtain a copy of either or both of the Proposed Disclosure Statement and the Plan to do so by (a) accessing the Debtors' website at www.kccllc.net/SixFlags or (b) contacting Kurtzman Carson Consultants LLC ("KCC"), the Voting Agent (i) by first class mail addressed to Six Flags Ballot Processing Center c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245; (ii) by electronic mail at SixFlagsInfo@kccllc.com; or (iii) by telephoning the Voting Agent at (866) 967-1783, to obtain a copy of the documents at the Debtors' expense.

iv. Undeliverable or Returned Notices and Solicitation Packages

27. In compliance with Bankruptcy Rules 2002 and 3017, the Debtors sent the Notice of the Disclosure Statement Hearing to the Noticed Parties. The Debtors anticipate that some Notices of the Disclosure Statement Hearing may be returned by the United States Postal Service or other carrier as undeliverable. The Debtors believe that it would be costly and wasteful to distribute Solicitation Packages, Confirmation Hearing Notices or Rejecting Class Notices to the same addresses to which undeliverable Notices of Disclosure Statement Hearing were distributed.

28. In this regard, the Debtors seek the Court's approval for a departure from the notice rule as follows: (a) the Debtors shall be excused from giving notice or providing service of any kind upon any person or entity to whom the Debtors mailed a Notice of the Disclosure

Statement Hearing or any other notices or materials approved for distribution pursuant to the Solicitation Order and received any of such notices returned by the United States Postal Service or other carrier marked "undeliverable as addressed", "moved – left no forwarding address", or "forwarding order expired", or other similar reason, unless the Debtors have been informed in writing by such person or entity of that person's or entity's new address; and (b) the Debtors shall be excused from re-mailing the Solicitation Package, or other notices, as the case may be, to those persons or entities whose addresses differ from the addresses in the claims register or the Debtors' records as of the Voting Record Date. If a creditor has changed its mailing address after the Petition Date, the burden shall be on the creditor or party-in-interest, not the Debtors, to advise the Voting Agent or the Debtors of its new address prior to the Voting Record Date.

29. The Debtors believe that the proposed solicitation, notice and service procedures and other relief requested herein are cost-effective, provide adequate notice and an opportunity to be heard and are in the best interests of the Debtors' estates, their creditors and other parties-in-interest. Accordingly, the Debtors submit that good cause exists for the relief requested herein.

C. Approving Forms of Ballots and Establishing Procedures for Voting on the Plan

i. Approving Forms of Ballots, Distribution Thereof and Related Issues

30. Bankruptcy Rule 3017(d) requires the Debtors to mail a form of ballot to "creditors and equity security holders entitled to vote on the plan." The Debtors propose to distribute one or more individual ballots (including instructions attached thereto), substantially in the forms annexed to the Solicitation Order as Exhibit 4 (collectively, "Individual Ballots"), to certain creditors in the Voting Classes. In addition, certain creditors in the Voting Classes hold Claims through brokers, banks or other nominees (each, a "Master Ballot Agent"). In lieu of distributing Individual Ballots to such creditors, the Debtors propose to distribute a master ballot

(including instructions attached thereto), substantially in the forms annexed to the Solicitation Order as Exhibit 4 (collectively, "Master Ballots"), and the appropriate number of beneficial owner ballots (including instructions), substantially in the forms annexed to the Solicitation Order as Exhibit 4 (collectively, "Beneficial Owner Ballots" and together with the Master Ballots and the Individual Ballots, the "Ballots"), to each Master Ballot Agent.

31. In accordance with Bankruptcy Rule 3017(d), the Ballots are based on Official Form No. 14 but have been modified to address the particular aspects of the Bankruptcy Cases and to include certain additional information that the Debtors believe to be relevant and appropriate for each Voting Class. The appropriate Ballot, along with return envelopes addressed to the address set forth on such Ballot, will be distributed to holders of Claims in the Voting Classes and Master Ballot Agents, as applicable, in the following Classes (collectively, the "Voting Classes"):

Class	Type of Claim
4	SFTP Prepetition Credit Agreement Claims
5	SFTP TW Guaranty Claims
6	SFTP TW Indemnity Claims
8	SFO Prepetition Credit Agreement Claims
9	SFO TW Guaranty Claims
10	SFO TW Indemnity Claims
11	SFO Unsecured Claims
12	SFI TW Guaranty Claims
13	SFI TW Indemnity Claims
14	SFI Unsecured Claims

32. All other Classes of Claims and equity interests in the Debtors are either Unimpaired or are impaired and are not entitled to receive or retain any property under the Plan and thus, in each case, are not entitled to vote on the Plan. Accordingly, such holders will not receive a Ballot.

ii. Establishing Voting Deadline for Receipt of Ballots

33. Bankruptcy Rule 3017(c) provides, in relevant part, that "on or before approval of the disclosure statement, the court shall fix a time within which the holders of claims and interests may accept or reject the plan." The Debtors will use their reasonable efforts to commence solicitation on the Solicitation Commencement Date and to complete mailing within five (5) business days of such date.

34. Based on this schedule, the Debtors respectfully request that the Court establish December 11, 2009 at 4:00 p.m. (Pacific Standard Time) as the deadline by which all Ballots must be properly executed, completed, delivered to, and received by the Voting Agent (the "Voting Deadline"). Ballots must be returned to the Voting Agent by first class mail postage prepaid, by personal delivery, or by overnight courier. The proposed Voting Deadline is approximately thirty-six (36) days after the Solicitation Commencement Date, and approximately twenty-nine (29) days after the proposed date for concluding the mailing of Solicitation Packages. The Debtors submit that such solicitation period is a sufficient period within which creditors can make an informed decision to accept or reject the Plan. The Debtors further request authority to extend the Voting Deadline for holders of Claims in Voting Classes, if necessary, without further order of the Court.

iii. Approval of Procedures for Vote Tabulation

a. Appointment of KCC as Voting Agent

35. Pursuant to an order of this Court, entered July 14, 2009, KCC (in such capacity, the "Voting Agent") was retained to, among other things, provide balloting services to the Debtors. In connection therewith, the Voting Agent will perform all services relating to the solicitation of votes on the Plan (collectively, the "Balloting Services"), including, without limitation:

a. Mailing the Confirmation Hearing Notice;

b. Identifying holders of Claims in Voting Classes and holders of Claims and equity interests in the Debtors that are not entitled to vote on the Plan;

c. Preparing voting reports for each Class and maintaining such information in a database;

d. Where appropriate, printing Ballots specific to each creditor, indicating Voting Class, voting amount of Claim and other relevant information;

e. Coordinating the mailing of Ballots and providing an affidavit verifying the mailing of Ballots;

f. Receiving Ballots and tabulating the votes on the Plan; and

g. Providing any other balloting related services the Debtors may from time to time request including, without limitation, providing testimony at the Confirmation Hearing with respect to the Balloting Services and the results of the vote on the Plan.

b. Ballot Tabulation

36. The Debtors propose that each holder of a Claim in a Voting Class be entitled to vote the amount of such Claim as is held as of the Voting Record Date.

37. The Debtors further propose that if any party wishes to have its Claim allowed for purposes of voting on the Plan in a manner that is inconsistent with the Ballot it received or if any party that did not receive a Ballot wishes to have its Claim temporarily allowed for voting purposes only, such party must serve on the Debtors and file with the Court, on or before the later of (i) fifteen (15) days after service of the Confirmation Hearing Notice or (ii) fifteen (15) days after the date of service of notice of objection on such party to any of such party's underlying Claims, a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim for purposes of voting (a "3018 Motion"). A 3018 Motion must set forth with particularly the amount and classification such party believes its Claim should be allowed for voting purposes, and supporting evidence. In respect of any timely-filed 3018 Motion, the

Ballot in question shall be counted (a) in the amount established by the Court in an order entered on or before the Voting Deadline or (b) if such an order has not been entered by the Voting Deadline and unless the Debtors and the party have come to an agreement as to the relief requested in the 3018 Motion, in an amount equal to the preprinted amount on the Ballot or, in the event a party did not receive a Ballot, such party shall not have a Ballot counted at all. Subject to the Court's calendar, and notwithstanding the foregoing, the Debtors propose that any hearing to consider 3018 Motions be held on or prior to the Voting Deadline.

38. Unless a 3018 motion is timely-filed in accordance with the procedures set forth above, if a Claim in a Voting Class is contingent, unliquidated, or disputed, or if a Claim in a Voting Class is otherwise deemed disputed under the Plan, the Debtors propose that such Claim be temporarily allowed, solely for voting purposes, in the amount of $1.00.

39. The Debtors request that whenever a party casts more than one Ballot voting the same Claim(s) before the Voting Deadline, the last Ballot received before the Voting Deadline be deemed to reflect the voter's intent and supersede any prior Ballots. If a holder of Claims casts Ballots that are received by the Voting Agent on the same day, but which are voted inconsistently, the Debtors request that such Ballots not be counted.

40. The Debtors further request that creditors with multiple Claims within a particular Voting Class must vote all of their Claims within such Class either to accept or reject the Plan and may not split their vote(s). Accordingly, an individual Ballot that partially rejects and partially accepts the Plan will not be counted. On account of this, to the extent that a party asserts numerous Claims in a single Voting Class, the Debtors request that each such party only be allowed one (1) vote for that Class, and only be allowed to submit a single Ballot representing its vote to accept or reject the Plan with respect to such Class. Notwithstanding the foregoing,

the Debtors further request that a holder of Claims in more than one Voting Class must submit a separate Ballot for each class of Claims.

41. The following types of Ballots will not be counted in determining whether the Plan has been accepted or rejected:

a. any Ballot that is otherwise properly completed, executed, and timely returned to the Voting Agent, but does not indicate an acceptance or rejection of the Plan, or that indicates both an acceptance and rejection of the Plan;

b. any Ballot received after the Voting Deadline, unless the Debtors extend or waive such deadline;

c. any Ballot containing a vote that this Court determines, after notice and a hearing, was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code;

d. any Ballot that is illegible or contains insufficient information to permit the identification of the claimant;

e. any Ballot cast by a person or entity that does not hold a Claim in a Voting Class;

f. any unsigned or non-original Ballot; or

g. any Ballot transmitted to the Voting Agent by facsimile or other electronic means.

