

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----x  
*In re:*

Chapter 11

YOSI SAMRA, INC.

Case No. 17-12493 (SCC)

Debtor and  
Debtor-in-Possession.  
-----x

**AMENDED CHAPTER 11 PLAN OF REORGANIZATION**

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Dated: ~~August 15~~ September 14, 2018

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**TABLE OF CONTENTS**

	Page
ARTICLE 1 DEFINITIONS AND CONSTRUCTION OF TERMS.....	1
1.1 Definitions.....	1
1.2 Interpretation; Application of Definitions and Rules of Construction.....	9
1.3 Disclosure Statement and Plan Documents .....	9
ARTICLE 2 CLASSIFICATION, TREATMENT, AND VOTING RIGHTS OF CLAIMS AND OLD EQUITY INTERESTS.....	9
2.1 Administrative Claims .....	9
2.2 Classification, Treatment, and Voting Rights of Classified Claims and Old Equity Interests .....	11
2.3 Classification Rules and Settlement of Claims.....	13
2.4 Impairment Controversies.....	14
2.5 Record Date .....	14
2.6 Confirmation Without Acceptance By All Impaired Classes .....	14
ARTICLE 3 EXECUTORY CONTRACTS AND UNEXPIRED LEASES .....	14
3.1 Rejection of Executory Contracts and Unexpired Leases.....	14
3.2 Assumption of Executory Contracts and Unexpired Leases If Not Rejected.....	14
3.3 Contract Assumption Schedule.....	15
3.4 Contracts and Leases Entered into or Assumed After the Commencement Date .....	15
3.5 Obligations to Indemnify Directors, Officers and Employees.....	16
ARTICLE 4 CONFIRMATION OF THE PLAN.....	16
4.1 Conditions Precedent to Confirmation and Effectiveness .....	16
4.2 Effect of Confirmation of the Plan.....	17
ARTICLE 5 IMPLEMENTATION OF THE PLAN .....	21
5.1 Funding .....	21
5.2 Corporate Existence .....	21
5.3 Corporate Action To Facilitate Consummation of the Plan.....	21
5.4 Corporate Governance and Management of the Reorganized Debtor .....	21
5.5 Transactions on the Effective Date .....	22
5.6 Establishment of the YSI Creditors' Trust.....	22

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ARTICLE 6 PROVISIONS GOVERNING DISTRIBUTIONS AND RESOLUTION  
OF DISPUTED CLAIMS ..... 24

6.1 Distributions Under the Plan..... 24

6.2 Resolution of Disputed Claims ..... 27

ARTICLE 7 RETENTION OF JURISDICTION ..... 29

7.1 Scope of Jurisdiction..... 29

ARTICLE 8 MISCELLANEOUS PROVISIONS..... 30

8.1 Effectuating Documents and Further Transactions..... 30

8.2 Exemption from Transfer Taxes ..... 30

8.3 Dissolution of Committee ..... 31

8.4 Payment of Certain Fees and Expenses ..... 31

8.5 Amendment or Modification of the Plan ..... 31

8.6 Severability ..... 32

8.7 Binding Effect..... 32

8.8 Notices ..... 32

8.9 Governing Law ..... 32

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Yosi Samra, Inc. ("~~Debtor~~") as the Debtor and debtor-~~in~~-possession ("~~Debtor-in-Possession~~") in the above-captioned chapter 11 case (the "Chapter 11 Case") proposes the following chapter 11 plan of reorganization:

## ARTICLE 1

### DEFINITIONS AND CONSTRUCTION OF TERMS

1.1 Definitions. The capitalized terms used herein shall have the respective meanings specified below:

(1) "Additional Distribution Amount" means, with respect to any claim in Class 5, the amount to be distributed in accordance with Section 6.2 of the Plan.

