

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MASSACHUSETTS  
(Central Division)

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In Re:

UNIVERSAL SOFTWARE CORPORATION.

Debtor.

Chapter 11

Case No. 16-40872-CJP

**DEBTOR'S ~~SECOND~~FIRST CHAPTER 11 LIQUIDATING PLAN DATED SEPTEMBER**  
**21, 2017**

Pursuant to Section 1121(c)(3) and 1123 of the United States Bankruptcy Code, 11 U.S.C. Section 101 et sea., Universal Software Corporation, the herein Chapter 11 debtor-in-possession (the "Debtor" ) proposes the following ~~First~~Second Amended Liquidating Plan Dated September 21, 2017 (the "Plan").

**ARTICLE I**  
**DEFINITIONS**

For the purposes of this Plan, the following terms shall have the meanings hereinafter set forth:

- 1. Administrative Claims:** shall mean claims for the costs and expenses of administration of this Chapter 11 proceeding as, when and to the extent allowed by the Bankruptcy Court included within Section 503(b) of the Code which are entitled to first priority as provided under Section 507(a)(1) of the Code, including without limitation the actual and necessary costs and expenses of preserving the Debtor's estate and of operating its business, and all allowances, compensation expenses for attorneys and other professional persons awarded pursuant to Section 330 of the Code or as otherwise allowed by the Bankruptcy Court.
- 2. Allowed Claim or Allowed Interest:** shall mean a claim against or equity security interest in the Debtor to the extent that: (a) a proof of such claim or interest was (i) timely filed on or before the deadline set by the Bankruptcy Court by Order by which proofs of claim or interests must have been filed, (ii) deemed filed pursuant to Section 1111(a) of the

Bankruptcy Code, (iii) not filed, by reason of the fact that the filing of a proof of claim or interest for such claim or interest was not required by the said Order of (iv) filed late with leave of the Bankruptcy Court after notice and opportunity for hearing given to counsel for Debtor; and (b) that such claim (i) is not a Disputed Claim, or (ii) is allowed (and only to the extent allowed) by a Final Order.

3. **Allowed Priority Claims**: shall mean all claims entitled to priority under Sections 507(a)(3)-(6) of the Code; and: a) as to which a proof of claim is timely filed under Section 502(a) of the Code; and b) as to which no timely objection is filed, or if an objection is so filed, as determined by a Final Order of the Court.
4. **Allowed Priority Tax Claims**: shall mean all claims entitled to priority under Section 507(a)(8) of the Code and: a) as to which a proof of claim is timely filed under Section 502(a) of the Code; and b) as to which no timely objection is filed, or if an objection is so filed, as determined by a Final Order of the Court.
5. **Allowed Priority Wage Claims**: shall mean all claims entitled to priority under Section 507(a)(4) of the Code and: a) as to which a proof of claim is timely filed under Section 502(a) of the Code; and b) as to which no timely objection is filed, or if an objection is so filed, as determined by a Final Order of the Court.
6. **Allowed Secured Claim**: shall mean that portion of an allowed claim secured by a valid lien equal to the value of the interest of the holder thereof and property of the Debtor securing such allowed claim as agreed upon between the holder thereof and the Debtor or, in the event of a dispute, as determined by the Bankruptcy Court pursuant Section 506(a)(1) of the Bankruptcy Code.
7. **Allowed Unsecured Claim**: shall mean an Allowed Claim of any kind or nature, other than an Administrative Claim, Priority Tax Claim, Federal Tax Claim, Secured Claim, or State Tax Claim, including without limitation a Deficiency Claim or Undersecured Claim.
8. **Bar Date**: shall mean the final date for filing proofs of claim in this case, which in this case has been established by the Court in this case.
9. **Chapter 11 Case**: shall mean the Debtor's Chapter 11 Case No. 16-40872-CJP which was commenced by filing of the voluntary petition under Chapter 11 on May 18, 2017 and which is currently pending in the Bankruptcy Court.
10. **Claim**: shall mean any right to payment, or right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, against the Debtor in

existence on or as of the Petition Date, whether or not such right to payment or right to an equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, secured or unsecured.