42. In addition, the Debtors propose that the following voting procedures and standard assumptions be used in tabulating the ballots:

a. The method of delivery of Ballots to be sent to the Voting Agent or Master Ballot Agent, as applicable, is at the election and risk of each creditor, but such delivery will be deemed made only when the original, executed Ballot is actually received by the Voting Agent;

b. The Debtors, in their sole discretion, subject to contrary order of the Court, may waive any defect in any Ballot at any time including failure to timely file such Ballot, either before or after the Voting Deadline, and without notice or further order of the Court. Notwithstanding the foregoing and except as provided below, Debtors may, in their sole discretion, reject any defective

Ballot as invalid and therefore, decline to utilize it in connection with confirmation of the Plan;

c. After the Voting Deadline, no vote may be withdrawn or modified without the prior consent of the Debtors;

d. Subject to any contrary order of the Court, the Debtors reserve the absolute right to reject any and all Ballots not proper in form;

e. Unless waived by the Debtors or as ordered by the Court, any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Debtors (or the Court) determine, and unless otherwise ordered by the Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived; and

f. None of the Debtors, the Voting Agent or any other person or entity, will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots, nor will any of them incur any liabilities for failure to provide such notification. Ballots previously furnished (and as to which any irregularities have not theretofore been cured or waived) will not be counted.

43. Similar procedures have been approved in other chapter 11 cases in this District. See, e.g., In re SemCrude, L.P., Case No. 08-11525 (BLS) (Bankr. D. Del. July 21, 2009); In re Special Devices Inc., Case No. 08-13312 (MFW) (Bankr. D. Del. June 12, 2009); In re Premium Papers Holdco, Case No. 06-10269 (CSS), (Bankr. D. Del., Nov. 22, 2006); In re Pliant Corp., Case No. 06-10001 (MFW) (Bankr. D. Del. April 18, 2006); In re QUTI Corp., f/k/a Questron Tech., Inc., Case No. 02-10319 (PJW), (Bankr. D. Del., Aug. 26, 2005); In re Cone Mills Corp., Case No. 03-12944 (PJW), (Bankr. D. Del., Aug. 20, 2004); In re BRAC Group, Inc. (f/k/a Budget Group Inc.), Case No. 02-12152 (CGC) (Bankr. D. Del., Feb. 4, 2004); In re Med. Wind Down Holdings I, Inc., f/k/a Maxxim Medical Group, Inc., Case No. 03-10438 (PJW) (Bankr. D. Del., April 2, 2004); In re Alterra Healthcare Corp., Case No. 03-10254 (MFW) (Bankr. D. Del., Sept. 15, 2003). The Debtors submit that the procedures set forth herein provide for a fair and equitable voting process.

IV. ESTABLISHING NOTICE AND OBJECTION PROCEDURES IN RESPECT OF CONFIRMATION OF THE PLAN

A. Setting the Confirmation Hearing

44. Bankruptcy Rule 3017(c) provides:

> On or before approval of the disclosure statement, the court shall fix a time within which the holders of claims and interests may accept or reject the plan and may fix a date for the hearing on confirmation.

45. In accordance with Bankruptcy Rule 3017(c) and in view of the Debtors' proposed solicitation schedule outlined herein, the Debtors request that a hearing on confirmation of the Plan (the "Confirmation Hearing") be scheduled, subject to the Court's calendar, approximately eleven (11) days after the proposed Voting Deadline. Accordingly, in accordance with the Bankruptcy Rules and in light of the solicitation schedule described above, the Debtors propose that, subject to the Court's calendar, December 22, 2009 be fixed by the Court as the date for the Confirmation Hearing. Such date will give the Debtors sufficient time to solicit votes on the Plan and to notify the required parties of the date, place and time of the Confirmation Hearing. The Debtors also request that the Court order that the Confirmation Hearing may be continued from time to time without further notice to creditors or other parties-in-interest.

B. Establishing Procedures for the Confirmation Hearing

46. Bankruptcy Rules 2002(b) and (d) requires not less than twenty-five (25) days' notice to all creditors, indenture trustees and equity security holders of the time fixed for filing objections to confirmation of a plan of reorganization and the hearing to consider confirmation of a plan of reorganization. In accordance with the Bankruptcy Rules, the Debtors propose to provide all known creditors, parties filing a notice of appearance in the Bankruptcy Cases, governmental units having an interest in the Bankruptcy Cases and holders of equity interests in

the Debtors, each as of the Voting Record Date (the "Confirmation Hearing Notice Parties"), with a copy of the notice of the confirmation hearing, substantially in the form annexed to the Solicitation Order as Exhibit 5 (the "Confirmation Hearing Notice"). The Confirmation Hearing Notice shall set forth, among other things, (a) the Voting Deadline for submission of Ballots to accept or reject the Plan, (b) the Plan Objection Deadline (as defined below), and (c) the date, place and time of the Confirmation Hearing. Such notice will be served contemporaneously with the Solicitation Packages, which, as mentioned above, will be sent within five (5) business days of the Solicitation Commencement Date, but in no event will any Confirmation Hearing Notices be served less than twenty-five (25) days in advance of the Plan Objection Deadline.

47. Furthermore, to supplement notice of the Confirmation Hearing by mail, the Debtors will publish, on one occasion, at least twenty-five (25) days prior to the Plan Objection Deadline, in the National Edition of *USA Today*, a notice of the Confirmation Hearing, substantially in the form annexed to the Solicitation Order as Exhibit 6 (the "Publication Notice"). Bankruptcy Rule 2002(l) permits the Court to "order notice by publication if it finds that notice by mail is impracticable or that it is desirable to supplement notice." The Debtors submit that publication of the Publication Notice will provide sufficient notice of the Plan Objection Deadline, the Confirmation Hearing and other relevant deadlines to persons or entities who many not otherwise receive the Confirmation Hearing Notice by mail.

48. The Debtors submit that the foregoing procedures will provide adequate notice of the Confirmation Hearing and, accordingly, request that the Court approve such notice as adequate.

C. Establishing Procedures for the Filing of Objections to Confirmation of the Plan

49. Bankruptcy Rule 3020(b) provides that objections to confirmation of a proposed plan of reorganization must be filed with the Court and served on the Debtors, the trustee, any committee appointed under the Bankruptcy Code and on any other entity designated by the Court, within a time specified by the Court.

50. To permit the Debtors adequate time to respond to objections prior to the Confirmation Hearing, the Debtors request that December 11, 2009 at 4:00 p.m. (Eastern Standard Time) be fixed by the Court as the last date for filing and serving written objections to confirmation of the Plan (including any supporting memoranda) (the "Plan Objection Deadline"). The Debtors request that the Court direct that objections, if any, to confirmation of the Plan: (i) be made in writing; (ii) conform to the Bankruptcy Rules and Local Rules; (iii) state the name and address of the objecting party and the amount and nature of the Claim or interest of such party; (iv) state with particularity the legal and factual basis and nature of any objection to the Plan and, if practicable, provide a proposed modification to the Plan that would resolve such objection; and (v) be filed with the Court, together with proof of service, and served so that they are received on or before the Plan Objection Deadline by the following parties: (i) counsel for the Debtors, Paul Hastings, Janofsky & Walker, LLP, 191 North Wacker Drive, 30th Floor, Chicago, IL 60606 (Attention: Paul E. Harner, Esq. and Steven T. Catlett, Esq.), and Richards, Layton & Finger, P.A., One Rodney Square, 920 King Street, Wilmington, Delaware 19801 (Attention: Daniel J. DeFranceschi, Esq.); (ii) counsel for the Creditors' Committee, Brown Rudnick LLP, One Financial Center, Boston, Massachusetts 02111 (Attention: Steven B. Levine, Esq.), Brown Rudnick LLP, Seven Times Square, New York, New York 10035 (Attention: Neal D'Amato, Esq.), and Pachulski, Stang, Ziehl & Jones LLP, 919 Market Street, 17th Floor, P.O. Box 8705,

Wilmington, Delaware 19899-8705 (Attention: Laura Davis Jones, Esq.); (iii) counsel for the agent bank for the Prepetition Lenders, Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017-3954 (Attention: Kenneth S. Ziman, Esq.); and (iv) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 (Attention: Richard L. Schepacarter, Esq.).

51. The Debtors submit that the proposed timing for filing and service of objections and proposed modifications to the Plan, if any, will afford the Court, the Debtors and other parties-in-interest sufficient time to consider the objections and proposed modifications prior to the Confirmation Hearing.

52. The Debtors further request that it be allowed to file its reply to any timely-filed objections to the Plan by no later than 5:00 p.m. (prevailing Eastern Time) two (2) business days before the Confirmation Hearing.

NOTICE

53. Notice of this Motion has been given to: (a) the U.S. Trustee; (b) counsel for the Creditors' Committee; (c) counsel for the agent bank for the Prepetition Lenders; (d) the Debtors' prepetition indenture trustees; (e) the Securities and Exchange Commission; (f) the Internal Revenue Service; and (g) those parties who have requested notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Debtors submit that no further notice is required.

NO PRIOR REQUEST

54. No prior motion for the relief requested herein has been made to this or any other court.

WHEREFORE, for the aforementioned reasons, the Debtors respectfully request that this Court enter the proposed Solicitation Order, substantially in the form attached hereto as Exhibit A, granting the relief requested herein and such other and further relief as is just and proper.