(2) "Administrative Claim" means a Claim (i) arising on or after the Commencement Date and prior to the Effective Date for a cost or expense of administration of the Chapter 11 Case, that is entitled to priority or superpriority pursuant to sections 364(c)(1), 503(b), or 507(a)(2) of the Bankruptcy Code Fee Claims and actual and necessary costs and expenses incurred after the Commencement Date of preserving the Estate and operating the businesses of the Debtor or (ii) entitled to priority under section 503(b)(9) of the Bankruptcy Code.

(3) "Allowed" means with reference to a Claim, any Claim to the extent it has not been withdrawn, paid, deemed satisfied in full or otherwise extinguished that (i) has been listed by the Debtor in its Schedules as liquidated in amount and not disputed or contingent, for which no contrary proof of claim has been filed, and for which no objection to the allowance thereof has been interposed on or before the Claims Objection Deadline, (ii) proof (or with respect to an Administrative Claim, a request for payment) of which has been filed on or before the Bar Date, and for which no objection to the allowance thereof has been interposed on or before the Claims Objection Deadline, (iii) is allowed pursuant to the Plan or procedures set forth in the Plan, (iv) the Debtor or Reorganized Debtor determine should be allowed, (v) is compromised, settled, or otherwise resolved pursuant to a Final Order of the Bankruptcy Court or the authority granted to the Reorganized Debtor under the Plan, or (vi) an objection to the allowance of which has been interposed on or before the Claims Objection Deadline, but for which a Final Order of the Bankruptcy Court has been entered allowing such Claim, *provided, however*, that Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered "Allowed Claims" hereunder. Except as otherwise provided in the Plan or a Bankruptcy Court order, the amount of an Allowed Claim (including a Disputed Claim that subsequently becomes an Allowed Claim) shall not include (a) any interest, penalty, or late charge arising or accruing after the Commencement Date, or (b) any award or reimbursement of attorneys fees or related expenses or disbursements.

(4) "Annual Distribution Date" means the last Business Day of the month that is at least twelve (12) months after the Effective Date.

(5) "Annual Test Date" means, with respect to any Annual Distribution Date, the date that is the last ~~day~~Business Day of the month preceding such Annual Distribution Date.

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(6) “Avoidance Actions” means all claims and causes of action which the Debtor or its estate have or had the power to assert pursuant to any of ~~Sections~~sections 510, 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code.

(7) “Ballot” means the form distributed to each holder of an impaired Claim entitled to vote on the Plan, on which such holder is to indicate acceptance or rejection of the Plan.

(8) “Bankruptcy Code” means title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Case.

(9) “Bankruptcy Court” means the United States District Court for the Southern District of New York.

(10) “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure.

(11) “Bar Date” means (a) for general claims, January 9, 2018 at 5:00 PM EST and (b) for claims of governmental entities, March 12, 2018 at 5:00 PM EST.

(12) “Beneficiary” means the holders of Allowed Unsecured Claims as beneficiaries of the YSI Creditors’ Trust.

(13) “Business Day” means any day except Saturday, Sunday, or a “legal holiday” as such term is defined in Bankruptcy Rule 9006(a).

(14) “Cash” means legal tender of the United States of America.

(15) “Causes of Action” means all rights, claims (as such term is defined in section 101 of the Bankruptcy Code), causes of action, defenses, debts, demands, damages, obligations, and liabilities of any kind or nature whether under contract or tort, at law or in equity or otherwise, known or unknown, contingent or matured, liquidated or unliquidated, and all rights and remedies with respect thereto, including Avoidance Actions and Litigation Claims.

(16) “Chapter 11 Case” has the meaning set forth in the introductory paragraph to the Plan.

(17) “Claim” means a claim (as defined in section 101 of the Bankruptcy Code) against the Debtor or its Estate.

(18) “Claims Objection Deadline” means the last day for filing objections to Claims, which shall be the latest of (a) 180 days after the Effective Date, or (b) such other date as may be approved by order of the Bankruptcy Court.

(19) “Class” means a category of holders of Claims or Old Equity Interests as set forth in the classifications under the Plan.