11. **Code or Bankruptcy Code**: shall mean the United States Bankruptcy Code, 11 U.S.C. Section 101 et seq., and any amendments thereto.
12. **Confirmation Order**: shall mean an Order entered by the Court confirming the Plan pursuant to Section 1129 of the Code.
13. **Consummation of the Plan**: shall mean the accomplishments of all things provide for in this Plan.
14. **Court**: shall mean the United States Bankruptcy Court for the District of Massachusetts, in which the Debtor's Chapter 11 case is pending.
15. **Creditor**: shall mean the person or entity that has an Allowed Claim against the Debtors.
16. **Debtor**: shall mean Universal Software Corporation.
17. **Deficiency Claim**: shall mean the balance of a Claim after sale or disposition (voluntary or involuntary) of any collateral securing such Claim (including foreclosure or delivery of a deed in lieu of foreclosure of such collateral) to the extent the Debtor is personally liable for such Claim, whether by personal guarantee or otherwise.
18. **Disputed Claim or Interest**: shall mean alleged claims against the Debtor as to which an objection has been filed on or before the Effective Date and which objection is not the subject of a Final Order and has not been withdrawn on or before the Effective Date.
19. **Disbursing Agent**: shall mean the Debtor's court appointed attorneys, Riley & Dever P.C., 210 Broadway, Suite 101, Lynnfield, MA 01940.

20. **EFB Preference Claim**: shall mean the settlement reached between the Debtor and TD Bank resulting from the EFB Preference Claim.

201. **Effective Date**: shall mean 30 days after which the confirmation order shall become

a final order no longer subject to appeal or certiorari proceeding, and as to which no appeal or certiorari proceeding is then pending.

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- 242. Estate:** shall mean all legal or equitable interest of the Debtor in property as to the commencement of the Chapter 11 Case, together with such other rights and interests as are described in Section 541 of the Code.
- 223. Petition Date:** shall mean May 19, 2017, the date on which Universal Software Corporation filed its Chapter 11 petition with the Court.
- 234. Plan:** shall mean the herein Liquidation Plan under Chapter 11 filed by the Debtor, as modified or amended in accordance with the terms hereof and the Code.
- 245. Plan Fund:** shall mean all cash to be used to make payment to the Allowed Claims hereunder.
- 256. Secured Creditor:** shall mean the owner and holder of an allowed secured claim.
- 267. Undersecured Claim:** shall mean an Unsecured Claim resulting from the determination pursuant to 11 U.S.C. §506(d) and Federal Bankruptcy Rule 3012 that the claimant holds wholly unsecured claim, based on the value of the collateral.
- 278. Unsecured Creditor:** shall mean the holder and owner of an Allowed Unsecured Claim, including an Undersecured Claim.

## **ARTICLE II**

### **TREATMENT OF UNCLASSIFIED ADMINISTRATIVE EXPENSES AND CERTAIN OTHER PRIORITY CLAIMS**

**2.01 Administrative Claims:** The holders of all Administrative Claims entitled to priority under Section 507(a)(1) of the Code, including allowed professional fees and expenses shall receive on account of such claims a pro rata share from the Carve-Out of \$95,000 plus an additional \$10,000 from the settlement reached between the Debtor and TD Bank with respect to the EFB Preference Claim, on or within thirty (30) days following the Effective Date of confirmation. In addition, to the extent the Debtor is able to recover funds resulting from avoidance and recovery actions, then said funds would be used to make a further distribution to administrative, priority, and unsecured creditors in accordance with the priority granted under the Bankruptcy Code. All professional fees are subject to final allowance by the Bankruptcy Court.

