

1 John D. Fiero (CA Bar No. 136557)
2 Pachulski Stang Ziehl & Jones LLP
3 150 California Street, 15th Floor
4 San Francisco, CA 94111
5 Telephone: (415) 263-7000
6 Facsimile: (415) 263-7010
7 E-mail: jfiero@pszjlaw.com

8 Counsel to the Official
9 Committee of Unsecured Creditors

10 Randy Michelson (CA Bar No. 114095)
11 Michelson Law Group
12 220 Montgomery Street, Ste. 2100
13 San Francisco, CA 94104
14 Telephone: (415) 512-8600
15 Facsimile: (415) 512-8601
16 Email: randy.michelson@michelsonlawgroup.com

17 Counsel to the Chapter 11 Trustee
18 Randy Sugarman

19 **UNITED STATES BANKRUPTCY COURT**
20 **NORTHERN DISTRICT OF CALIFORNIA**
21 **SAN FRANCISCO DIVISION**

22 In re:
23 **YELLOW CAB COOPERATIVE, INC.,**
24
25 Debtor.

26 Case No.: 16-30063
27 Chapter 11

28 **DISCLOSURE STATEMENT IN
SUPPORT OF JOINT PLAN OF
REORGANIZATION (FEBRUARY 21,
2018)**

PRELIMINARY STATEMENT

29 Randy Sugarman, the duly-elected and acting Chapter 11 trustee (the "Trustee") for Yellow
30 Cab Cooperative, Inc. ("YCC" or the "Debtor") and the Official Committee of Unsecured Creditors
31 herein (the "Committee") jointly offer this Disclosure Statement ("Disclosure Statement") in support
32 of their contemporaneously-filed Joint Plan of Reorganization (February 21, 2018) (the "Plan")
33 pursuant to the provisions of Chapter 11 of the Bankruptcy Code. In this Disclosure Statement, the
34 Trustee and the Committee will be collectively referred to as the "Plan Proponents."

1 This Disclosure Statement provides information concerning the Debtor, the Trustee, the
2 Committee and the Plan, and includes a summary of the Debtor’s assets and liabilities, a summary of
3 what the holders of Allowed Claims and Allowed Interests will receive under the Plan, a discussion
4 of certain alternatives to the Plan, and a summary of the procedures necessary for Confirmation
5 (approval) of the Plan.¹

6 The Plan Proponents have asked the Bankruptcy Court to confirm the Plan and do so, if
7 applicable, in accordance with the provisions of Section 1129(b) of the Bankruptcy Code.

8 **ARTICLE I**

9 A. **Plan and Case Background**

10 On January 22, 2016 (the “Petition Date”), Yellow Cab Cooperative, Inc. (the “Debtor”)
11 commenced a case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).
12 The Debtor’s case is being administered in the United States Bankruptcy Court of the Northern
13 District of California, San Francisco Division, before the Honorable Dennis Montali.

14 This Disclosure Statement (the “Disclosure Statement”) contains information with respect to
15 the Plan Proponents’ proposed joint plan of reorganization (the “Plan”). A copy of the Plan is
16 attached hereto as **Exhibit A**. Except as otherwise provided herein, capitalized terms used in this
17 Disclosure Statement shall have the meanings set forth in the Plan.

18 Pursuant to section 1125 of the Bankruptcy Code, this Disclosure Statement is being
19 distributed to you for the purpose of enabling you to make an informed judgment about the Plan.
20 The Plan Proponents have examined various alternatives and, based on information contained in this
21 Disclosure Statement, and for the reasons set forth below, have concluded that the Plan provides the
22 best recovery to creditors.

23 The Disclosure Statement describes the Plan and contains information concerning, among
24 other matters: (1) the history, business, results of operations, management, properties and liabilities
25 of the Debtor; (2) the proposed conclusion of the liquidation of the Debtor pursuant to the terms of
26 the Plan, and (3) the proposed distribution to creditors and holders of Allowed Claims against the
27

28 ¹ Capitalized terms in this Disclosure Statement which are not otherwise defined herein shall bear
the definition and meaning ascribed to them in Article I of the Plan.

1 Debtor. The Plan Proponents request that you carefully review the contents of this Disclosure
2 Statement and the Plan (including the exhibits) before making a decision to accept or reject the Plan.
3 Particular attention should be paid to the provisions affecting or impairing your rights as a Creditor.

4 Your vote on the Plan is important. For the Plan to be accepted by a class of Claims, the
5 holders of two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of Allowed
6 Claims in such class who vote on the Plan must vote to accept the Plan.

7 Non-acceptance of the Plan may lead to a liquidation under chapter 7 of the Bankruptcy
8 Code, or to the confirmation of another plan. These alternatives may not provide for a distribution
9 of as much value to holders of Allowed Claims as the Plan will. Accordingly, the Plan Proponents
10 urge you to accept the Plan by completing and returning the enclosed ballot by no later than
11 _____ at 5:00 p.m. (Pacific Time).

12 B. Information Regarding the Plan

13 1. Plan is the Governing Document.

14 Although the Plan Proponents believe that this Disclosure Statement accurately describes the
15 Plan, all summaries of the Plan contained in this Disclosure Statement are qualified by the Plan itself
16 and the documents described therein (which shall be controlling). You are urged to read the Plan
17 and not just this Disclosure Statement.

18 2. Sources of Information.

19 Factual information, including all financial information contained in this Disclosure
20 Statement, has been provided by the Debtor, the Trustee, the Committee, or their professionals, or
21 has been obtained from the Debtor's records, except where otherwise specifically noted. None of
22 the Plan Proponents' attorneys, accountants or other professionals make any representation regarding
23 that information. The Plan Proponents do not represent or warrant that the information contained in
24 this Disclosure Statement is free from any inaccuracy. The Plan Proponents have, however,
25 attempted to present the information accurately and fairly, and the Plan Proponents believe that the
26 information is substantially accurate. The assumptions underlying the projections contained in this
27 Disclosure Statement concerning the sources and amounts of payments to Creditors and Interest
28 Holders represent the Plan Proponents' best estimate as to what they expect will happen. Because

1 they are only assumptions about or predictions of future events, many of which are beyond the Plan
2 Proponents' control, there can be no assurances that the assumptions will in fact materialize or that
3 the projected realizations will in fact be met. Except as otherwise provided herein, this Disclosure
4 Statement will not reflect any events that occurred after the hearing before the Bankruptcy Court to
5 determine the adequacy of the Disclosure Statement.

6 3. Bankruptcy Court Approval.

7 Following a hearing held on _____, the Bankruptcy Court approved this
8 Disclosure Statement as containing information of a kind and in sufficient detail adequate to enable a
9 hypothetical, reasonable investor to make an informed judgment about the Plan. Under section 1125
10 of the Bankruptcy Code, this approval enabled the Plan Proponents to send you this Disclosure
11 Statement and solicit your acceptance of the Plan. The Bankruptcy Court has not, however,
12 approved the Plan itself, nor conducted a detailed investigation into the contents of this Disclosure
13 Statement.