(20) “Collateral” means any property or interest in property of the Estate that is subject to a lien to secure the payment or performance of a Claim, which lien is valid, perfected,

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and enforceable under non-bankruptcy law and is not subject to avoidance under the Bankruptcy Code or other applicable non-bankruptcy law.

(21) “Commencement Date” means September 5, 2017, the date on which the Debtor commenced its Chapter 11 Case.

(22) “Committee” means the statutory committee of unsecured creditors, appointed in the Chapter 11 Case.

(23) “Confirmation Date” means the date on which the Bankruptcy Court has entered the Confirmation Order on its docket, within the meaning of Bankruptcy Rules 5003 and 9021.

(24) “Confirmation Hearing” means the hearing before the Bankruptcy Court to consider confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

(25) “Confirmation Order” means the order of the Bankruptcy Court confirming the Plan.

(26) “Contract Assumption Schedule” means a schedule to be filed with the Bankruptcy Court listing those executory contracts and unexpired leases to be assumed under the Plan, and listing the proposed Cure Amounts, if any, for each such agreement.

(27) “Contract Rejection Schedule” means a schedule to be filed with the Bankruptcy Court listing certain of the executory contracts and unexpired leases to be rejected under the Plan.

(28) “Cure Amount” means the dollar amount required under section 365 of the Bankruptcy Code to cure the Debtor’s defaults under an executory contract or unexpired lease and to compensate the non-debtor party or parties to such contract or lease for any actual pecuniary loss to such party resulting from such default, at the time such contract or lease is assumed by that Debtor.

(29) “Debtor” has the meaning set forth in the introductory paragraph to the Plan.

(30) “DIP Factoring Agreement” means that certain Debtor ~~In~~-in-Possession Accounts Sale and Purchase Agreement, approved by the Bankruptcy Court pursuant to the Final Sallyport DIP Order.

(31) “DIP Loan Documents” means, collectively, the DIP Factoring Agreement and the DIP Trade Financing Agreement.

(32) “DIP Trade Financing Agreement” means that certain Debtor ~~In~~-in-Possession Trade Financing Addendum to the Debtor In Possession Accounts Sale and Purchase Agreement, approved by the Bankruptcy Court pursuant to the Final Sallyport DIP Order.

(33) “Disbursing Agent” has the meaning set forth in Section 6.1(a)(i) of the Plan.

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(34) “Disclosure Statement” means the disclosure statement with respect to the Plan, together with all exhibits and annexes thereto and any amendments or modifications thereof, as approved by the Bankruptcy Court as containing adequate information in accordance with section 1125 of the Bankruptcy Code.

(35) “Disputed” means, with respect to a Claim, any Claim to the extent it has not been withdrawn, paid in full, deemed satisfied in full or otherwise extinguished that, either in whole or in part, has not become an Allowed Claim.

(36) “Disputed Claims Reserve” means the Disputed Class 5 Claims Reserve.

(37) “Disputed Class 5 Claims Reserve” means reserves established pursuant to Section 6.2(b) for Disputed Claims in Class 5 to the extent such Disputed Claims become Allowed Claims.

(38) “Distribution Date” means (a) with reference to a particular Claim or Administrative Claim Allowed as of the Effective Date, the Effective Date and subsequent Annual Distribution Dates in accordance with this Plan and (b) with reference to a particular Claim or Administrative Claim Disputed as of the Effective Date, but thereafter Allowed, the Annual Distribution Date following the calendar month in which the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order or in which, by agreement, any Disputed Claim becomes an Allowed Claim.

(39) “Effective Date” means a day, as determined by the Debtor, that is a Business Day no earlier than the date on which all conditions to effectiveness set forth in Section 4.1 have been met. The Effective Date shall be not later than thirty (30) days after all conditions to effectiveness in Section 4.1 have been met.

(40) “Estate” means the estate created for the Debtor pursuant to section 541 of the Bankruptcy Code.