Dated: October 16, 2009
Wilmington, Delaware

Respectfully submitted,

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ATTORNEYS FOR DEBTORS AND DEBTORS IN POSSESSION

EXHIBIT 11

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:	:	**Chapter 11**
WASHINGTON MUTUAL, INC., et al.,[1]	:	**Case No. 08-12229 (MFW)**
	:	**(Jointly Administered)**
Debtors.	:	**Objection Deadline: May 13, 2010 at 4:00 p.m. (ET)**
	:	**Hearing Date: May 19, 2010 at 11:30 a.m. (ET)**

MOTION OF DEBTORS FOR AN ORDER, PURSUANT TO SECTIONS 105, 502, 1125, 1126, AND 1128 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2002, 3003, 3017, 3018 AND 3020, (I) APPROVING THE PROPOSED DISCLOSURE STATEMENT AND THE FORM AND MANNER OF THE NOTICE OF THE DISCLOSURE STATEMENT HEARING, (II) ESTABLISHING SOLICITATION AND VOTING PROCEDURES, (III) SCHEDULING A CONFIRMATION HEARING, AND (IV) ESTABLISHING NOTICE AND OBJECTION PROCEDURES FOR CONFIRMATION OF THE DEBTORS' JOINT PLAN

Washington Mutual, Inc. ("WMI") and WMI Investment Corp. ("WMI Investment"), as debtors and debtors in possession (collectively, the "Debtors"), file this motion (the "Motion") for an order (i) approving the proposed disclosure statement (the "Proposed Disclosure Statement")[2] for the Debtors' plan (the "Plan")[3] and the form and manner of the notice of the hearing on the Proposed Disclosure Statement, (ii) establishing solicitation and voting procedures, (iii) scheduling a confirmation hearing, and (iv) establishing notice and

[1] The Debtors in these chapter 11 cases along with the last four digits of each Debtor's federal tax identification number are: (i) Washington Mutual, Inc. (3725); and (ii) WMI Investment Corp. (5395). The Debtors' principal offices are located at 925 Fourth Avenue, Seattle, Washington 98104.

[2] *Disclosure Statement for the Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code*, filed March 26, 2010 [Docket No. 2623].

[3] *Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code*, dated March 26, 2010 [Docket No. 2622], a copy of which is attached to the Proposed Disclosure Statement as Exhibit A.

objection procedures in respect of confirmation of the Plan, including the Global Settlement Agreement (as defined below),[4] and respectfully represent:

JURISDICTION

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

2. On September 26, 2008 (the "Commencement Date"), each of the Debtors commenced with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") a voluntary case pursuant to chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). As of the date hereof, the Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. On October 3, 2008, the Bankruptcy Court entered an order pursuant to Bankruptcy Rule 1015(b) authorizing the joint administration of the Debtors' chapter 11 cases.

4. On October 15, 2008, the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed an official committee of unsecured creditors (the "Creditors' Committee"). On January 11, 2010, the U.S. Trustee appointed an official committee of equity security holders (the "Equity Committee").

WMI's Business

5. WMI, a holding company incorporated in the State of Washington, is the direct parent of WMI Investment Corp. ("WMI Investment"), which served as an investment

[4] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Proposed Disclosure Statement or, if not defined in the Proposed Disclosure Statement, in the Plan.

vehicle for WMI and holds a variety of securities. WMI Investment is incorporated in the State of Delaware.

6. Prior to the Commencement Date, WMI operated as a savings and loan holding company that owned Washington Mutual Bank ("WMB") and, indirectly, such bank's subsidiaries, including Washington Mutual Bank fsb ("WMBfsb"). WMI owns all of the outstanding stock of WMB, and WMI also has certain non-banking, non-debtor subsidiaries (the "Non-debtor Subsidiaries"). Like all savings and loan holding companies, WMI was subject to regulation by the Office of Thrift Supervision (the "OTS"). WMB and WMBfsb, in turn, like all depository institutions with federal thrift charters, were subject to regulation and examination by the OTS. In addition, WMI's banking and nonbanking subsidiaries were overseen by various federal and state authorities, including the Federal Deposit Insurance Corporation (the "FDIC" and, in its corporate capacity, "FDIC Corporate").

7. On September 25, 2008, the OTS, by order number 2008-36, closed WMB, appointed the FDIC as receiver for WMB (the "FDIC Receiver"), and advised that the FDIC Receiver was immediately taking possession of WMB's assets (the "Receivership"). Immediately after its appointment as receiver, the FDIC Receiver sold substantially all the assets of WMB, including the stock of WMBfsb, to JPMorgan Chase Bank, National Association ("JPMorgan Chase") pursuant to that certain *Purchase and Assumption Agreement, Whole Bank,* dated as of September 25, 2008 (the "Purchase and Assumption Agreement").

8. WMI's assets include its common stock interest in WMB, its interest in its non-banking subsidiaries, and a claim to more than $4 billion of cash that WMI and its non-banking subsidiaries (including WMI Investment) had on deposit at WMB and WMBfsb immediately prior to the time the FDIC was appointed as receiver (collectively, the "Deposits").

The Receivership and Ensuing Litigation

9. Since the Commencement Date, and as a result of actions taken in the chapter 11 cases and the Receivership, significant litigation has been commenced and pursued by and among the Debtors, JPMorgan Chase and the FDIC Receiver. Such litigation has included assertions for turnover of the Deposits, allegations of fraudulent transfers or other avoidance actions, and claims that assets belong to one party or another. Additionally, other parties have intervened in such litigations, asserting rights or interests in the subject disputes and corresponding assets. In certain instances, such litigations have proceeded to hearings on summary judgment while, with respect to others, they have been stayed.

10. On March 12, 2010, at a hearing before the Bankruptcy Court in which the parties anticipated the Bankruptcy Court would render a ruling on summary judgment with respect to the Deposits, the Debtors announced on the record that they had reached a compromise and settlement of the foregoing disputes with JPMorgan Chase and the FDIC (as described below) and, accordingly, requested the Bankruptcy Court adjourn rendering its decision with respect to the Deposits. Specifically, at such hearing, the Debtors, with the concurrence of JPMorgan Chase and the FDIC, recited the material terms and conditions of their understanding, including, without limitation, the resolution of the Deposits, the allocation of disputed assets, the transfer of certain liabilities, and the exchange of mutual releases.

11. On March 26, 2010, the Debtors filed the Plan and the Proposed Disclosure Statement, together with a proposed global settlement agreement (the "Global Settlement Agreement"), by and among WMI, JPMorgan Chase, the FDIC, and others, which agreement incorporated the terms and provisions of the announced understanding. While the provisions of the proposed settlement agreement have been agreed to by WMI, JPMorgan Chase

and significant creditor groups of WMI, as of this date, the FDIC has some remaining concerns. However, discussions are ongoing among the parties, and they are hopeful that such agreement will be obtained in the near future.

The Disclosure Statement

12. In accordance with Bankruptcy Rule 3016(b), the Debtors prepared and filed, the Proposed Disclosure Statement, which is intended to provide parties with adequate information and disclosure about the terms of the Plan. The Debtors intend to provide parties with copies of the Proposed Disclosure Statement, once approved, in connection with the Debtors' solicitation of acceptances of the Plan.

RELIEF REQUESTED

13. By this Motion, and pursuant to sections 105, 502, 1125, 1126, and 1128 of the Bankruptcy Code, Rules 2002, 3003, 3017, 3018, and 3020 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rules 2002-1 and 3017-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the Debtors seek entry of the proposed order attached hereto as **Exhibit A** (the "Proposed Order"), which –

(a) approves the Proposed Disclosure Statement, a copy of which is attached as Exhibit 1 to the Proposed Order, as containing adequate information pursuant to section 1125 of the Bankruptcy Code;

(b) approves certain solicitation procedures, as described below;

(c) schedules a hearing to consider confirmation of the Plan on **July 20, 2010** at **10:30 a.m. (Eastern Time)** (the "Confirmation Hearing"); and

(d) approves certain Plan confirmation procedures, as described below.

14. For the Court's reference, as described in further detail below, the key dates set forth in this Motion and to be incorporated in the Proposed Order are summarized below:

	Date
Disclosure Statement Objection Deadline	May 13, 2010 at 4:00 p.m.
Disclosure Statement Hearing	May 19, 2010 at 11:30 a.m.
Record Date	May 19, 2010
Solicitation Date	On or about May 26, 2010
Objection Deadline to Confirmation of the Plan	June 25, 2010 at 4:00 p.m.
Voting Deadline	July 7, 2010 at 5:00 p.m.
Confirmation Hearing	July 20, 2010 at 10:30 a.m.

15. Also summarized below are the various exhibits cited throughout this Motion:

	Exhibit / Relevant Document
Proposed Order	Exhibit A
Proposed Disclosure Statement	Exhibit 1 to the Proposed Order
Plan	Exhibit A to the Proposed Disclosure Statement
Notice of the Disclosure Statement Hearing	Exhibit 2 to the Proposed Order
Notice of the Confirmation Hearing	Exhibit 3 to the Proposed Order
Ballots	
Form of General Unsecured Ballot	Exhibit 4-1 to the Proposed Order
Form of General Ballot	Exhibit 4-2 to the Proposed Order
Form of Multiclass Master Ballot	Exhibit 4-3 to the Proposed Order
Form of Multiclass Beneficial Ballot	Exhibit 4-4 to the Proposed Order
Form of Class 3 Senior Subordinated Notes Claims Master Ballot	Exhibit 4-5 to the Proposed Order
Form of Class 3 Senior Subordinated Notes Claims Beneficial Ballot	Exhibit 4-6 to the Proposed Order
Form of Class 18 REIT Series Master Ballot	Exhibit 4-7 to the Proposed Order
Form of Class 18 REIT Series Beneficial Ballot	Exhibit 4-8 to the Proposed Order

Form of Class 19 Preferred Equity Interests Master Ballot	Exhibit 4-9 to the Proposed Order
Form of Class 19 Preferred Equity Interests Beneficial Ballot	Exhibit 4-10 to the Proposed Order
Notices of Non-Voting Status	
Notice to Unimpaired Classes	Exhibit 5-1 to the Proposed Order
Notice to Impaired Classes	Exhibit 5-2 to the Proposed Order
Subscription Form	
Beneficial Subscription Form	Exhibit 6-1 to the Proposed Order

I. The Proposed Disclosure Statement

A. Approval of the Disclosure Statement

16. Pursuant to section 1125(b) of the Bankruptcy Code, a plan proponent must provide holders of impaired claims with "adequate information" regarding such plan. In that regard, section 1125(a)(1) of the Bankruptcy Code provides, in pertinent part, that:

> "adequate information" means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such hypothetical investor of the relevant class to make an informed judgment about the plan . . . .