14 C. Voting Instructions

15 1. How to Vote.

16 A ballot is enclosed herewith for creditors entitled to vote to accept or reject the Plan. To
17 vote on the Plan, indicate on the enclosed ballot that you accept or you reject the Plan and sign your
18 name and mail the ballot in the envelope provided for this purpose.

19 To be counted, ballots must be completed, signed and returned so that they are received no
20 later than _____, 2018 at 5:00 p.m. (Pacific Time) at the following address:

21 Yellow Cab Cooperative Ballot Processing
22 c/o Pachulski Stang Ziehl & Jones LLP
23 150 California Street, 15th Floor
24 San Francisco, CA 94111

25 Do not send your ballot via facsimile or e-mail. If your ballot is not properly completed, signed and
26 returned as described, it will not be counted. If your ballot is damaged or lost, you may request a
27 replacement by sending a written request to the above address.
28

1 2. Who May Vote.

2 The Plan divides the Claims of creditors into five classes. There is also one class of Interests.
3 The classes are as follows: Class 1 (Priority Employee Wage and Benefit Claims), Class 2 (General
4 Unsecured Claims), Class 3 (Administrative Convenience Claims), Class 4 (Allowed Penalty
5 Claims), Class 5 (Cooperative Membership Interests in the Debtor).

6 Classes of creditors that are impaired by the Plan are entitled to vote, unless no compensation
7 or payment is provided for such class, in which event such class is conclusively deemed to have
8 rejected the Plan. Each holder of an Allowed Claim in an impaired class that will receive
9 distributions under the Plan on account of such claims may vote to accept or reject the Plan. A class
10 is impaired if the legal, equitable or contractual rights attaching to the claims or interests of the class
11 are modified, other than by curing defaults and reinstating maturities.

12 Class 1 is Unimpaired and deemed to have accepted the Plan. Classes 2, 3, 4 and 5 are
13 impaired under the Plan; however only Classes 2, 3 and 4 are entitled to vote on the Plan because
14 Class 5 is deemed to have rejected the Plan.

15 In determining acceptances of the Plan, the vote of a creditor will only be counted if
16 submitted by a creditor whose Claim is an Allowed Claim. Generally speaking, a Creditor holds an
17 Allowed Claim if such Claim was duly scheduled by the Debtor as other than disputed, contingent or
18 unliquidated, or the Creditor has timely filed with the Bankruptcy Court a proof of Claim which has
19 not been objected to or disallowed prior to computation of the votes on the Plan. The Ballot form
20 that you received does not constitute a proof of Claim.

21 D. Confirmation

22 “Confirmation” is the technical phrase for the Bankruptcy Court’s approval of a plan of
23 reorganization. At the Confirmation Hearing, in order to confirm the Plan, the Debtor must
24 demonstrate that it has met the requirements of section 1129 of the Bankruptcy Code. If the
25 Bankruptcy Court determines that all of the requirements of section 1129 have been satisfied, the
26 Bankruptcy Court will enter an order confirming the Plan. The Plan Proponents believe that the Plan
27 satisfies all the statutory requirements of chapter 11 of the Bankruptcy Code for confirmation of the
28 Plan.

1 Voting is tabulated by class. As discussed above, a class of creditors or interest holders has
2 accepted a plan of reorganization if the plan has been accepted by two-thirds (2/3) in dollar amount
3 and more than one-half (1/2) in number of creditors or interest holders holding allowed claims or
4 interests in that class who actually vote to accept or reject such plan.

5 Even if a class of creditors or interests votes against a plan of reorganization, the Plan may
6 nevertheless be confirmed by the Bankruptcy Court, notwithstanding the rejection of the Plan by
7 such class, so long as certain statutory requirements are met by the Plan. This procedure is called a
8 “cram down.” The Plan Proponents will request that the Bankruptcy Court confirm the Plan in
9 accordance with section 1129(b) of the Bankruptcy Code if any class rejects the Plan.

10 The Bankruptcy Court has set _____ (Pacific Time) as the hearing date to
11 determine whether the Plan has been accepted by the requisite number of creditors and whether the
12 other requirements for confirmation of the Plan have been satisfied. The hearing on confirmation
13 will be held at the United States Bankruptcy Court, 450 Golden Gate Avenue, 16th Floor San
14 Francisco, California 94102. This hearing may be continued from time to time and day to day
15 without further notice. If the Bankruptcy Court confirms the Plan, it will enter the Confirmation
16 Order. Any objections to confirmation of the Plan must be in writing and must be filed with the
17 Clerk of the Bankruptcy Court and served on the parties set forth below on or before the date set
18 forth in the Notice of Confirmation Hearing sent to you with this Disclosure Statement and the Plan.

19 Objections must be served upon:

20 John D. Fiero (counsel to the Committee)
21 Pachulski Stang Ziehl & Jones LLP
22 150 California Street, Suite 1500
23 San Francisco, CA 94111

24 Randy Michelson (counsel to the Trustee)
25 Michelson Law Group
26 220 Montgomery St, Suite 2100
27 San Francisco, CA 94104

28 Randy Sugarman (Trustee)
Sugarman & Company
505 Montgomery Street, Suite 1063
San Francisco CA 94111

1 Office of the United States Trustee
450 Golden Gate Avenue, 5th Floor, Suite #05-0153
2 San Francisco, CA 94102

3 E. Disclaimers

4 THIS DISCLOSURE STATEMENT CONTAINS INFORMATION WHICH MAY BEAR UPON
5 YOUR DECISION TO ACCEPT OR REJECT THE PLAN PROPONENTS' PROPOSED PLAN.
6 PLEASE READ THIS DOCUMENT WITH CARE. THE PURPOSE OF THIS DISCLOSURE
7 STATEMENT IS TO PROVIDE "ADEQUATE INFORMATION" OF A KIND, AND IN
8 SUFFICIENT DETAIL, AS FAR AS IS REASONABLY PRACTICABLE IN LIGHT OF THE
9 NATURE AND HISTORY OF THE DEBTOR AND THE CONDITION OF THE DEBTOR'S
10 BOOKS AND RECORDS, THAT WOULD ENABLE A HYPOTHETICAL REASONABLE
11 INVESTOR TYPICAL OF HOLDERS OF CLAIMS OR INTERESTS OF THE RELEVANT
12 CLASS TO MAKE AN INFORMED JUDGMENT CONCERNING THE PLAN. SEE 11 U.S.C. §
13 1125(a).