**2.02 U.S. Trustee Quarterly Fees:** All Quarterly Fees due and owing to the United States Trustee have been paid. The Debtors will pay all future Quarterly Fees through the closing of this case as they become due. There are no other known Administrative Claims, including unpaid post-

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petition taxes. Funds to pay the Administrative Claims, in amounts allowed by the Court, will be paid on the Effective Date of confirmation.

**ARTICLE III**  
**DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS**

All Allowed Claims and Allowed Interests are placed in the following classes. A proof of claim or interest which asserts a claim or interest which is properly included in more than one class is in a class to the extent it qualifies within the description of such class and in a different class to the extent it qualifies within such different class.

**3.01 Class One:** shall consist of all Allowed Priority Claims entitled to priority pursuant to 11

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U.S.C. Section 507(a)(3)-(8).

**3.02 Class Two:** shall consist of all Allowed Secured Claim of TVT Capital, LLC.

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**3.03 Class Three:** shall consist of all Allowed Claims other than Class One, ~~and Two~~, Class

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Five, and Class Six Allowed—

Claims.

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**3.04 Class Four:** shall consist of the Allowed Interests of Kishore Deshpande, the 100% equity holder in the Debtor.

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**3.05 Class Five:** shall consist of the Allowed Secured Claim of TD Bank, N.A.

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**3.06 Class Six:** shall consist of the Undersecured Claim of TD Bank, N.A.

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**ARTICLE IV**  
**PROVISION FOR TREATMENT OF CERTAIN PRIORITY CLAIMS**

**4.01** Administrative Expenses as defined and allowed under Section 503(b) of the Code, entitled to first priority under Section 507(a)(1), including amounts awarded under Section 330, shall be paid shall be paid on account of such claims a pro rata share from the Carve-Out of \$95,000 plus

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approximately \$10,000 from the settlement with TD Bank with respect to the EFB Preference Claim,

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on or within thirty (30) days following the Effective Date of confirmation.

In addition, to the extent the Debtor is able to recover funds resulting from avoidance and recovery actions, then said funds would be used to make a further distribution to administrative, priority, and unsecured creditors in accordance with the priority granted under the Bankruptcy Code.

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**4.02** All other administrative claims and expenses, shall be paid by the Confirmed Debtor on or within 30 days following the Effective Date.

#### **ARTICLE V** **TREATMENT OF CLAIMS AND INTERESTS**

**5.01 Class One (Allowed Priority Claims):** This class consists of all Allowed Priority Claims, including Allowed Priority Tax Claims and Allowed Priority Wage Claims. All holders of a Class One Allowed Priority Claims shall be paid a pro rata share from a Plan Fund of \$~~78~~5,000, on or within thirty (30) days following the Effective Date of confirmation.

All pre-petition and post-petition federal and state returns have been filed. Priority tax claims are estimated to be \$19,332.44. Priority wage claims are estimated to be \$75,000. Total Class One Priority Claims are estimated at \$107,518.81. There are no other known Priority Claims.

The total distribution from the Plan Fund represents an estimated total dividend distribution of ~~78~~0% on the Class One Allowed Claims. The Debtor shall obtain the consent of all holders of Priority Claims prior to confirmation in accordance with 11 U.S.C. §1129(a)(9).

In addition, to the extent the Debtor is able to recover funds resulting from avoidance and recovery actions, then said funds would be used to make a further distribution to administrative, priority, and unsecured creditors in accordance with the priority granted under the Bankruptcy Code.

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This class is unimpaired under the Plan and each member is not entitled to vote to accept or reject the Plan.