17. Thus, a debtor's disclosure statement must, as a whole, provide information that is "reasonably practicable" to permit an "informed judgment" by impaired creditors entitled to vote on the plan. See In re Dakota Rail, Inc., 104 B.R. 138, 142 (Bankr. D. Minn. 1989). The bottom-line requirement of a disclosure statement is that it "must clearly and succinctly inform the average unsecured creditor what it is going to get, when it is going to get it,

and what contingencies there are to getting its distribution." In re Ferretti, 128 B.R. 16, 19 (Bankr. D.N.H. 1991).[5]

18. The bankruptcy court has broad discretion to determine the adequacy of the information contained in a disclosure statement. See Texas Extrusion Corp. v. Lockheed Corp. (In re Texas Extrusion Corp.), 844 F.2d 1142, 1157 (5th Cir. 1988); In re Oxford Homes, 204 B.R. 264 (Bankr. D. Me. 1997). Congress granted bankruptcy courts this discretion in order to facilitate effective reorganizations of debtors in a broad range of businesses, taking into account the broad range of circumstances that accompany chapter 11 cases. See H.R. Rep. No. 595, 95th Cong., 1st Sess. 408-09 (1977); see also In re Copy Crafters Quickprint Inc., 92 B.R. 973, 979 (Bankr. N.D.N.Y. 1988) (noting that the adequacy of a disclosure statement "is to be determined on a case-specific basis under a flexible standard that can promote the policy of chapter 11 towards fair settlement through a negotiation process between informed interested parties"). Accordingly, the determination of whether a disclosure statement contains adequate information is to be made on a case-by-case basis, focusing on the unique facts and circumstances of each case. See In re Phoenix Petroleum Co., 278 B.R. 385, 393 (Bankr. E.D. Pa. 2001).

19. In that regard, courts generally examine whether the disclosure statement contains, if applicable, the following types of information:

(a) the circumstances that gave rise to the filing of the bankruptcy petition;

(b) an explanation of the available assets and their value;

(c) the anticipated future of the debtor;

[5] Cf. Kirk v. Texaco, Inc., 82 B.R. 678, 681-82 (S.D.N.Y. 1988) ("Whether a disclosure statement required under [section 1125(b)] contains adequate information is *not* governed by otherwise applicable nonbankruptcy law, rule, or regulation") (citing 11 U.S.C. § 1125(d)).

(d) the source of the information provided in the disclosure statement;

(e) a disclaimer, which typically indicates that no statements or information concerning the debtor or its assets or securities are authorized, other than those set forth in the disclosure statement;

(f) the condition and performance of the debtor while in chapter 11;

(g) information regarding claims against the estate;

(h) a liquidation analysis setting forth the estimated return that creditors would receive under chapter 7;

(i) the accounting and valuation methods used to produce the financial information in the disclosure statement;

(j) information regarding the future management of the debtor, including the amount of compensation to be paid to any insiders, directors and/or officers of the debtor;

(k) a summary of the plan of reorganization or liquidation;

(l) an estimate of all administrative expenses, including attorneys' fees and accountants' fees;

(m) the collectibility of any accounts receivable;

(n) any financial information, valuations or pro forma projections that would be relevant to creditors' determinations of whether to accept or reject the plan;

(o) information relevant to the risks being taken by the creditors and interest holders;

(p) the actual or projected value that can be obtained from avoidable transfers;

(q) the existence, likelihood and possible success of nonbankruptcy litigation;

(r) the tax consequences of the plan; and

(s) the relationship of the debtor with its affiliates.

See, e.g., In re Scioto Valley Mortgage Co., 88 B.R. 168, 170-71 (Bankr. S.D. Ohio 1988); see also Oxford, 104 B.R. at 269 (using similar list). This list is not meant to be comprehensive; nor must a debtor provide all the information on the list. Rather, the bankruptcy court must decide what is appropriate in each case. See Ferretti, 128 B.R. at 18-19 (adopting similar list); see also

Phoenix Petroleum, 278 B.R. at 393 (making use of similar list but cautioning that "no one list of categories will apply in every case").

20. The Proposed Disclosure Statement contains information with respect to many applicable subject matter categories identified above, including, but not limited to, a discussion of:

(a) an overview of the Plan, including the Global Settlement Agreement (Arts. II and V);

(b) the anticipated future of the debtor (Art. V);

(c) an explanation of the available assets and their value (Art. IV, V, and VI);

(d) the operation of the Debtors' businesses (Art. IV);

(e) the indebtedness of the Debtors and information regarding pending claims and administrative expenses (Arts. II, IV and V);

(f) a disclaimer, which indicates that no statements or information concerning the debtors or their assets or securities are authorized, other than those set forth in the Proposed Disclosure Statement (Art. VIII);

(g) key events leading to the commencement of the Debtors' chapter 11 cases (Art. IV);

(h) significant events that occurred during the chapter 11 cases (Art. IV);

(i) an overview of a liquidation analysis under Chapter 7 (Ex. C);

(j) the accounting and valuation methods used to produce the financial information in the disclosure statement (Art. VI);

(k) information regarding the future management of the debtor, including the amount of compensation to be paid to any insiders, directors and/or officers of the debtor (Art. V);

(l) risk factors affecting the Debtors (Art. VIII);

(m) the relationship of the Debtors with their affiliates (Art. IV);

(n) any financial information, valuations or pro forma projections that would be relevant to creditors' determinations of whether to accept or reject the plan (Art. VI);

(o) the collectibility of any accounts receivable (Art. VI);

(p) the actual or projected value that can be obtained from avoidable transfers (Art. VI);

(q) the existence, likelihood and possible success of nonbankruptcy litigation (Art. IV);

(r) requirements for confirmation of the Plan (Art. XI); and

(s) tax consequences of the Plan (Art. IX).

21. In addition to the types of information that courts typically require, the Proposed Disclosure Statement also provides an overview of the chapter 11 process for those creditors who may be unfamiliar with chapter 11. Furthermore, the Proposed Disclosure Statement provides an analysis of the alternatives to the confirmation and consummation of the Plan, and concludes with a recommendation by the Debtors that creditors should vote to accept the Plan because it provides the highest and best recoveries to holders of claims against the Debtors.

22. Accordingly, the Debtors submit that the Proposed Disclosure Statement contains all or substantially all of the information typically considered by bankruptcy courts as necessary to provide voting creditors with sufficient information to make an informed judgment on the Plan and, therefore, respectfully request that the Court approve the Proposed Disclosure Statement as containing adequate information and meeting the requirements of section 1125 of the Bankruptcy Code.

B. Approval of the Notice of Disclosure Statement Hearing

23. The hearing to consider, among other things, approval of the Proposed Disclosure Statement is scheduled for **May 19, 2010** at **11:30 a.m. (Eastern Time)** (the "Disclosure Statement Hearing"). The deadline to object or respond to approval of the Proposed

Disclosure Statement is **May 13, 2010** at **4:00 p.m. (Eastern Time)** (the "Disclosure Statement Objection Deadline").

24. Rule 3017(a) of the Bankruptcy Rules provides as follows:

> [A]fter a disclosure statement is filed in accordance with Rule 3016(b), the court shall hold a hearing on at least 28 days' notice to the debtor, creditors, equity security holders and other parties in interest as provided in Rule 2002 to consider the disclosure statement and any objections or modifications thereto. The plan and the disclosure statement shall be mailed with the notice of the hearing only to the debtor, any trustee or committee appointed under the Code, the Securities and Exchange Commission and any party in interest who requests in writing a copy of the statement or plan.

25. Bankruptcy Rules 2002(b) and (d) require notice to all creditors, indenture trustees, and shareholders of the time set for filing objections to, and the hearing to consider the approval of, a disclosure statement. In accordance with the foregoing, on April 14, 2010, the Debtors filed a notice of the Disclosure Statement Hearing and the Disclosure Statement Objection Deadline in the form annexed to the Proposed Order as Exhibit 2 (the "Disclosure Statement Notice"), with service provided by electronic and/or first class mail on: (i) the U.S. Trustee; (ii) counsel for the Creditors' Committee, (iii) counsel for the Equity Committee, (iv) the Securities and Exchange Commission (the "SEC"); (v) the District Director of the Internal Revenue Service for the District of Delaware (the "IRS"); (vi) the United States District Attorney for the District of Delaware (the "Dep't of Justice"), (vii) any other known holders of claims against or equity interests in the Debtors, and (viii) all parties who have requested to receive notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002.

26. In accordance with Bankruptcy Rule 3017(a), the Debtors shall provide, by electronic and/or first class mail, a copy of the Proposed Disclosure Statement and the Plan with the Disclosure Statement Notice to (i) the U.S. Trustee; (ii) counsel to the Creditors'

Committee; (ii) counsel to the Equity Committee; (iv) the SEC; and (v) any party in interest who specifically requests such documents in the manner specified in the Disclosure Statement Notice. Copies of the Proposed Disclosure Statement and Plan also are on file with the Office of the Clerk of the Bankruptcy Court for review during normal business hours and available at the Debtors' claims agent's website at www.kccllc.net/wamu.