14 FOR THE CONVENIENCE OF CREDITORS, THIS DISCLOSURE STATEMENT
15 SUMMARIZES THE TERMS OF THE PLAN, BUT THE PLAN ITSELF QUALIFIES ANY
16 SUMMARY. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN AND THIS
17 DISCLOSURE STATEMENT, THE TERMS OF THE PLAN WILL CONTROL.
18 THE CONTENTS OF THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS
19 LEGAL, BUSINESS OR TAX ADVICE. EACH CREDITOR OR INTEREST HOLDER SHOULD
20 CONSULT HIS OR HER OWN LEGAL COUNSEL AND ACCOUNTANT AS TO LEGAL, TAX
21 AND OTHER MATTERS CONCERNING HIS OR HER CLAIM OR INTEREST.

22 **ARTICLE II**

23 A. History of the Debtor, its Operations, and the Bankruptcy Case

24 The Debtor provided taxicab transportation services in San Francisco to medallion owners
25 under a county-authorized color scheme that was part and parcel of a highly regulated environment.
26 During the bankruptcy case, the Debtor filed pleadings with the Court indicating it was a non-profit
27 service company that provided a base for approximately 522 San Francisco taxi medallions,
28 operating on a cooperative basis. At the outset of this case, the Debtor represented that supported
approximately one-third of the total taxicab medallions operating in San Francisco.

The Debtor filed its voluntary petition on January 22, 2016. The initial members of the
Committee were appointed on February 3, 2016. Today, the Committee has five members – four of

1 whom are accident victims and the fifth of whom is a class of plaintiff drivers who were underpaid
2 by the Debtor.

3 The Trustee was appointed on November 21, 2016 pursuant to a successful motion filed by
4 the Committee. That motion alleged substantial pre-petition and post-petition malfeasance by the
5 Debtor, its management, and medallion holders.

6 On December 7, 2016, the Trustee, the Committee and representatives of the Debtor's
7 medallion holders met to participate in a mediation relating to claims the Committee developed
8 relating to overpayments to equity and other transactions pre-petition that the Committee deemed
9 inequitable. The mediation resulted in a settlement between the Trustee and the medallion holders
10 that provided approximately \$8.2 million of cash consideration to the estate in exchange for
11 substantial releases of liability. Notably, those releases do not extend to malfeasance of the Debtor's
12 directors and officers, as such claims were expressly carved out the ultimate settlement agreement.

13 On or about March 17, 2017, the Trustee filed a motion to sell substantially all of the
14 Debtor's operating assets for \$400,000. Following an auction in the courtroom, the purchase price
15 was increased to \$810,000. The sale was approved at a hearing that occurred on April 7, 2017. The
16 sale closed on or about April 28, 2017.

17 Since the conclusion of the sale, the Trustee has devoted much of his efforts to claims
18 reconciliation. Taken at face value, the original filed claims in the case exceeded \$43 million, with
19 personal injury claims representing in excess of \$37 million. With the assistance of counsel, the
20 Trustee has negotiated settlements and/or accepted liquidated personal injury claims (jury awards
21 and/or signed settlements) totaling approximately \$17.3 million. Additionally, certain workers'
22 compensation pre-petition claims should approximate between \$2 million and \$3 million. Including
23 other claims not categorized herein, the Plan Proponents believe that the total general unsecured
24 claims pool will total approximately \$22 million.

25 Further, the Trustee has filed a lawsuit asserting claims against the Debtor's former officers
26 and directors. Sugarman v. Mellegard, Case No. CGC-18-563681, pending in Superior Court for the
27 State of California, County of San Francisco. The principals of the Debtor operated the city's largest
28 taxi cab business under a scheme of "self-insurance" for many years. But the captive Cayman-island

1 based insurer the Debtor created became insolvent with tens of millions of dollars of unpaid claims.
2 The bottom line is that the Debtor for years carried “self-insurance” of \$250,000 per occurrence with
3 nothing more to backstop losses than its net worth as a going concern. Surely, the Debtor’s officers
4 and directors knew or should have known this was insufficient as early as April 30, 2011. The
5 Debtor’s callous attitude toward creditors was also on display when the Debtor made a practice of
6 distributing all of its net income and, in some years, monies in excess of net income to medallion
7 holders without regard to what the Debtor’s patronage calculation formula would have supported. It
8 is the Plan Proponents’ position that careful and competent management would have funded an
9 insurance reserve to account for the prospect of a catastrophic accident. The Debtor did not, and the
10 effectively uninsured claims are evidence of that fact.

11 The Debtor is a California corporation organized as a cooperative. Accordingly, the interests
12 in the Debtor were held by members, who operated the cooperative through a board of directors
13 sourced entirely from its membership. There were no outside directors. Accordingly, each member
14 of the Debtor’s board of directors owned a medallion and, as a member of the cooperative, received
15 alleged “patronage distributions” while the Debtor was insolvent.

16 This litany of action and inaction by the Debtor’s officer and directors evidences the breach
17 of fiduciary duty claims being prosecuted by the estate. There are many other facts supporting
18 theories of recovery against the Debtor’s officers and directors. To encompass them all, the Plan
19 provision for Estate Reserved Litigation is as broad as it can possibly be, so that no claims that could
20 create additional creditor recoveries are excluded.

21 **ARTICLE III**

22 **DEFINITIONS**

23 As used in the Plan, the following terms shall have the respective meanings specified below:

24 “Administrative Claim” means a Claim for any cost or expense of administration of a kind
25 specified in Section 503(b) of the Bankruptcy Code, including any actual and necessary costs and
26 expenses of preserving the Bankruptcy Estate incurred on or after the Petition Date and through and
27 including the Confirmation Date, any cure amounts that must be paid in connection with the
28 assumption of any executory contract or unexpired lease of the Debtor under Section 365 of the

1 Bankruptcy Code, fees due to the United States Trustee pursuant to 28 U.S.C. § 1930(a)(6), and
2 compensation for legal or other services and reimbursement of expenses allowed by the Bankruptcy
3 Court under Sections 330 and 331 of the Bankruptcy Code or otherwise.

4 “Allowed” or “Allowed Amount” means the amount in which any Claim or Interest is
5 allowed. Unless otherwise expressly required by the Bankruptcy Code or the Plan, the Allowed
6 Amount of any Claim does not include interest on such Claim from or after the Petition Date.

7 “Allowed Administrative Claim” means all or any portion of an Administrative Claim that
8 has either been Allowed by a Final Order or has not been objected to within the time period
9 established by the Plan or by an order of the Bankruptcy Court.

10 “Allowed Claim” means a Claim (a) in respect to which a proof of Claim has been filed with
11 the Bankruptcy Court before the applicable Claims Bar Date and to which no objection has been
12 filed within the time fixed by the Plan or the Bankruptcy Court; (b) as to which no proof of Claim
13 has been filed and which has been listed on Schedule D, E or F of the Debtor’s Schedules and is not
14 listed as disputed, contingent, unliquidated or unknown as to amount, and to which no objection has
15 been filed within the time fixed by the Plan or the Bankruptcy Court; or (c) which is Allowed by a
16 Final Order. No Claim shall be considered an Allowed Claim if (1) an objection to the allowance
17 thereof is interposed by a party in interest within the time fixed by the Plan or the Bankruptcy Court,
18 and such objection has not been overruled by a Final Order, or (2) the Claim has already been
19 satisfied.