**5.02 Class Two – TVT Capital, LLC:** This class consists of the Allowed Secured Claim of TVT Capital, LLC (“TVT”) against the Debtor. Prior to the Chapter 11 filing, TVT held a junior priority security interest in all assets, including all inventory, accounts receivables, furniture, fixtures and equipment pursuant to: (i) a Revenue Based Factoring Agreement and Security Agreement dated September 18, 2015 in the original principal amount of \$300,000; and (ii) a Revenue Based Factoring

Agreement and Security Agreement dated November 18, 2015 in the original principal amount of \$300,000. The outstanding balance owed by the Debtor to TVT Capital as of the Petition Date was approximately \$600,000. It appearing that based on the value of the Debtor's accounts receivable, as well as the equipment and furnishings of the Debtor, that TVT is an undersecured creditor of the Debtor, the Debtor commenced an adversary proceeding against TVT pursuant to 11 U.S. C. §506(a) seeking a determination that TVT's secured claim is wholly unsecured. In connection with the sale of substantially all assets of the Debtor to FirstTek pursuant to the Sale Motion, TVT consented to the sale of the Collateral and further agreed to reduce its secured claim against the Carve-Out from the Sale Proceeds to \$5,000. Pursuant to the terms of the Sale Order, TVT holds a first priority security interest in the Carve-Out to the extent of Five Thousand Dollars (\$5,000.00).

The Allowed Secured Claim of TVT shall be fully settled and satisfied by the payment of \$5,000 from the Carve-Out on or within 30 days following the Effective Date.

This claim is impaired under the Plan and the claimant is entitled to vote to accept or reject the Plan.

**5.03 Class Three – (Allowed Unsecured Claims):** This class consists of all Allowed Claims other than Class One, ~~Class Two~~, Class Five, and Class Six. Each holder of a Class Three Allowed Claim shall be paid in full satisfaction thereof a pro rata share of \$110,000 from the Plan Fund established and funded by the Carve-Out Funds. The Debtor will hold from distribution to Class Three Unsecured Creditors and set aside an amount equal to the distributions that would be required to be made to the Unsecured Creditors holding Disputed Claims in the event that such claims later become Allowed Claims (the "Disputed Claim Reserve"). Upon resolution of the Disputed Claims and distributions to holders of such claims which become Allowed Claims, if any, the Debtor will disburse the balance of the Disputed Claim Reserve to Unsecured Creditors pro rata.

The Debtor's estimate there are approximately \$2,000,000 in general unsecured claims, including the following potential Deficiency Claims, and Undersecured Claims:

<b><u>Undersecured Claimants</u></b>	<b><u>Estimated Claim</u></b>
TVT Capital	\$595,000

There exists no known insider claims.

There exist no claims for the rejection of any leases or executory contracts.

The Debtor will make one \$110,000 distribution to the general unsecured creditors on or within thirty (30) days following the Effective Date of confirmation of the Plan from the Plan Fund in a pro rata amount to holders of Allowed General Unsecured Claims.

The total distribution from the Plan Fund represents an estimated total dividend distribution of 5% on the Class Three Allowed Claims, depending on the ultimate amount of Allowed General Unsecured Claims.

In addition, to the extent the Debtor is able to recover funds resulting from avoidance and recovery actions, then said funds would be used to make a further distribution to administrative, priority, and unsecured creditors in accordance with the priority granted under the Bankruptcy Code.

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This class is impaired under the Plan and each member is entitled to vote to accept or reject the Plan.

**5.04 Class Four – (Allowed Interests – Kishore Deshpande):** This class consists of all allowed interests in the Debtor. Currently, the outstanding shares of stock in the Debtor are held by Kishore Deshpande – 100%. Upon confirmation of the Plan, all outstanding stock in the Debtor will be canceled, null and void, and of no more force and effect. Holders of Class Four interests will receive no distribution.

The holders of Class Four interests are deemed to reject the Plan and are not entitled to vote to accept or reject the Plan.

**5.05 Class Five (Allowed Secured Claim of TD Bank, N.A.):** This class consists of the Allowed Secured Claim of TD Bank, N.A. (“TD Bank”). TD Bank holds a first priority lien on all pre-petition assets of the Debtor including among other things: a duly perfected, cross-collateralized, first priority security interest in the Debtors’ assets, including its accounts receivable, equipment, furniture, fixtures, general intangibles, inventory, the proceeds and products thereof (collectively, the “Collateral”).