C. Approval of Procedures for the Filing of Objections to the Disclosure Statement

27. As noted above, the Disclosure Statement Objection Deadline is **May 13, 2010** at **4:00 p.m. (Eastern Time)**. Pursuant to Bankruptcy Rule 2002(b), the Debtors propose the following procedures for parties to object or respond to this Motion (the "Disclosure Statement Objection Procedures"):

28. Objections and responses, if any, to this Motion, must (a) be in writing, (b) conform to the Bankruptcy Rules and the Local Rules, (c) set forth the name of the objecting party, the nature and amount of claims or interests held or asserted by the objecting party against the Debtors' estates or property, and (d) provide the basis for the objection and the specific grounds therefor.

29. Registered users of the Bankruptcy Court's case filing system must electronically file their objections and responses. All other parties in interest must file their objections and responses in writing with the Bankruptcy Court, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 (Attn: Chambers of the Hon. Mary F. Walrath).

30. Any objection or response also must be served upon the following parties so as to be received no later than the Disclosure Statement Objection Deadline:

Debtors Washington Mutual, Inc. 925 Fourth Avenue Seattle, Washington 98104 Attn: Charles Edward Smith, Esq.	***Office of the U.S. Trustee*** Office of the U.S. Trustee for the D. Del. 844 King Street, Suite 2207, Lockbox 35 Wilmington, Delaware 19899-0035 Attn: Joseph McMahon, Esq.
Counsel to the Debtors Weil, Gotshal & Manges LLP 767 Fifth Avenue New York, New York 10153 Attn: Brian S. Rosen, Esq.	***Co-Counsel to the Debtors*** Richards Layton & Finger P.A. One Rodney Square 920 North King Street Wilmington, Delaware 19899 Attn: Mark D. Collins, Esq.
Special Litigation and Conflicts Counsel to the Debtors Quinn Emanuel Urquhart & Sullivan, LLP 55 Madison Avenue, 22nd Floor New York, New York 10010 Attn: Peter Calamari, Esq.	***Counsel to the Equity Committee*** Ashby & Geddes, P.A. 500 Delaware Avenue, 8th Floor P.O. Box 1150 Wilmington, Delaware 19899 Attn: William P. Bowden, Esq.
Counsel to the Creditors' Committee Akin Gump Stauss Hauer & Feld LLP One Bryant Park New York, New York 10036 Attn: Fred S. Hodara, Esq.	***Co-Counsel to the Creditors' Committee*** Pepper Hamilton LLP Hercules Plaza Ste 5100 1313 N. Market Street Wilmington, Delaware 19801 Attn: David B. Stratton, Esq.
Counsel to JPMorgan Chase Sullivan & Cromwell LLP 125 Broad Street New York, New York 10004 Attn: Stacey R. Friedman, Esq.	***Co-Counsel to JPMorgan Chase*** Landis Rath & Cobb LLP 919 Market Street, Suite 1800 P.O. Box 2087 Wilmington, DE 19899 Attn: Adam G. Landis, Esq.

(collectively, the "Notice Parties").

31. Requiring that objections and responses to the Proposed Disclosure Statement be filed and served in accordance with the proposed Disclosure Statement Objection Procedures will afford the Court, the Debtors, and other parties in interest sufficient time before the Disclosure Statement Hearing to consider and potentially resolve objections and responses to the Proposed Disclosure Statement. Based upon the foregoing, the Debtors request that the

Court find the Disclosure Statement Objection Procedures comply with Bankruptcy Rules 2002 and 3017(a).

II. The Solicitation Procedures

32. In connection with the Proposed Disclosure Statement and Plan, the Debtors propose to implement the following solicitation and balloting procedures, and have retained Kurtzman Carson Consultants LLC ("KCC"), as the Debtors' claims, solicitation, and balloting agent.[6]

A. Parties Entitled to Vote

33. Section 1126(f) of the Bankruptcy Code provides that, for the purposes of soliciting votes in connection with the confirmation of a plan of reorganization, "a class that is not impaired under a plan, and each holder of a claim or interest of such class, are conclusively presumed to have accepted the plan, and solicitation of acceptances with respect to such class from the holders of claims or interests of such class is not required." Section 1126(g) of the Bankruptcy Code provides that "a class is deemed not to have accepted a plan if such plan provides that the claims or interests of such class do not entitle the holders of such claims or interests to receive or retain any property under the plan on account of such claims or interests."

34. On December 19, 2008, the Debtors filed their schedules of assets and liabilities and later amended these schedules pursuant to filings on January 27, 2009, and February 24, 2009 [Docket Nos. 475, 477, 619, and 709] (collectively, the "Schedules"). By order, dated January 30, 2009 [Docket No. 632], the Court established **March 31, 2009** at **5:00 p.m. (Eastern Time)** as the deadline for any parties-in-interest, including Governmental

[6] *Order Pursuant to 28 U.S.C. § 156(c) and Local Rule 2002-1(f) Authorizing (I) Employment and Retention of Kurtzman Carson Consultants LLC as Claims and Noticing Agent for the Debtors and (II) Appointment of Kurtzman Carson Consultants LLC as Agent of the Bankruptcy Court*, dated October 31, 2008 [Docket No. 202].

Units (as defined by section 101(27) of the Bankruptcy Code) to file a proof of claim against the Debtors (the "Bar Date"). Over 3,750 proofs of claim have been filed against the Debtors. To date, approximately 1,100 claims have been withdrawn or disallowed by the Bankruptcy Court.

35. Based upon the Debtors' Schedules, the proofs of claim filed in these chapter 11 cases, and the structure of the Debtors' Plan, the Debtors have created 21 classes of claims and equity interests. Of those 21 classes, the Debtors submit that the following Classes are impaired but are entitled to receive distributions under the Plan and, therefore, may vote, subject to certain exceptions discussed below (collectively, the "Voting Classes"):

Class	Description
Class 2	Senior Notes Claims
Class 3	Senior Subordinated Notes Claims
Class 12	General Unsecured Claims
Class 14	CCB-1 Guarantees Claims
Class 15	CCB-2 Guarantees Claims
Class 16	PIERS Claims
Class 17	Subordinated Claims
Class 18	REIT Series
Class 19	Preferred Equity Interests

36. A creditor who holds a claim or interest (as applicable) in a Voting Class, is nonetheless not entitled to vote to the extent that

(a) as of the Record Date (as defined below), the outstanding amount of such creditor's claim is not greater than zero ($0.00);

(b) as of the Record Date, such creditor's claim has been disallowed, expunged, disqualified, or suspended;

(c) such creditor did not timely file a proof of claim by the Bar Date (or did not receive an order of the Bankruptcy Court at least five (5) calendar days prior to the Voting Deadline (as defined herein) deeming such claim timely) and the Debtors scheduled such creditor's claim as contingent, unliquidated, or disputed; or

(d) such creditor's claim is subject to an objection or request for estimation as of the Record Date.

37. The Plan does not impair certain claims and provides for no recovery to certain other claims and interests. Pursuant to sections 1126(f) and (g), the holders of such claims and interests are deemed to either assume or reject the Plan and, accordingly, are not entitled to vote (collectively, the "Non-Voting Creditors and Interest Holders").

38. Holders of claims or equity interests in the following classes, constitute Non-Voting Creditors and Interest Holders who are not entitled to vote:

Class	Description	Impairment	Acceptance / Rejection
Class 1	Priority Non-Tax Claims	Unimpaired	Deemed to accept
Class 4	WMI Medical Plan Claims	Unimpaired	Deemed to accept
Class 5	JPMC Rabbi Trust / Policy Claims	Unimpaired	Deemed to accept
Class 6	Other Benefit Plan Claims	Unimpaired	Deemed to accept
Class 7	Qualified Plan Claims	Unimpaired	Deemed to accept
Class 8	WMB Vendor Claims	Unimpaired	Deemed to accept
Class 9	Visa Claims	Unimpaired	Deemed to accept
Class 10	Bond Claims	Unimpaired	Deemed to accept
Class 11	WMI Vendor Claims	Unimpaired	Deemed to accept
Class 13	Convenience Claims	Unimpaired	Deemed to accept
Class 20	Dime Warrants	Impaired	Deemed to reject
Class 21	Common Equity Interests	Impaired	Deemed to reject

39. Parties that are not listed in the Debtors' Schedules as holding a liability of either of the Debtors and have not timely filed a proof of claim by the Bar Date (or received relief therefrom) shall not be entitled to vote.

B. Temporary Allowance / Disallowance of Claims

40. Pursuant to section 1126(a) of the Bankruptcy Code, the holder of an "allowed" claim may accept or reject a chapter 11 plan. A class of claims accepts a plan if such plan has been accepted by creditors that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors that voted. Bankruptcy Rule 3018(a) provides that the court may temporarily allow a claim in an amount that the court deems appropriate for the purpose of such claim holder accepting or rejecting a plan.

41. The Debtors propose that, for the purpose of voting only, each claim within the Voting Classes be temporarily allowed in an amount equal to the amount of such claim set forth in the Schedules, subject to the following exceptions:

(a) If a proof of claim was timely filed in an amount that is liquidated, non-contingent, and undisputed, such claim is temporarily allowed for voting purposes in the amount set forth on the proof of claim, unless such claim is disputed as set forth in subparagraph (g) below;

(b) If a proof of claim was timely filed in an amount that is contingent or unliquidated, such claim is accorded one vote and valued temporarily in the amount of one dollar ($1.00), unless such claim is disputed as set forth in subparagraph (g) below;

(c) If a claim has been estimated or otherwise allowed for voting purposes by order of the Bankruptcy Court, such claim is temporarily allowed in the amount so estimated or allowed by the Bankruptcy Court;

(d) If a claim is listed in the Schedules as contingent, unliquidated, or disputed and a proof of claim was not (i) filed by the Bar Date or (ii) deemed timely filed by an order of the Bankruptcy Court prior to the Voting Deadline, such claim is disallowed for voting purposes and for purposes of allowance and distribution pursuant to Bankruptcy Rule 3003(c);

(e) If a claim is listed in the Schedules or on a timely filed proof of claim as contingent, unliquidated, or disputed in part, such claim is temporarily allowed in the amount that is liquidated, non-contingent, and undisputed, unless such claim is disputed as set forth in subparagraph (g) below;

(f) If a claim has been filed against multiple Debtors, each and every such related claim filed or to be filed in the chapter 11 cases is deemed filed against the consolidated Debtors and is deemed one claim against and obligation of the deemed consolidated Debtors and such claim is accorded one vote for voting purposes; and

(g) If the Debtors have filed an objection to or request for estimation of a claim on or before the Record Date, such claim is temporarily disallowed, except as ordered by the Court before the Voting Deadline; **provided, however**, that, if the Debtors' objection seeks to reclassify or reduce the allowed amount of such claim, then such claim is temporarily allowed for voting purposes in the reduced amount and/or as reclassified, except as may be ordered by the Court before the Voting Deadline.