20 “Allowed Interest” means the Allowed Interest of an Equity Security Holder.

21 “Allowed Unsecured Claim” means any Allowed Claim that is not an Allowed Secured
22 Claim, including the unsecured Claims of undersecured Creditors and Rejection Claims, but
23 excluding Administrative Claims, Priority Claims and Tax Claims.

24 “Available Cash” means any and all cash and cash equivalents owned or held by the
25 Liquidating Trustee available for payment of Claims and Interests after payment of Allowed
26 Administrative Claims, Allowed Tax Claims, Allowed Priority Claims, Allowed Secured Claims,
27 and after reserving for expenses incurred and anticipated to be incurred as provided for under the
28 Plan.

1 “Avoidance Actions” means causes of action of the Debtor or the Estate under Chapter 5 of
2 the Bankruptcy Code.

3 “Bankruptcy Case” or “Case” means the bankruptcy case commenced by the Debtor’s filing
4 with the Bankruptcy Court of a voluntary petition under Chapter 11 of the Bankruptcy Code, Case
5 No. 16-30063.

6 “Bankruptcy Code” means Title 11, United States Code, § 101, et seq. as in effect and
7 applicable to the Case.

8 “Bankruptcy Court” means the United States Bankruptcy Court for the Northern District of
9 California, San Francisco Division or such other court exercising jurisdiction over the Case.

10 “Bankruptcy Estate” means the estate created by the commencement of the Bankruptcy Case
11 and comprised of the property described in Section 541 of the Bankruptcy Code.

12 “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure promulgated under
13 28 U.S.C. § 2075, as amended, as applicable to the Bankruptcy Case.

14 “Claim” means any (A) right to payment, whether or not such right is reduced to judgment,
15 liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal,
16 equitable, secured, or unsecured; or (B) right to an equitable remedy for breach of performance if
17 such breach gives rise to a right to payment, whether or not such right to an equitable remedy is
18 reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or
19 unsecured.

20 “Claims Bar Date” means (a) with respect to claims other than those held by governmental
21 units, May 16, 2016, (b) with respect to claims held by governmental units, July 21, 2017, and
22 (c) with respect to Rejection Claims, the Rejection Claims Bar Date.

23 “Claims Objection Date” means the date that is 180 days after the Effective Date; provided,
24 however, that the Claims Objection Date may be extended by the Bankruptcy Court for cause upon
25 the *ex parte* motion of the Liquidating Trustee.

26 “Committee” means the Official Committee of Unsecured Creditors appointed in the Chapter
27 11 Case pursuant to section 1102 of the Bankruptcy Code.

28 “Confirmation” means the entry by the Bankruptcy Court of the Order of Confirmation.

1 “Confirmation Date” means the date on which the Bankruptcy Court enters the Order of
2 Confirmation.

3 “Confirmation Hearing” means the hearing held by the Bankruptcy Court on confirmation of
4 the Plan as required by Section 1128(a) of the Bankruptcy Code.

5 “Creditor” means any entity holding a Claim against the Debtor.

6 “Debtor” means the Yellow Cab Cooperative, Inc., a California corporation.

7 “Disputed Claim” means a Claim against the Debtor (a) as to which a proof of Claim has not
8 been filed and that has been listed in the Debtor’s Schedules as disputed, contingent or unliquidated,
9 or; (b) as to which an objection or adversary proceeding has been filed within the time fixed by the
10 Bankruptcy Court and which objection or adversary proceeding has not been withdrawn or disposed
11 of by a Final Order.

12 “Distribution” means, as the context requires: (a) the cash to be provided under the Plan to
13 the holders of Allowed Claims and Allowed Interests; or (b) the payment, transfer, delivery or
14 deposit of cash to Creditors and Equity Security Holders pursuant to the Plan.

15 “Distribution Date” means any date on which a Distribution is made pursuant to the Plan.

16 “Effective Date” means the twentieth (20th) day following the Confirmation Date so long as
17 the Order of Confirmation is not subject to a stay.

18 “Equity Security Holder” means the holder of an Interest in the Debtor.

19 “Estate” means the entity created on the Petition Date by operation of the Bankruptcy Code,
20 specifically including all assets subject to the control of the Trustee or the Committee pursuant to
21 Section 541 of the Bankruptcy Code or any order of the Bankruptcy Court.

22 “Estate Reserved Litigation” means all litigation claims held by the Debtor, including any
23 claims arising out of Bankruptcy Code Sections 502, 510, 541, 542, 543, 544, 545, 546, 547, 548,
24 and 549, together with any claims sounding in contract, tort, equity or statute against the Debtor’s
25 affiliates, officers or directors.

26 “Final Administrative Claims Bar Date” means that date which is thirty (30) days following
27 the date of the notice of the Confirmation Date.
28

1 “Final Order” means an order entered on the docket by the Bankruptcy Court as to which no
2 timely filed notice of appeal is pending within fourteen (14) days entry of such order; or, if such
3 appeal is pending, for which no stay pending has been issued.

4 “Interest” means units or rights to units or any membership interest or other ownership
5 interest held by any Person in the Debtor.

6 “Interim Administrative Claims Bar Date” means October 2, 2017, as set forth in the Court’s
7 Order (1) Establishing Interim Administrative Claims Bar Date for Claims Arising Outside the
8 Ordinary Course of Business (Including Personal Injury and Tort Claims) Prior to April 28, 2017,
9 and (2) Designating Form and Manner of Notice Thereof, Docket No. 643.

10 “Legal Rate” means forty seven hundredths percent (.47%) per annum, the interest rate
11 allowed on judgments entered in federal courts pursuant to 28 U.S.C. § 1961(a) which is the weekly
12 average 1-year constant maturity Treasury yield, as published by the Board of Governors of the
13 Federal Reserve System, for the calendar week preceding the Petition Date.

14 “Liquidating Trustee” means Randy Sugarman, who shall also be so designated by the Court
15 in the Confirmation Order.

16 “Local Rules” means the Local Rules of the United States Bankruptcy Court for the Northern
17 District of California, as amended, as applicable to this Bankruptcy Case.

18 “Order of Confirmation” means the order entered by the Bankruptcy Court approving and
19 confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

20 “Penalty Claim” means any Allowed Claim of the type specified in Section 726(a)(4) of the
21 Bankruptcy Code.

22 “Person” shall have the meaning ascribed to it in the Bankruptcy Code.

23 “Petition Date” means January 22, 2016, the date on which the Debtor filed its Voluntary
24 Petition under Chapter 11 initiating the Bankruptcy Case and on which date relief was ordered in the
25 Bankruptcy Case.