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Pursuant to the Sale Order approving the sale of substantially all assets of the Debtor to First-Tek, in accordance with Section 363 Bankruptcy Code, TD Bank agreed to release its liens on the Purchased Assets in consideration of, among other things, the receipt of \$1,431,423.43 from the Sale Proceeds. TD Bank further agreed to fund the Carve-Out.

TD Bank shall retain its first priority lien on the Collateral, exclusive of the Purchased Assets, and to the extent there exists any such assets, TD Bank shall be free to exercise its rights under its loan agreements with the Debtor. The only known assets that TD Bank’s lien attaches are the funds being held by the Debtor in its account at TD Bank, and which were attached by way of trustee process by EFB within days of the Debtor’s bankruptcy filing.

There are no other known pre-petition assets of the Debtor.



The holders of Class Five claims are impaired under the Plan are entitled to vote to accept or reject the Plan.

**5.06 Class Six (Allowed Unsecured Claim of TD Bank, N.A.):** This class consists of the Allowed Unsecured Claim of TD Bank, N.A. ("TD Bank"). TD Bank holds a first priority lien on all pre-petition assets of the Debtor including among other things: a duly perfected, cross-collateralized, first priority security interest in the Debtors' assets, including its accounts receivable, equipment, furniture, fixtures, general intangibles, inventory, the proceeds and products thereof (collectively, the "Collateral").

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Pursuant to the Sale Order approving the sale of substantially all of the assets of the Debtor to First-Tek in accordance with Section 363 Bankruptcy Code, TD Bank agreed to release its liens held on the Purchased Assets in consideration of, among other things, the receipt of \$1,431,423.43 from the Sale Proceeds. TD Bank further agreed to fund the Carve-Out.

To the extent the Sale Proceeds were insufficient to pay the TD Bank Allowed Secured Claim in full, TD Bank holds an unsecured deficiency claim (the "TD Bank Undersecured Claim"). TD Bank has waived its TD Bank Undersecured Claim as against Carve-Out Fund, and has agreed not to receive a distribution under Class Three of the Plan to the extent that such distribution is funded by the Carve-Out.  
~~To~~However, to the extent that the Debtor recovers any additional funds from the liquidation of pre-petition assets, or from avoidance or recovery actions, and the Debtor makes a further distribution to Class Three General Unsecured Allowed Claims, then TD Bank's Undersecured Claim will be included in said distribution. The Debtor presently knows of no such recovery that would result in a further distribution to general unsecured creditors under the Plan.

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The holders of Class Six claims are impaired under the Plan are entitled to vote to accept or reject the Plan.

## **ARTICLE VI** **MEANS FOR EFFECTUATING PLAN, DISCHARGE AND** **REVESTING OF PROPERTY OF THE ESTATE**

**6.01** The Debtor's obligations under the Plan will be funded out of accumulated cash from the Debtor's operations and the sale proceeds realized from the sale of substantially all assets of the Debtor to FirstTek.

**6.02** The Debtor's obligations under the Plan will be further funded from the settlement reached between the Debtor and TD Bank concerning the disposition of the EFB Preference Claim, and the approximately \$35,000 in funds held on deposit by the Debtor in a pre-petition bank account at TD

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Bank. EFB has not asserted a secured claim in the Debtor's Chapter 11 case. TD Bank has claimed a superior interest in said funds as a result of its contractual rights with the Debtor and applicable state law, including the right to set-off the account under its loan and deposit agreements with the Debtor. Upon the Effective Date of confirmation of the Plan, TD Bank shall make approximately \$20,000 from the approximately \$35,000 available to the Debtor. Pursuant to Sections 4.01 of the Plan, the Debtor shall use approximately \$10,000 to fund payment to Allowed Administrative Claims for professionals employed by the Debtor. Pursuant to Section 5.01 of the Plan, the Debtor shall use the remaining \$10,000 from the settlement to fund payment to pay toward to Allowed Priority Claims. Upon the Effective Date of confirmation of the Plan, TD Bank shall have the right to exercise its pre-petition contractual rights as to the balance of the approximately \$35,000 held in the Debtor's pre-petition account (not less than \$15,000), including any right of set-off. To the extent that the sum on deposit with TD Bank on account of the EFB Preference Claim is greater than \$35,000, 43% of such amounts shall be retained by TD Bank, 28.5% shall be used for Allowed Priority Claims, and 28.5% shall be used for Allowed Administrative Claims.