42. If any creditor seeks to challenge the allowance of its claim for voting purposes, the Debtors propose that such creditor file with the Court a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such claim for voting purposes in a different amount (a "Rule 3018(a) Motion"). Upon the filing of any such motion, the Debtors propose that such creditor's Ballot be counted in accordance with the above-designated guidelines, unless temporarily allowed in a different amount by an order of the Court entered prior to or concurrent with entry of an order confirming the Plan. The Debtors propose that any Rule 3018(a) Motion must be filed on or before the tenth (10th) day after service of notice of an objection or request for estimation, if any, as to that specific claim, but in any event no later than May 28, 2010.

C. The Record Date

43. Bankruptcy Rule 3017(d) provides that, for the purposes of soliciting votes in connection with the confirmation of a plan of reorganization, "creditors and equity security holders shall include holders of stock, bonds, debentures, notes and other securities of record on the date the order approving the disclosure statement is entered or another date fixed by the court, for cause, after notice and a hearing." Bankruptcy Rule 3018 (a) provides as follows: "A plan may be accepted or rejected in accordance with § 1126 of the Code within the time fixed by the Court pursuant to Rule 3017."

44. In accordance with these rules, the Debtors request that this Court exercise its power under such rules to set **May 19, 2010** as the Record Date for purposes of determining which creditors are entitled to vote on the Plan. In addition, the Debtors request that the Court establish the Record Date as the date for determining which creditors and equity interest holders in non-voting classes are entitled to receive an appropriate Notice of Non-Voting Status.

45. The Debtors propose that the record holders of claims be determined, as of the Record Date, based upon the records of the Depository Trust Company, the records of WMI, and the records of KCC. Accordingly, any notice of claim transfer received by a record holder of the Debtors' debt securities, WMI, KCC, or other similarly situated registrar after the Record Date shall not be recognized for purposes of voting or receipt of Plan confirmation materials.

46. With respect to transfers of claims filed pursuant to Bankruptcy Rule 3001, the Debtors propose that the holder of a claim as of the Record Date shall be the transferor of such claim unless the documentation evidencing such transfer was docketed by the Court on or before the Record Date and no timely objection with respect to such transfer was filed by the transferor.

47. The Debtors believe that the Record Date is appropriate, as such date facilitates the determination of which creditors are entitled to vote on the Plan or, in the case of non-voting classes of creditors and equity interest holders, to receive the Notice of Non-Voting Status.

D. Approval of Solicitation Packages And Procedures For Distribution Thereof

48. Bankruptcy Rule 3017(d) lists the materials that must be provided to holders of claims and equity interests for the purpose of soliciting votes on a debtor's chapter 11 plan and providing adequate notice of the hearing to consider confirmation thereof. Specifically, Bankruptcy Rule 3017(d) provides:

> Upon approval of a disclosure statement, — except to the extent that the court orders otherwise with respect to one or more unimpaired classes of creditors or equity security holders — the debtor in possession, trustee, proponent of the plan, or clerk as the court orders shall mail to all creditors and equity security holders, and in a chapter 11 reorganization case shall transmit to the United States trustee,
>
> (1) the plan or a court-approved summary of the plan;
>
> (2) the disclosure statement approved by the court;

(3) notice of the time within which acceptances and rejections of the plan may be filed; and

(4) any other information as the court may direct, including any court opinion approving the disclosure statement or a court-approved summary of the opinion.

49. Upon approval of the Proposed Disclosure Statement (as approved, the "Disclosure Statement") as containing adequate information pursuant to section 1125 of the Bankruptcy Code, the Debtors propose to mail or cause to be mailed solicitation packages (the "Solicitation Packages") containing the information described below, on or about **May 26, 2010,** but not later than five (5) business days after the entry of an order approving the Proposed Disclosure Statement (the "Solicitation Date") to (a) the U.S. Trustee, (b) counsel to the Creditors' Committee; (c) counsel to the Equity Committee; (d) the SEC; (e) the IRS, (f) the Dep't of Justice, (g) any other party requesting service of pleadings in these chapter 11 cases pursuant to Rule 2002, (h) all creditors who are listed on the Debtors' Schedules or who have filed a proof of claim by the Bar Date, and (i) all equity interest holders. **If a creditor files a timely proof of claim at least twenty (20) days before the Voting Deadline (as defined herein), but after the Solicitation Date, and such creditor did not previously receive a Solicitation Package, the Debtors shall send the creditor a Solicitation Package as soon as reasonably practicable.**

50. In accordance with Bankruptcy Rule 3017(d), Solicitation Packages shall contain copies of –

(a) the Proposed Order, as entered by the Bankruptcy Court (the "Disclosure Statement Order") (without attachments);

(b) the Confirmation Hearing Notice (as defined herein);

(c) a CD-ROM containing the Disclosure Statement, which shall include the Plan and the Global Settlement Agreement as attachments (except as provided below); and

(d) if the recipient is entitled to vote on the Plan (as set forth herein), a Ballot (as defined herein) customized for such holder and conforming to Official Bankruptcy Form No. 14, in the form described below, and a postage-prepaid return envelope[7]; **OR**

(e) if the recipient is entitled to exercise Subscription Rights (as defined below), a Ballot customized for such holder and conforming to Official Bankruptcy Form No. 14, in the form described below, a Subscription Form, in the form described below, and a postage-prepaid return envelope; **OR**

(f) if the recipient is a Non-Voting Creditor or Interest Holder, then **only** the Confirmation Hearing Notice and a Notice of Non-Voting Status, as defined and in one of the forms described below.

51. Because of significantly reduced costs and environmental benefits, the Debtors propose to send the Disclosure Statement, Global Settlement Agreement, and Plan in a CD-ROM format instead of printed hard copies. Moreover, the Plan, Global Settlement Agreement, and Disclosure Statement will be available via the Internet at www.kccllc.net/wamu. However, if service by CD-ROM imposes a hardship for any creditor entitled to receive a copy of the Plan and the Disclosure Statement (e.g., the creditor does not own or have access to a computer or the Internet), the Debtors propose that such creditor may submit to the Debtors a signed certification of hardship (with supporting documentation, as appropriate) explaining why a paper copy should be provided to the creditor at the Debtors' expense. Upon receipt of a certification of hardship, the Debtors will evaluate whether an actual hardship appears to exist and, in the event that it does, the Debtors will provide such creditor with a paper copy of the Plan, the Global Settlement Agreement, and the Disclosure Statement at no cost to the creditor within five (5) business days thereafter. If the Debtors determine that there is insufficient

[7] Official Bankruptcy Form No. 14 can be found at www.uscourts.gov/bkforms/index.html, the Official Website for the United States Bankruptcy Courts.

information to establish the existence of a hardship, the Debtors will consult with the Creditors' Committee prior to making a final determination to deny any such request.

52. The Debtors anticipate that the United States Postal Service may return some Solicitation Packages as undeliverable. The Debtors submit that it is costly and wasteful to mail Solicitation Packages to the same addresses from which mail previously was returned as undeliverable. Therefore, the Debtors request the Court waive the strict notice rule and excuse the Debtors from mailing Solicitation Packages to addresses from which the Debtors received mailings returned as undeliverable, unless the Debtors are provided with a new mailing addresses before the Solicitation Date.

53. Although the Debtors have made, and will make, every effort to ensure that the Solicitation Packages as described herein and as approved by the Bankruptcy Court are in final form, the Debtors nonetheless request authority to make non-substantive changes to the Disclosure Statement, the Plan, and related documents without further order of the Court, including ministerial changes to correct typographical and grammatical errors, and to make conforming changes among the Disclosure Statement, the Plan, and any other materials in the Solicitation Packages prior to mailing.

54. The Debtors submit that they have shown good cause for implementing the proposed notice and service procedures and request the Bankruptcy Court's approval thereof.

E. Approval of Forms Of Ballots and Subscription Form

55. As set forth above, Bankruptcy Rule 3017(d) requires the Debtors to mail a form of ballot, which substantially conforms to Official Form No. 14, to "creditors and equity security holders entitled to vote on the plan." The Debtors propose to distribute to creditors who hold claims in the Voting Classes and are otherwise eligible to vote, as described below, one or more Ballots substantially in the forms annexed to the Proposed Order as Exhibits 4-1, 4-2, 4-3,

4-4, 4-5, 4-6, 4-7, 4-8, 4-9, and 4-10, which are incorporated herein by reference. The forms for the Ballots are based on Official Form No. 14, but, have been modified to address the particular aspects of these chapter 11 cases and to include certain additional information that the Debtors believe is relevant and appropriate for each class of claims entitled to vote.