26 “Plan” means this Joint Plan of Reorganization, including any modification(s) hereof and/or
27 amendment(s) hereto that comply with Section 1127 of the Bankruptcy Code and Bankruptcy Rule
28 3019.

1 “Priority Claim” means any Allowed Claim entitled to priority pursuant to Section 507(a) of
2 the Bankruptcy Code, but not including an Administrative Claim or a Tax Claim.

3 “Professionals” means those professional persons or firms retained by the Committee or the
4 Estate pursuant to Section 330 of the Bankruptcy Code; and such other professionals whose
5 employment prior to Confirmation is approved by order of the Bankruptcy Court, if any.

6 “Pro Rata” means, with respect to any Distributions to be made to the holder of an Allowed
7 Claim or Interest, the proportion that such Allowed Claim or Allowed Interest bears to the aggregate
8 of all outstanding Allowed Claims or Allowed Interest in the same Class.

9 “Rejection Claim” means an Allowed Unsecured Claim arising from the rejection of an
10 unexpired lease or executory contract pursuant to the Plan or pursuant to an order of the Bankruptcy
11 Court.

12 “Rejection Claims Bar Date” means the earlier of (a) thirty (30) days following the date of
13 the notice of the Confirmation Date, or (b) thirty (30) days after the rejection date with respect to an
14 executory contract or unexpired lease rejected before the Confirmation Date pursuant to a Final
15 Order.

16 “Retained Claims” means any Claim, or cause of action created by contract, tort, equity, or
17 statute, owned or held by the Debtor against any Person as of the Effective Date, including
18 Avoidance Actions and those Retained Claims referred to in Article X.

19 “Schedules” means the Debtor’ respective schedules of assets and liabilities consisting of
20 Schedule “A” through “J” filed with the Bankruptcy Court pursuant to Section 521(a)(1) of the
21 Bankruptcy Code and Bankruptcy Rule 1007(b), as may be amended at any time prior to
22 Distribution.

23 “Secured Claim” means a Claim secured by a lien, security interest, or other charge against
24 or interest in property in which the Debtor has an interest or that is subject to setoff under Section
25 553 of the Bankruptcy Code, to the extent of the value (as specified in the Plan, or if no value is
26 specified, as determined in accordance with Section 506(a) of the Bankruptcy Code) of the interest
27 of a holder of such Allowed Claim in the Debtor’s interest in such property or to the extent of the
28 amount subject to such setoff, as the case may be.

1 E. **Class 5 (Cooperative Membership Interests in the Debtor)**. Class 5 consists of all
2 Allowed Interests in the Debtor held by Equity Security Holders, specifically including but not
3 limited to all cooperative membership interests.

4 **ARTICLE V**

5 **CLASSES OF CLAIMS AND INTERESTS NOT IMPAIRED UNDER THE PLAN**

6 Class 1 is not impaired because the Plan provides that claimants with Allowed Claims in this
7 class will receive the following treatment: Except to the extent that the holder of a particular Class 1
8 Claim has agreed to a different treatment of such Claim, each holder of an Allowed Class 1 Claim
9 shall be paid in cash, in full upon the later of (a) the Effective Date, or (b) if such Claim is initially a
10 Disputed Claim, when it becomes an Allowed Claim.

11 **ARTICLE VI**

12 **TREATMENT OF UNCLASSIFIED CLAIMS**

13 Unclassified Claims shall be treated as follows:

14 A. **Allowed Administrative Claims**. Except to the extent that the holder of a particular
15 Administrative Claim has agreed to a different treatment of such Claim, each holder of an Allowed
16 Administrative Claim shall be paid in cash, in full upon the later of (a) the Effective Date, (b) if such
17 Claim is initially a Disputed Claim, when it becomes an Allowed Administrative Claim, and (c) if
18 such Claim is incurred after the Petition Date in the ordinary course of the Debtor's business by a
19 person other than an insider, within such time as payment is due pursuant to the terms giving rise to
20 such Claim. For those Administrative Claims not subject to the Interim Administrative Claims Bar
21 Date, any request for allowance of an Administrative Claim pursuant to Section 503(a) of the
22 Bankruptcy Code (including an estimation of expenses to be incurred after the Effective Date), other
23 than Professionals, must be filed on or before the Final Administrative Claims Bar Date or the holder
24 of such Claim shall be forever barred from asserting such Claim or receiving any payment on
25 account of such Claim. Allowance of professional fees and costs claimed by any Professionals
26 accruing before the Confirmation Date shall remain subject to Bankruptcy Court approval pursuant
27 to Section 330 of the Bankruptcy Code.

28 B. **Tax Claims**. The holders of Allowed Claims entitled to priority under 11 U.S.C. §

1 507(a)(8) (“Allowed Tax Claims”) will receive equal deferred cash payments, payable quarterly,
2 commencing with an initial payment six months from the Effective Date, over a period not
3 exceeding five (5) years after the date of assessment of each such claim, or the applicable Petition
4 Date, whichever is sooner; provided however, that Allowed Tax Claims shall be paid in a manner
5 not less favorable than the most favored nonpriority unsecured claim provided for by the Plan. The
6 unpaid portion of any Allowed Tax Claim shall bear interest at the statutory rate. The Liquidating
7 Trustee reserves the right to pay any Allowed Tax Claim in full at any time after the Effective Date.

8 **ARTICLE VII**

9 **TREATMENT OF CLASSES OF CLAIMS AND INTERESTS**

10 **THAT ARE IMPAIRED UNDER THE PLAN**

11 A. **Class 2 (General Unsecured Claims).** Each holder of an Allowed Class 2 Claim
12 shall receive Pro Rata distributions from Available Cash in the Plan Distribution Account up to the
13 full amount their Allowed Claims with interest at the Legal Rate, on the terms and conditions set
14 forth in Article VIII below.

15 *Additional Requirement for Tort Claimants:* No distribution shall be made to any Tort
16 Claimant unless and until the Tort Claimant delivers to the Liquidating Trustee a file-stamped and
17 fully-dispositive Tort Claimant Dismissal.

18 B. **Class 3 (Administrative Convenience Claims).** Each holder of an Allowed Class 3
19 Claim shall be paid in cash in full from Available Cash in the Plan Distribution Account as soon as
20 sufficient funds are available to pay these claims in full.

21 C. **Class 4 (Penalty Claims).** Class 4 Penalty Claims shall be subordinated to payment
22 in full of all Allowed Class 1, 2, and 3 Claims. In the event there is a surplus remaining after
23 payment in full of all Allowed Class 1, 2 and 3 Claims, each holder of an Allowed Class 4 Claim
24 shall receive Pro Rata distributions from Available Cash in the Plan Distribution Account up to the
25 full amount their Allowed Claims with interest at the Legal Rate, on the terms and conditions set
26 forth in Article VIII below.