(41) “Exit Financing Documents” means any credit agreements, notes, security documents, subordination agreements, and any other necessary documents or agreements evidencing the loans and security interest in all of the assets of the Reorganized Debtor, which shall implement the Exit Financing Loans.

(42) “Exit Financing Loans” means exit financing to be provided to the Reorganized Debtor.

(43) “Fee Claim” means a claim under section 330(a), 331, 503, or 1103 of the Bankruptcy Code for compensation for services rendered or expenses incurred on or after the Commencement Date in connection with the Chapter 11 Case.

(44) “Final Order” means an order or judgment of the Bankruptcy Court or any other court of competent jurisdiction (a) as to which the time to seek an appeal, petition for certiorari, or other proceedings for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending; (b) as to which any right to appeal, petition for certiorari, reargument, or rehearing shall have been

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waived in writing in form and substance satisfactory to the Debtor (or, on and after the Effective Date, the Reorganized Debtor); or (c) in the event that an appeal, petition for certiorari, or motion for reargument or rehearing has been sought, such order of the Bankruptcy Court or other court of competent jurisdiction shall have been affirmed by the highest court to which such order was appealed or from which reargument or rehearing was sought, or certiorari has been denied, and the time to take any further appeal, petition for certiorari or other proceedings for reargument or rehearing shall have expired; *provided, however*, that no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Rule 9024 of the Bankruptcy Rules, or any analogous procedural rules under applicable state or federal law can be filed with respect to such order.

(45) “Final Sallyport DIP Order” means that certain Final Order: (1) Authorizing Post-Petition Factoring and Financing; (2) Authorizing Debtor to Enter into the DIP Financing Agreement; (3) Granting Liens, Security Interests, and Superpriority Claims; (4) Approving the ~~Debtor's~~ Debtor's Use of Cash Collateral and Providing Adequate Protection; (5) Modifying the Automatic Stay; and (6) Approving Notice entered on December 6, 2017 [Docket No. 98].

(46) “Final Jacob Samra DIP Order” means that certain Final Order (i) Approving Debtor-in-Possession Financing Pursuant to 11 U.S.C. §§ 105(a), 362, and 364 and ~~Fed. Bankr. P. Bankruptcy Rules~~ 2002, 4001 and 9014 and Local Bankruptcy Rule 4001-2; (ii) Granting Adequate Protection and Superpriority Administrative Claims; and (iii) Granting Related Relief, entered by the Court on November 9, 2017 [Docket No. 84].

(47) “Guaranty” references the guaranty pursuant to which certain creditors have a claim against Yosi Samra, in his individual capacity. Those creditors ~~include but are not limited to:- are:~~ Dara Partners, Brandswami LLC, Great American Financial Services, MYN Showroom LLC, National Funding, Chase Inc., American Express, and SGI.

(48) “Litigation Claim” means (a) any Claim sounding in tort or otherwise relating to personal injury, property damage, products liability, unlawful discrimination, employment practices; or (b) any other Claim that is the subject of pending litigation.

(49) “Maximum Allowable Amount” means, (a) with respect to any Disputed Claim having a liquidated amount, the lesser of the amount (i) set forth in the proof(s) of claim or requests for payment filed by the holder thereof; (ii) determined by the Bankruptcy Court or any other court of competent jurisdiction as the maximum fixed amount of such Claim or as the estimated amount for such Claim for allowance, distribution, and reserve purposes; or (iii) agreed upon, in writing, by the holder, the Debtor (or, on and after the Effective Date, the Reorganized Debtor); and (b) with respect to a Disputed Claim filed in an unliquidated, undetermined, or contingent amount, the lesser of (i) the estimated amount of such Claim as determined by the Bankruptcy Court; or (ii) the amount agreed upon, in writing, by the holder, the Debtor (or, on and after the Effective Date, the Reorganized Debtor).