56. To holders of allowed General Unsecured Claims in Class 12 and allowed Subordinated Claims in Class 17, the Debtors propose to send ballots substantially in the form annexed to the Proposed Order as Exhibit 4-1 (the "General Unsecured Ballot") and Exhibit 4-2 (the "General Ballot"), respectively. To holders of allowed Senior Notes Claims, CCB-1 Guarantees Claims, CCB-2 Guarantees Claims, and PIERS Claims, in Classes 2, 14, 15, and 16, respectively, the Debtors propose to send Ballots in substantially the same form as the General Ballot; **provided, however**, that, with respect to entities that hold a claim for the benefit of one of more third parties (collectively, the "Voting Nominees"), the Debtors shall provide each Voting Nominee with a master ballot, substantially in the form attached to the Proposed Order as Exhibit 4-3 (the "Multiclass Master Ballot"), and Solicitation Packages for each beneficial holder represented by the Voting Nominee which shall contain a Ballot substantially in the form attached to the Proposed Order as Exhibit 4-4 (the "Multiclass Beneficial Ballot").

57. With respect to holders of allowed REIT Series in Class 18, the Debtors propose to send Ballots in substantially the same form as the General Ballot; **provided, however**, that, with respect to Voting Nominees, the Debtors shall provide each Voting Nominee with a master ballot, substantially in the form attached to the Proposed Order as Exhibit 4-7 (the "Class 18 Master Ballot"), and Solicitation Packages for each beneficial holder represented by the Voting Nominee which shall contain a Ballot substantially in the form attached to the Proposed Order as Exhibit 4-8 (the "Class 18 Beneficial Ballot").

58. Similarly, to holders allowed Preferred Equity Interests in Class 19, the Debtors propose to send Ballots in substantially the same form as the General Ballot; **provided, however**, that, with respect to Voting Nominees, the Debtors shall provide each Voting Nominee with a master ballot, substantially in the form attached to the Proposed Order as Exhibit 4-9 (the "Class 19 Master Ballot" and, together with the Multiclass Master Ballot and the Class 18 Master Ballot, the "Master Ballots"), and Solicitation Packages for each beneficial holder represented by the Voting Nominee which shall contain a Ballot substantially in the form attached to the Proposed Order as Exhibit 4-10 (the "Class 19 Beneficial Ballot" and, together with the Multiclass Beneficial Ballot and the Class 18 Beneficial Ballot, the "Beneficial Ballots").

59. The Voting Nominee may elect to (a) "prevalidate" the Beneficial Ballot, forward the Solicitation Package to the beneficial holder, and instruct the beneficial holder to return the Beneficial Ballot to KCC or (b) forward the Solicitation Package to the beneficial holder with instructions for the beneficial holder to return the Beneficial Ballot to the Voting Nominee. To be "prevalidated," a Beneficial Ballot shall indicate the name and address of the beneficial holder, the amount of the underlying securities, and the corresponding account numbers. If the Voting Nominee elects the latter course of action, upon return of the Beneficial Ballots, the Voting Nominee shall tabulate the Beneficial Ballots on a Master Ballot and return the Master Ballot to KCC. In either instance, the Voting Nominee shall provide the beneficial holder with the appropriate materials within **five (5) business** days of receipt of the Solicitation Packages.

60. To holders of allowed Senior Subordinated Notes Claims in Class 3, the Debtors propose to send Ballots in substantially the same form as the General Ballot; **provided, however**, that, with respect to Voting Nominees, the Debtors shall provide each Voting Nominee

with a Ballot substantially in the form attached to the Proposed Order as Exhibit 4-5 (the Class 3 Master Ballot") and Solicitation Packages for each beneficial holder represented by the Voting Nominee which shall contain a Ballot substantially in the form attached to the Proposed Order as Exhibit 4-6 (the Class 3 Beneficial Ballot"). With respect to holders of allowed Senior Subordinated Notes Claims, the Voting Nominee must forward the Solicitation Package to the beneficial holder with instructions for the beneficial holder to return the Beneficial Ballot to the Voting Nominee, and then, upon return of the Class 3 Beneficial Ballots, the Voting Nominee shall tabulate the Class 3 Beneficial Ballots on a Class 3 Master Ballot and return the Class 3 Master Ballot to KCC.

61. The Debtors shall reimburse each Voting Nominee for its reasonable and customary out-of-pocket external costs and expenses associated with distribution of the Solicitation Packages and tabulation of the Beneficial Ballots.

62. For the Court's reference the table below summarizes the type of ballots the Debtors generally anticipate sending to voting creditors.

Class	Description	Ballot
Class 2	Senior Notes Claims	Multiclass Master / Beneficial Ballots Exhibits 4-3 and 4-4
Class 3	Senior Subordinated Notes Claims	Class 3 Master / Beneficial Ballots Exhibits 4-5 and 4-6
Class 12	General Unsecured Claims	General Unsecured Ballot Exhibit 4-1
Class 14	CCB-1 Guarantees Claims	Multiclass Master / Beneficial Ballots Exhibits 4-3 and 4-4
Class 15	CCB-2 Guarantees Claims	Multiclass Master / Beneficial Ballots Exhibits 4-3 and 4-4
Class 16	PIERS Claims	Multiclass Master / Beneficial Ballots Exhibits 4-3 and 4-4
Class 17	Subordinated Claims	General Ballot Exhibit 4-2
Class 18	REIT Series	Class 18 Master / Beneficial Ballots Exhibits 4-7 and 4-8
Class 19	Preferred Equity Interests	Class 19 Master / Beneficial Ballots Exhibits 4-9 and 4-10

63. To all holders of allowed PIERS Claims that are entitled to participate in the rights offering, as set forth in the Plan and as detailed below, the Debtors will send a subscription form allowing such creditors to participate in such rights offering. To such claims holders, the Debtors propose to send a beneficial holder subscription form, substantially in the form attached to the Proposed Order as Exhibit 6-1 (the "Subscription Form").

64. To the Non-Voting Creditors whose claims are unimpaired pursuant to the Plan and, therefore, are deemed to accept, the Debtors will send a notice of non-voting status substantially in the form attached to the Proposed Order as Exhibit 5-1 (the "Notice of Non-Voting Status – Unimpaired Class"). To the Non-Voting Creditors and Interest Holders whose claims are impaired and not entitled to receive distributions under the Plan and, therefore, are deemed to reject, the Debtors will send a notice of non-voting status substantially in the form attached to the Proposed Order as Exhibit 5-2 (the "Notice of Non-Voting Status – Impaired Class").

65. With respect to service of the Notice of Non-Voting Status – Impaired Class on the holders of the Debtors' publicly-traded stock as reflected in the records maintained by the Debtors' transfer agent(s) (the "Non-Voting Securities"), the Debtors propose to send the Notices of Non-Voting Status as follows:

(a) the Debtors shall provide any registered holders of Non-Voting Securities with a copy of the Notice of Non-Voting Status – Impaired Classes by first-class mail;

(b) the Debtors shall provide the nominees with sufficient copies of the Notice of Non-Voting Status – Impaired Classes to forward to the Beneficial Holders of the Non-Voting Securities; and

(c) the nominees shall then forward the Notice of Non-Voting Status – Impaired Classes or copies thereof to the Beneficial Holders of the Non-Voting Securities within five (5) business days of the receipt by such Non-Voting Nominees of the Notice of Non-Voting Status – Impaired Classes.

F. The Voting Deadline

66. Bankruptcy Rule 3017(c) provides that, on or before approval of a disclosure statement, the court shall fix a time within which the holders of claims or equity security interests may accept or reject a plan. The Debtors anticipate completing substantially all mailing of the Solicitation Packages by the Solicitation Date (i.e., **May 26, 2010**). Based on such schedule, the Debtors propose, that, in order to be counted as a vote to accept or reject the Plan, each Ballot must be properly executed, completed, and delivered to KCC (i) by first-class mail, in the return envelope provided with each Ballot, (ii) by overnight courier, or (iii) by hand delivery, so that it is actually received by KCC no later than **5:00 p.m. (Pacific Time) on July 7, 2010** (the "Voting Deadline"). The Debtors submit that such solicitation period is a sufficient period within which creditors can make an informed decision whether to accept or reject the Plan.

G. Tabulation Procedures

67. In addition, the Debtors request that the following procedures apply with respect to tabulating Ballots:

(a) Whenever a creditor casts more than one Ballot voting the same claim(s) before the Voting Deadline, the last valid Ballot received on or before the Voting Deadline shall be deemed to reflect the voter's intent, and thus, to supersede any prior Ballot.

(b) Whenever a creditor casts a Ballot that is properly completed, executed, and timely returned to KCC, but does not indicate either an acceptance or rejection of the Plan, the Ballot shall be deemed to reflect the voter's intent to accept the Plan.

(c) Except with respect to Master Ballots, whenever a creditor casts a Ballot that is properly completed, executed, and timely returned to KCC, but indicates both an acceptance and a rejection of the Plan, the Ballot shall be deemed to reflect the voter's intent to accept the Plan.

(d) A holder of claims shall be deemed to have voted the full amount of its claim in each class and shall not be entitled to split its vote within a particular class. Any Ballot (except a Master Ballot) that partially accepts and partially rejects the Plan shall be deemed to reflect the voter's intent to accept the Plan.

(e) Whenever a holder of claims casts Ballots received by KCC on the same day, but which are voted inconsistently, such Ballots shall be deemed to reflect the voter's intent to accept the Plan.

(f) The following Ballots shall not be counted:

(1) Any Ballot received after the Voting Deadline, unless the Debtors shall have granted an extension of the Voting Deadline in writing with respect to such Ballot,

(2) Any Ballot that is illegible or contains insufficient information to permit the identification of the claimant,

(3) Any Ballot cast by a person or entity that does not hold a claim in a class that is entitled to vote to accept or reject the Plan,

(4) Any Ballot cast by a person who is not entitled to vote, even if such individual holds a claim in a voting class,

(5) Any unsigned Ballot,

(6) Any Ballot which the Bankruptcy Court determines, after notice and a hearing, that such vote was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code, or

(7) Any Ballot transmitted to KCC by facsimile or other means not specifically approved herein.

(g) If a party that is entitled to vote has claims (either scheduled or filed or both) against both of the Debtors based on the same transaction (e.g., a claim against one Debtor that was guaranteed by another Debtor), the Debtors propose that said party shall be entitled to one vote for numerosity purposes in a dollar amount based upon its claim against one of the Debtors.