27 D. **Class 5 (Cooperative Membership Interests in the Debtor).** The existing
28

1 membership interests in the Debtor shall be deemed cancelled as of the Effective Date and the
2 holder(s) of those interests shall receive nothing.

3 ARTICLE VIII

4 MEANS FOR IMPLEMENTATION OF THE PLAN

5 A. Post-Confirmation Operations and Management of the Estate. From and after the
6 Effective Date, the Liquidating Trustee shall manage the Estate and shall have all of the authority to
7 act on behalf of the Estate and the Debtor pursuant to the Liquidating Trust Agreement attached to
8 this Plan and labeled Exhibit 1. Such management shall include, without limitation, (a) fulfilling the
9 duties and obligations of the Estate under the Plan, (b) prosecuting the Estate Reserved Litigation in
10 his or her own name or in the name of the Debtor at his or her discretion, (c) abandoning any assets
11 deemed to be burdensome or of inconsequential value to the Estate, (d) otherwise fully administering
12 the Estate as required by the Plan, the Order of Confirmation, the Bankruptcy Code and the
13 Bankruptcy Rules. Without limiting the foregoing, the Liquidating Trustee will have all of the rights
14 and powers of an estate representative appointed pursuant to Section 1123(b)(3) of the Bankruptcy
15 Code. The Liquidating Trustee may resign at any time, or may be removed for cause upon motion
16 by any party in interest to the Bankruptcy Court; provided, that any such resignation or removal shall
17 not be effective until a new Liquidating Trustee has been appointed by the Bankruptcy Court. Any
18 substitute Liquidating Trustee shall be appointed by the Court on nomination of the Committee.
19 Unless ordered by the Bankruptcy Court, the Liquidating Trustee shall serve without a guaranty or
20 fiduciary bond. The Liquidating Trust shall indemnify the Liquidating Trustee and the Liquidating
21 Trust Board and any retained Professionals and professionals from any and all claims, demands,
22 lawsuits, charges, or expenses arising out of or relating to the performance of the Liquidating
23 Trustee, the Liquidating Trust Board, and any retained Professionals and professionals under the
24 Plan and the Liquidating Trust Agreement to the fullest extent allowed by the laws of the State of
25 California. For avoidance of doubt, such indemnity shall not extend to intentional or grossly
26 negligent conduct.

27 B. Professional Compensation. The Liquidating Trustee shall be entitled to retain and
28 compensate from Available Cash, such professionals and other Persons as he or she deems fit,

1 including the continued retention of the Trustee's Professionals and/or the Committee's
2 Professionals. The Liquidating Trustee shall be entitled to be compensated for services rendered
3 after the Effective Date at his or her normal hourly rates. From and after the Effective Date of the
4 Plan the Liquidating Trustee and all retained Professionals and professionals may be paid 100% of
5 their periodic invoices.

6 C. **Post-Confirmation Role of the Committee.** Upon the Effective Date, the Committee
7 shall remain in existence for the sole purpose of reviewing and commenting upon pre-Confirmation
8 fees and expenses of the Professionals. Upon the final allowance or disallowance of such fees and
9 expenses, the Committee shall be dissolved. The members of the Committee shall serve as the initial
10 Liquidating Trust Board pursuant to the terms of Exhibit 1 to the Plan.

11 D. **Distributions.**

12 1. **Liquidating Trustee.** The Liquidating Trustee shall serve as agent for the
13 Estate in making all cash distributions required to consummate the Plan from the Plan Disbursement
14 Account.

15 2. **Plan Disbursement Account.** The Liquidating Trustee shall hold any funds
16 transmitted to it in a segregated Plan Disbursement Account for the benefit of holders of Allowed
17 Claims.

18 3. **Timing of Distributions.** The Liquidating Trustee shall make a first
19 Distribution to holders of Allowed Claims as soon as practicable after the Effective Date.
20 Thereafter, the Liquidating Trustee shall make subsequent Distributions in his or discretion, but not
21 less than annually. Distributions may be made without further Order of Court.

22 4. **Distribution Addresses.** Unless the Creditor has provided the Liquidating
23 Trustee with written notice of a different address, Distributions will be sent to Creditors at the
24 address set forth in the proofs of Claim filed with the Bankruptcy Court. If no proof of Claim is
25 filed with respect to a particular Claim, the Distribution will be mailed to the address set forth in the
26 Schedules.

27 5. **Withholding Taxes.** Pursuant to Section 346(h) of the Bankruptcy Code,
28 the Liquidating Trustee shall be entitled to deduct any federal, state or local withholding taxes from

1 any cash payments made with respect to Allowed Claims, as appropriate. The Liquidating Trustee
2 shall be permitted to withhold a Distribution to any Creditor that has not provided information
3 requested by the Liquidating Trustee for the purpose of fulfilling his or her obligations hereunder.
4 The Liquidating Trustee shall comply with all reporting obligations imposed on him or her by any
5 governmental unit with respect to withholding and related taxes.

6 E. **De Minimis Distributions.** Notwithstanding any other provision of the Plan,
7 Distributions of less than \$25.00 need not be made on account of any Allowed Claim or Allowed
8 Interest; provided that Distributions that would otherwise be made but for this provision shall carry
9 over until the next Distribution Date until the cumulative amount to which any holder of an Allowed
10 Claim or Allowed Interest is entitled to more than \$25.00, at which time the cumulative amount of
11 such Distributions will be paid to such holder.

12 F. **Unclaimed Distributions.** Any cash Distributions that remain unclaimed or
13 unnegotiated for ninety (90) days following Distribution or are returned for reasons other than the
14 absence of a current or correct address (unless a current or correct address cannot be determined
15 after reasonable inquiry) shall become the property of the Estate and be considered Available Cash.

16 G. **Prosecution of the Estate Reserved Litigation.** Any proceeds of the Estate
17 Reserved Litigation, after payment of compensation and other costs, shall be paid into the Plan
18 Disbursement Account. The Liquidating Trustee shall have exclusive standing to investigate,
19 prosecute, and, if appropriate, compromise any Estate Reserved Litigation against any Persons or
20 entities; provided however, that the Liquidating Trustee may, in his or her sole and absolute
21 discretion, prosecute any such action in the name of the Debtor and/or assign any such action to the
22 Committee which may prosecute such action in the name of "Liquidating Trust Board of Yellow
23 Cab Cooperative, Inc.". Any compromise of Estate Reserved Litigation may be consummated
24 without notice, hearing, or order of the Court, provided that the Liquidating Trustee and the
25 Liquidating Trust Board each consent and further provided that the Court will retain jurisdiction to
26 approve any compromise if requested by any party in interest. The Liquidating Trustee and the
27 Committee reserve the right to object to any filed or scheduled claim. Any and all Estate Reserved
28 Litigation pending as of the Effective Date shall be deemed assigned to the Liquidating Trustee.