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**6.032** Except as otherwise provided in the Plan or in the Confirmation Order, entry of the Confirmation Order acts as a discharge effective as of the Effective Date, of any and all debts of the Debtor that arose at any time before the entry of the Confirmation Order, including, without limitation, the claims of each member of every class of creditors set forth in the Plan and including all principal and interest, whether accrued before or after the Petition Date, pursuant to Section 1141(a) of the Bankruptcy Code, and all claims by insiders and affiliates of the Debtor. Discharge shall be effective as to each claim, regardless of whether a proof of claim thereof was filed, whether the claim is an Allowed Claim, or whether the holder thereof votes to accept the Plan. Pursuant to the provisions of the Bankruptcy Code, the Debtor, because it is a corporation and not an individual, will not receive a discharge although the Confirmation Order acts to discharge certain claims as described herein.

## **ARTICLE VII** **RETENTION, ENFORCEMENT, AND WAIVER OF CLAIMS**

Pursuant to Section 1123(b)(3) of the Bankruptcy Code, ~~On~~ on the Effective Date, all claims, causes of action, trade creditor preference or avoidance claims, or actions of the Debtor, including, but not limited to any actions or claims arising under sections 544, 547, 548, 549 and 550 of the Bankruptcy Code, and any other similar or corresponding claims or actions arising under state or any other law, rights of setoff and other legal and equitable defenses of the Debtor (collectively, the

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“Avoidance Actions”) shall be transferred to and vested in the Debtor for the benefit of holders of all Allowed Claims, as set forth in the Plan unless expressly released, waived, or relinquished under the Plan, the Confirmation Order or other Order of the Bankruptcy Court. The Debtor and/or the Creditors Committee shall exclusively retain and may prosecute and enforce, and the Debtor expressly reserves and preserves for these purposes, in accordance with sections 1123(a)(5)(B) and 1123(b)(3) of the Bankruptcy Code, any claims, demands, rights and causes of action, including, the “Avoidance Actions” for the benefit of the Debtor’s estate and to be distributed to Allowed Claims in the order of priority set forth in Section 1129(a) of the Bankruptcy Code, except to the extent that Avoidance Actions were released by the Debtor during the course of this Bankruptcy Case.

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#### **ARTICLE VIII** **EXECUTORY CONTRACTS**

All leases and executory contracts of the Debtor shall be rejected pursuant to the provisions of Section 365 and Section 1123 of the Code, except any and all leases and executory contracts which are the subject of separate motions filed pursuant to the provisions of Section 365 of the Code by the Debtor prior to the commencement of the hearing on confirmation of the Plan.

#### **ARTICLE IX** **DISPUTED CLAIMS**

**9.01** No payments shall be made with respect to a Disputed Claim until that Claim becomes an Allowed Claim, by agreement of the or parties or by Final Order of the Court. Unless otherwise provided in the Plan, the Debtor shall pay the holder of such Allowed Claim the amount provided in the Plan as soon as practicable after the Allowed Claim is established.

**9.02** Objections to Claims shall be filed by the Debtor with the Court and served upon each holder of a claim to which an objection is made within such other time period as may be fixed by the Court.

**9.03** Unless otherwise ordered by the Court, the Debtor shall litigate to judgment, settle or withdraw objections to Disputed Claims, without notice to any party in interest except the party whose claim is the subject of the objection.

**9.04** The Debtor will withhold from its payment to Unsecured Creditors and set aside an amount equal to the aggregate distributions that would be required to be made under the Plan to holders of Disputed Claims in the event that such claims became Allowed Claims.