(h) A holder of claims in more than one (1) class must use separate Ballots for each class of claims.

68. With respect to Master Ballots submitted by Voting Nominees or pre-validated ballots submitted by or through the Voting Nominees, the Debtors request that the Court direct as follows:

(a) All Voting Nominees to which beneficial holders return their Ballots shall summarize on the Master Ballot all Ballots cast by the Beneficial Holders and return the Master Ballot to KCC; provided, however, that each Voting Nominee shall be required to retain the Ballots cast by the respective beneficial holders for inspection for a period of at least one (1) year following the Voting Deadline;

(b) Votes cast by the Beneficial Holders through a Voting Nominee by means of a Master Ballot or prevalidated Ballot shall be applied against the positions held by such Voting Nominee as evidenced by a list of record holders provided by The Depository Trust Company and compiled as of the Record Date; provided, however, that votes submitted by a Voting Nominee on a Master Ballot or prevalidated Ballot shall not be counted in excess of the position maintained by such Voting Nominee as of the Record Date;

(c) To the extent that there are over-votes submitted by a Voting Nominee, whether pursuant to a Master Ballot or prevalidated Ballot, KCC will attempt to reconcile discrepancies with the Voting Nominee;

(d) To the extent that over-votes on a Master Ballot or prevalidated Ballot are not reconciled prior to the preparation of the vote certification, KCC will apply the votes to accept and to reject the Plan in the same proportion as

the votes to accept or reject the Plan submitted on the Master Ballot or prevalidated Ballot that contained the over-vote, but only to the extent of the position maintained by such Voting Nominee as of the Record Date;

(e) Multiple Master Ballots may be completed by a single Voting Nominee and delivered to KCC and such votes shall be counted, except to the extent that such votes are inconsistent with or are duplicative of other Master Ballots, in which case the latest dated Master Ballot received on or before the Voting Deadline shall supersede and revoke any prior Master Ballot; and

(f) Each beneficial holder shall be deemed to have voted the full amount of its claim.

69. To assist in the solicitation process, the Debtors request that the Court grant KCC the authority to contact parties that submit incomplete or otherwise deficient ballots to cure such deficiencies.

H. Rights Offering Procedures

70. The Debtors request that, with respect to the Rights Offering, the procedures detailed in Article XXXIII of the Plan shall apply. A summary of the procedures is as follows:[8]

(a) Holders of PIERS Claims as of the Record Date shall receive Subscription Rights entitling such holder to purchase its *pro rata* share of Additional Common Stock (i.e.: duly authorized common stock of Reorganized WMI to be issued as of the Effective Date of the Plan or as soon thereafter as is practicable on account of the Rights Offering) (except as otherwise permitted in the Backstop Commitment Agreement), if such holder possesses the right to purchase at least the minimum amount prescribed by the Backstop Commitment Agreement. Pursuant to the Rights Offering proposed in the Plan, a minimum aggregate of shares of Additional Common Stock having a value of $50,000,000 shall be available for purchase; provided, however, that such number of shares may be increased in accordance with the Backstop Commitment Agreement, with such increased amount to be fixed and disclosed by the Debtors by written notice no later than three (3) Business Days prior to the hearing on the Disclosure Statement.

[8] In the event of any inconsistency between the Rights Offering procedures as set forth in the Plan and the summary of such procedures as set forth in this Motion, the terms in the Plan shall govern.

(b) The Rights Offering shall commence on the date Ballots and Subscription Forms are mailed to holders of Allowed PIERS Claims. Each holder of Subscription Rights intending to participate in the Rights Offering must affirmatively elect to exercise its Subscription Rights and submit any required payment on or prior to the July 7, 2010 (the "Subscription Deadline"). The Debtors shall not be obligated to honor any such purported exercise received by KCC after the Subscription Deadline regardless of when the documents relating to such exercise were sent.

(c) Each holder of Subscription Rights shall be required to pay, on or prior to the Subscription Deadline, the Subscription Purchase Price multiplied by the number of shares of Additional Common Stock to be issued thereunder (the "Subscription Payment").

(d) In order to exercise Subscription Rights, each eligible holder thereof must make the election to exercise such rights on the Subscription Form in a specified amount, return such Subscription Form to KCC so that such Subscription Form is actually received by KCC on or before the Subscription Deadline, and pay to the Debtors on or before the Subscription Expiration Date an amount equal to the Subscription Payment.

(e) If KCC or the Debtors for any reason do not receive from a given holder of Subscription Rights (i) a Subscription Form pursuant to which such holder elected to exercise its Subscription Rights and (ii) immediately available funds as set forth above, such holder shall be deemed to have relinquished and waived its right to participate in the Rights Offering. The payments made in accordance with the Rights Offering shall be deposited and held by the Debtors in the Rights Offering Trust Account.

(f) The valid exercise of Subscription Rights shall be irrevocable. In order to facilitate the exercise of the Subscription Rights, on or about May 26, 2010, the Debtors will mail a Subscription Form to each holder of Subscription Rights as of the Record Date, together with appropriate instructions for the proper completion, due execution, and timely delivery of the Subscription Form, as well as instructions for payment.

71. The Debtors may adopt such additional detailed procedures consistent with the provisions of the Plan to more efficiently administer the exercise of the Subscription Rights.

72. All questions concerning the timeliness, viability, form, and eligibility of any exercise of Subscription Rights shall be determined by the Debtors, whose good-faith

determinations shall be final and binding. The Debtors, in their reasonable discretion, may waive any defect or irregularity, or permit a defect or irregularity to be corrected within such times as they may determine, or reject the purported exercise of any Subscription Rights. Elections on Ballots shall be deemed not to have been received or accepted until all irregularities have been waived or cured within such time as the Debtors determine in their reasonable discretion.

III. Confirmation Hearing

A. The Confirmation Hearing

73. Bankruptcy Rule 3017 (c) provides that, "on or before approval of the disclosure statement, the court shall … fix a date for the hearing on confirmation" of a debtor's chapter 11 plan. Pursuant to Bankruptcy Rule 2002(b), creditors must receive at least twenty-eight (28) days' notice of a confirmation hearing. In accordance with these rules, and in view of the Debtors' proposed solicitation schedule outlined herein, the Debtors request that a hearing on confirmation of the Plan (the "Confirmation Hearing") be scheduled for **July 20, 2010 at 10:30 a.m. (Eastern Time)**. The Confirmation Hearing may be adjourned or continued from time to time by the Court or the Debtors without further notice other than adjournments announced in open Court or as indicated in any notice of agenda of matters scheduled for hearing filed with the Court. The proposed date for the Confirmation Hearing is in compliance with the Bankruptcy Rules and the Local Rules, and will enable the Debtors to pursue confirmation of the Plan in a timely fashion.

B. Objection Procedures

74. Pursuant to Bankruptcy Rule 3020(b)(1), objections to confirmation of a plan must be filed and served "within a time fixed by the court." Bankruptcy Rule 2002(b) provides that parties must receive at least twenty-eight (28) days' notice of the deadline for filing

objections to confirmation. Accordingly, and based upon the proposed date of the Confirmation Hearing, the Debtors propose the deadline to object or respond to confirmation of the Plan to be **June 25, 2010** at **4:00 p.m. (Eastern Time)** (the "Plan Objection Deadline").

75. The Debtors request that objections and responses, if any, to confirmation of the Plan, (a) be in writing, (b) conform to the Bankruptcy Rules and the Local Rules, (c) set forth the name of the objecting party, the nature and amount of claims or interests held or asserted by the objecting party against the Debtors' estates or property, and (d) provide the basis for the objection and the specific grounds therefore. Likewise, registered users of the Bankruptcy Court's case filing system must electronically file their objections and responses. All other parties in interest must file their objections and responses in writing with the Bankruptcy Court, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 (Attn: Chambers of the Hon. Mary F. Walrath).

76. Any objection or response also must be served upon and received by the Notice Parties no later than the Plan Objection Deadline. Pursuant to Bankruptcy Rule 3020(b), "if no objection is timely filed, the [Bankruptcy] Court may determine that the plan has been proposed in good faith and not by any means forbidden by law without receiving evidence on such issues."

77. The Debtors submit that, if there are objections to confirmation, it will assist the Court and may expedite the Confirmation Hearing if the Debtors reply to any such objections. Accordingly, the Debtors request that they be authorized to file and serve replies or an omnibus reply to any such objections no later than **three (3) business days** prior to the Confirmation Hearing.

78. The Debtors respectfully request that the Court approve these procedures for filing objections to the Plan and replies thereto pursuant to Bankruptcy Rules 2002, 3017, and 3020.

C. Confirmation Hearing Notice

79. Pursuant to Bankruptcy Rule 3017(d), notice of a plan confirmation objection deadline and hearing must be provided to all creditors and equity security holders in accordance with Bankruptcy Rule 2002(b). Bankruptcy Rule 2002(b) sets forth certain additional parties who must receive notice as well.

80. In accordance with these procedural rules, the Debtors propose to provide to all such parties a copy of the Confirmation Hearing Notice setting forth (i) the Voting Deadline, (ii) the Plan Objection Deadline and procedures for filing objections and responses to confirmation of the Plan, and (iii) the time, date, and place for the Confirmation Hearing.

81. The foregoing procedures will generally provide parties in interest with more than 28 days' notice of the Plan Objection Deadline and Confirmation Hearing, and accordingly, should be approved.

NOTICE

82. The Debtors shall serve notice of this Motion on (i) the U.S. Trustee; (ii) counsel for the Creditors' Committee, (iii) counsel for the Equity Committee, and (iv) all parties entitled to receive notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002.

WHEREFORE the Debtors respectfully request that the Court enter an order granting the relief requested herein and such other and further relief as is just and proper.

Dated: April 23, 2010
Wilmington, Delaware

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