1 Any and all Objections to Claims and other contested matters by or against the Debtor pending as of
2 the Effective Date shall likewise be deemed assigned to the Liquidating Trustee.

3 H. **Vesting of Property of the Estate.** On the Effective Date, the Estate shall continue
4 in existence until entry of the Final Decree, and all property of the Debtor shall vest in the
5 Liquidating Trustee, free and clear of any and all liens (except for Allowed Secured Claims),
6 encumbrances, or Claims of Creditors. Revesting does not modify the nature of any contracts
7 assumed by the Debtor.

8 I. **Organizational Matters.** The Debtor shall be deemed dissolved as of the Effective
9 Date and all of its membership interests cancelled. The Liquidating Trustee shall be authorized to
10 file with the California Secretary of State whatever documents he or she deems appropriate to
11 effectuate this dissolution and winding up.

12 J. **Further Orders.** Upon motion by the Liquidating Trustee or the Committee on not
13 less than ten (10) days' notice to registered ECF participants entitled to notice in this Case, the
14 Bankruptcy Court may enter such other and further orders as may be necessary or appropriate to
15 facilitate consummation of the Plan.

16 K. **Insurance Policies.** To the extent any insurance policies exist in which either the
17 Debtor and/or its personnel have an insurable or other interest in or right to make a claim, such
18 policies shall remain available, before and after the Effective Date, to satisfy any and all Claims held
19 by, or asserted against, the Debtor, the Trustee, the Liquidating Trustee, the Committee, and/or the
20 Debtor's current or former management or other personnel that may be covered by such policies.

21 L. **Post-Confirmation Operating Expenses.** From and the Effective Date, the
22 Liquidating Trustee may incur and pay operating expenses in the ordinary course of business.

23 M. **Post-Confirmation Reports, Fees, and Final Decree.**

24 1. **U.S. Trustee Fees.** Not later than thirty (30) days after the end of each
25 calendar quarter that ends after the Effective Date (including any fraction thereof), the Liquidating
26 Trustee shall pay to the United States Trustee the quarterly fee for such quarter until this case is
27 converted, dismissed, or closed pursuant to a Final Decree, as required by 28 U.S.C. § 1930(a)(6).

28 2. **Post-Confirmation Reports.** Not later than thirty (30) days after the end of

1 the calendar quarter which ends after the Effective Date, the Liquidating Trustee shall file and serve
2 upon the United States Trustee separate quarterly post-Confirmation status reports in substantially
3 the form provided by the United States Trustee. Further reports shall be filed thirty (30) days after
4 the end of every calendar quarter thereafter until entry of a Final Decree, unless otherwise ordered
5 by the Bankruptcy Court.

6 3. **Final Decree.** Once the Plan is substantially consummated, the Liquidating
7 Trustee shall file an application for a Final Decree as provided in the Local Rules.

8 **ARTICLE IX**

9 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

10 A. **Assumption of Executory Contracts and Unexpired Leases.** Any executory
11 contracts of the Debtor which have not specifically been assumed shall be deemed rejected on the
12 Effective Date.

13 B. **Effect of Assumption of Executory Contracts and Unexpired Leases.** Any
14 executory contracts assumed prior to Confirmation shall remain in full force and effect, be
15 unimpaired by the Plan except as specifically modified by the Plan and the Order of Confirmation,
16 and be binding on the parties thereto.

17 C. **Adding and Removing Executory Contracts and Unexpired Leases.** The
18 provisions of this Article IX may be amended, with appropriate notice to those parties in interest
19 directly affected, at any time prior to the conclusion of the hearing on Confirmation of the Plan, to
20 add or remove executory contracts and unexpired leases to be assumed, assumed and assigned, or
21 rejected pursuant to the Plan.

22 D. **Defaults.** Unless other treatment is agreed to between the parties to each assumed
23 contract or lease, if there has been a default in an assumed executory contract or unexpired lease
24 other than the kind specified in Section 365(b)(2) of the Bankruptcy Code, the Trustee shall, on or
25 before the Effective Date, (a) cure, or provide adequate assurance that he or she will promptly cure,
26 any such default, (b) compensate, or provide adequate assurance that he or she will promptly
27 compensate, the other party to such contract or lease, for any actual pecuniary loss to such party
28 resulting from such default, and (c) provide adequate assurance of future performance under such

1 contract or lease.

2 E. **Rejection Claims.** Rejection Claims shall be classified as Class 2 Claims. The
3 holder of a Rejection Claim shall file with the Bankruptcy Court, and serve on counsel for the
4 Liquidating Trustee, a proof of Claim relative to such Rejection Claim on or before the Rejection
5 Claims Bar Date or be forever barred from asserting any such Claim or receiving any payment or
6 other Distribution on account of such Claim.

7 **ARTICLE X**

8 **PROOFS OF CLAIM AND INTEREST; OBJECTIONS**

9 A. **Time for Filing Proofs of Claim.** Proofs of Claim, when required, must be filed
10 with the Bankruptcy Court no later than the applicable Claims Bar Date, or such Claims shall be
11 conclusively deemed barred and disallowed by the Confirmation Order.

12 B. **Evidence of Claim.** For purposes of any Distribution under the Plan, the
13 Liquidating Trustee shall have no obligation to recognize any transfer of Claims or Interests unless
14 the transferee of such claim shall pay a fee of \$250.00 to the Liquidating Trustee. The Committee,
15 the Liquidating Trustee, and their professionals shall be entitled to recognize and deal for all
16 purposes with only those Creditors of record with the Bankruptcy Court who have tendered such fee
17 prior to the first Distribution Date.

18 C. **Amendments to Claims.** Except as provided by the Plan or as otherwise permitted
19 by the Bankruptcy Court, the Bankruptcy Rules or applicable law, upon expiration of the applicable
20 bar date, proofs of Claim and proofs of interest may not be filed or amended except for amendments
21 to proofs of Claim to decrease the amount or priority thereof.

22 D. **Claim Objections.** An objection to a Claim shall be filed no later than the Claims
23 Objection Date. The Liquidating Trustee shall have the primary responsibility to review Claims
24 filed against the Debtor, to file objections as appropriate, and to resolve Disputed Claims; provided
25 however, that the Liquidating Trustee may delegate such responsibility to the Committee.

26 E. **Distributions.** Notwithstanding any provision of the Plan specifying a date or time
27 for payments or Distributions of consideration hereunder, payments and Distributions in respect of
28 any Claim that at such date or time is disputed, unliquidated or contingent, shall not be made until a

1 Final Order with respect to an objection, estimation or valuation of such Claim is entered by the
2 Bankruptcy Court, whereupon appropriate Distributions shall be made promptly in accordance with
3 Section 6.4 of the Plan.