**ARTICLE X**  
**RETENTION OF JURISDICTION**

Notwithstanding confirmation of this Plan or the Effective Date having occurred, the Court shall retain jurisdiction for the following purposes:

- A. To hear and determine objections to claims;
  - B. To hear and determine adversary proceedings involving preference actions and actions to recover post-petition payments pursuant to 11 U.S.C. Sections 547 and 549, and to determine the validity and extent of liens pursuant to 11 U.S.C. Sections 545 and 506.
  - C. To hear and determine all applications for professional fees and expenses pursuant to 11 U.S.C. Section 503.
  - D. To hear and determine any dispute arising under the Plan, its implementation and execution of any necessary documents thereunder, and any requests to amend, modify, or correct the Plan.
  - E. To grant extensions of any deadlines set forth in the confirming order as may be appropriate;
- and
- F. To enforce all discharge provisions under the Plan;
  - G. To enter a Final Decree closing this Chapter 11 case

**ARTICLE XI**  
**CONFIRMATION UNDER SECTION 1129(b)**

In the event any class is deemed impaired under this Plan and refuses to accept the terms of this Plan, the Debtor requests that the Court confirm the Plan pursuant to Section 1129(b) of the Bankruptcy Code.

**ARTICLE XII**  
**MODIFICATION OF THE PLAN**

The Debtor may amend or modify this Plan at any time prior to the confirmation Date upon notice to those creditors whose interests may be adversely affected by said amendment or modification and with the approval of the Court. The Plan may be modified, subsequent to the Confirmation Date, upon notice and a hearing, in accordance with the provisions of the Bankruptcy Code.

**ARTICLE XIII**  
**MISCELLANEOUS**

Neither the filing of this Plan, nor any statement or provision contained herein, nor the taking by any creditor or the Debtor of any action with respect to this Plan, shall (a) be or be deemed an admission against interest and (b) until the Effective Date, be or be deemed a waiver of any rights which either the Debtor or any creditor might have against the other or any property of the other, all such rights being specifically reserved. In the event that the Effective Date does not occur, neither this Plan nor any statement contained herein may be used or relied upon in any manner in any suit, action proceeding or controversy within or outside of the Debtor's Chapter 11 case.

**ARTICLE XIV**  
**GENERAL PROVISIONS**

**14.1** Notwithstanding Section 1141 of the Code, prior to the Effective Date, the Debtor shall continue to operate its business as a Debtor-in-possession, and all assets of the Debtor shall remain property of the Estate. On the Effective Date of confirmation, all assets of the Confirmed Debtor shall vest in the Debtor free and clear of all liens, interests, and encumbrances of any kind except those specifically retained or created hereunder.

**14.2** After confirmation, and until the case is closed, the Court shall retain jurisdiction to allow or disallow claims, for such purposes as are contemplated under the Code, and to enter such orders as may be necessary or appropriate to implement or modify this Plan, or to enforce the provisions of the Code.

**14.3** The Debtor will be responsible for timely payment of fees incurred pursuant to 28 U.S.C. § 1930(a)(6). Said payment to be made from funds currently on hand from the Sale to First Tek. After confirmation, the Debtor will serve the United States Trustee with a monthly financial report for each month (or portion thereof) the cases remains open. The monthly financial report shall include the following:

- (1) a statement of all disbursements made during the course of the month, whether or not pursuant to the plan;
- (2) a summary, by class, of amounts distributed or property transferred to each recipient under the plan, and an explanation of the failure to make any distributions or transfers of property under the plan;

- (3) Debtor's projections as to its continuing ability to comply with the terms of the plan;
- (4) a description of any other factors which may materially affect the Debtor's ability to consummate the plan; and
- (5) an estimated date when an application for final decree will be filed with the court (in the case of the final monthly report, the date the decree was filed).

UNIVERSAL SOFTWARE CORPORATION  
By its President,

/s/ Kishore Deshpande

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Kishore Deshpande, President

BY COUNSEL:

/s/ George J. Nader

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