4 **ARTICLE XI**

5 **PRESERVATION OF RETAINED CLAIMS**

6 Confirmation of the Plan effects no settlement, compromise, waiver or release of any Estate
7 Retained Claim unless the Plan or Order of Confirmation specifically and unambiguously so
8 provides. The failure of the Plan to refer to any particular Retained Claim is not and shall not be
9 construed as a settlement, compromise, waiver, or release of any such Retained Claim. All Estate
10 Retained Claims are hereby preserved and shall continue to remain valid after the Effective Date.
11 The Liquidating Trustee and/or the Committee further reserve the right to object to any filed or
12 scheduled Claim. The entry of the Order of Confirmation shall not constitute res judicata or
13 otherwise bar, estop or inhibit any actions by the Liquidating Trustee upon any Estate Retained
14 Claims.

15 **ARTICLE XII**

16 **RETENTION OF JURISDICTION**

17 The Bankruptcy Court shall retain exclusive jurisdiction of the Bankruptcy Case (a) to
18 enforce the provisions, purposes, and intent of the Plan, (b) to hear and determine any adversary
19 proceedings or contested matters filed in or related to the Cases, including the Estate Reserved
20 Litigation, (c) to hear and determine the allowance or disallowance of Claims, (d) to fix and approve
21 allowance of compensation and other Administrative Claims, including, if appropriate, payments to
22 be made in connection with the Plan, (e) to adjudicate controversies arising from the terms of the
23 Plan, (f) to hear and determine any proposed modifications of or amendments to the Plan to the
24 extent permitted by Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, (g) to enforce
25 or interpret the provisions of the Plan, the Order of Confirmation or any order entered by the
26 Bankruptcy Court in the Bankruptcy Case, (h) to facilitate the consummation of the Plan, including
27 without limitation (i) the approval of any settlement (j) the appointment of a Liquidating Trustee or
28 Successor Liquidating Trustee, (k) to consider such other matters as may be set forth in the Plan or

1 the Order of Confirmation, (l) to hear and determine any Claim of any Persons of any nature
2 whatsoever against the Trustee, the Committee, the Debtor, the Professionals, the Liquidating
3 Trustee, the Liquidating Trust Board, any professionals retained by the Liquidating Trustee or the
4 Liquidating Trustee Board, and/or the Debtor's management arising in or related to the Case, (m) to
5 issue Orders for Examination of any person or entity on Motion of the Liquidating Trustee and/or the
6 Committee, and (n) to enter a Final Decree closing the Bankruptcy Case(s). If closed, the
7 Bankruptcy Case(s) may be reopened at any time to facilitate the provisions of this Article.

8 ARTICLE XIII

9 EFFECT OF ORDER OF CONFIRMATION

10 As of the Confirmation Date, the effect of the Order of Confirmation shall be as provided in
11 Section 1141 of the Bankruptcy Code, and as follows:

12 A. **Binding Effect of Plan.** The provisions of the confirmed Plan shall bind the Debtor,
13 any entity acquiring property under or otherwise accepting the benefits of the Plan, and every
14 Creditor and Equity Security Holder, whether or not such Creditor or Equity Security Holder has
15 filed a proof of Claim or Interest in the Bankruptcy Case, whether or not the Claim or Interest of
16 such Creditor or Equity Security Holder is impaired under the Plan, and whether or not such Creditor
17 or Equity Security Holder has accepted or rejected the Plan.

18 B. **Full Satisfaction of Claims.** Except as otherwise provided in the Plan and the Order
19 of Confirmation, the rights afforded in the Plan shall constitute full and complete satisfaction and
20 release of all Claims, including any interest accrued thereon from and after the Petition Date, against
21 the Debtor, the Liquidating Trustee, the Estate, or any assets or property of the Debtor, and the
22 Estate. Except with respect to Administrative Claims, Rejection Claims, and Claims described in
23 Bankruptcy Rule 3002(c)(3), the Confirmation Order shall be deemed to be a Final Order
24 disallowing any claim not filed as of the Effective Date.

25 C. **Injunction.** From and after the Effective Date, all Persons who have held, currently
26 hold or may hold a debt, Claim or interest against the Estate, the Debtor, the Liquidating Trustee, or
27 their respective property, including property transferred pursuant to this Plan are enjoined from
28 taking any of the following actions on account of any such debt or Claim: (a) commencing or

1 continuing in any manner any action or other proceeding against the Estate, the Debtor, the
2 Liquidating Trustee, or their respective property; (b) enforcing, attaching, collecting, or recovering
3 in any manner any judgment, award, decree or other order against the Estate or the Debtor (c)
4 creating, perfecting or enforcing any lien or encumbrance against the Estate, the Debtor, or their
5 respective property, including the property transferred pursuant to this Plan; (d) asserting any setoff,
6 right of subrogation, or recoupment of any kind against any obligation due the Estate or the Debtor;
7 and (c) commencing or continuing any action, in any manner, in any place that does not comply with
8 or its inconsistent with the provisions of the Plan or the Order of Confirmation.

9 D. **Limitation of Liability.** On and after the Effective Date, neither the Debtor, the
10 Committee, the Trustee, the Liquidating Trustee nor the Liquidating Trust Board, nor any of their
11 respective officers, members, managers, agents, employees, Professionals or professionals, shall
12 have or incur any liability to any Person for any authorized act taken or authorized omission made in
13 good faith in connection with or related to the Bankruptcy Case or the Estate, including objections to
14 or estimations of Claims, disposition of assets, or formulating, determining not to solicit acceptances
15 or rejections to, or confirming the Plan, or any contract, instrument, release, or other agreement or
16 document created in connection with the Plan.

17 **ARTICLE XIV**

18 **MISCELLANEOUS**

19 A. **Plan Interpretation.** The headings contained in the Plan are for convenience of
20 reference only and shall not limit or otherwise affect in any way the meaning or interpretation of the
21 Plan. All references in the Plan to the singular shall be construed to include references to the plural
22 and vice versa. All references in the Plan to any one of the masculine, feminine or neuter genders
23 shall be deemed to include references to both other such genders. All exhibits attached to the Plan
24 are incorporated into the Plan. All references in the Plan to a Section or an Article shall mean the
25 appropriately numbered Section or Article of the Plan. Whenever the Plan uses the term
26 “including,” such reference shall be deemed to mean “including, but not limited to.”
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CONSULT HER, HIS OR ITS OWN TAX ADVISORS REGARDING THE SPECIFIC TAX
CONSEQUENCES OF THE PLAN WITH RESPECT TO A CLAIM.

Dated: February 22, 2018

PACHULSKI STANG ZIEHL & JONES LLP

By: /s/ John Fiero
John D. Fiero
Counsel to the Official
Committee of Unsecured Creditors

Dated: February 22, 2018

MICHELSON LAW GROUP

By: /s/ Randy Michelson
Randy Michelson
Counsel to the Chapter 11 Trustee
Randy Sugarman

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Exhibits

Exhibit A

Plan

Exhibit B

Liquidation Analysis

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