(50) “New Value Contribution” shall be \$700,000 collateralized by Jacob Samra (the first \$100,000 paid by Jacob Samra in ~~cash~~ Cash) as set forth in section 2.2(f) herein for the benefit of Class 5 creditors who receive a distribution.

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(51) “Non-Debtor Release” has the meaning set forth in Section 2.2 of the Plan.

(52) “Old Equity Interest” means, when used with reference to the Debtor, (a) the common stock, membership interests, partnership interests, capital stock or other ownership interest in the Debtor, and any options, warrants or other rights with respect thereto; and (b) all Claims with respect to such interests and rights described in section 510(b) of the Bankruptcy Code.

(53) “OnDeck” means OnDeck Capital, Inc.

(54) “Other Secured Claim” means other than the Secured Sallyport Claim, Secured Jacob Samra Claim, Secured Seko Claim, or Secured OnDeck Claim, any Allowed Claim that is (a) secured in whole or part by a lien which is valid, perfected and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law, or (b) not subject to setoff under ~~Section~~section 553 of the Bankruptcy Code, but with respect to (a) and (b) above, only to the extent of the value, net of any senior lien, of the Estate’s interest in the assets or property securing such Claim or the amount subject to setoff, as the case may be.

(55) “Plan” means, collectively, this Chapter 11 Plan of Reorganization, and all schedules hereto, as the same may be altered, amended, or modified from time to time by the Debtor.

(56) “Plan Documents” means the Exit Financing Documents and any other documents necessary to implement the Plan.

(57) “Plan Supplement” means those certain exhibits to the Disclosure Statement that were not initially filed therewith, but rather were filed separately on or before twenty-one (21) days after the filing of the Disclosure Statement.

(58) “Prepetition Factoring Agreement” means that certain February 2017 Account Sale and Purchase Agreement between the Debtor and Sallyport.

(59) “Prepetition Inventory Revolver” means that certain February 2017 Revolving Inventory Loan Addendum to the Prepetition Factoring Agreement between the Debtor and Sallyport.

(60) “Prepetition Loan Documents” means collectively the Prepetition Factoring Agreement, the Prepetition Trade Financing Addendum Agreement, and the Prepetition Inventory Revolver.

(61) “Prepetition Trade Financing Addendum Agreement” means that certain February 2017 Trade Financing Addendum to the Prepetition Factoring Agreement between the Debtor and Sallyport.

(62) “Prime Rate” means the interest rate per annum as published, from time to time, in The Wall Street Journal as the “Prime Rate” in its column entitled “Money Rate<sup>32</sup>.”

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(63) “Priority Non-Tax Claim” means a claim against the Debtor or its Estate accorded priority in right of payment pursuant to section 507(a)(4), (5), or (7) of the Bankruptcy Code.

(64) “Priority Tax Claim” means a claim of a governmental unit against the Debtor or its Estate accorded priority in right of payment pursuant to section 507(a)(8) of the Bankruptcy Code.

(65) “Pro Rata Share” means as of any date of determination a proportionate share, so that the ratio of (a) (i) the consideration distributed on account of an Allowed Claim in a Class to (ii) the amount of such Allowed Claim, is the same as the ratio of (b) (i) the amount of the consideration distributed on account of all Allowed Claims in such Class to (ii) the amount of all Allowed Claims in such Class; *provided, however*, that solely for the purpose of calculating a Pro Rata Share, a Disputed Claim shall be treated as an Allowed Claim in the Maximum Allowable Amount.

(66) “Record Date” has the meaning set forth in Section 2.5 of the Plan.

(67) “Released Parties” means each of the Debtor’s officers, directors, principals, employees, agents, advisors, and attorneys, acting in such capacities, and all of the successors and assigns of the foregoing. For avoidance of doubt, Yosi Samra, Jacob Samra, and Eric Samra are Released Parties.

(68) “Releasing Parties” has the meaning set forth in Section 4.2(g) of the Plan.

(69) “Reorganized Debtor” means Debtor, as it exists after the Effective Date.

(70) “Retained Assets” means property of the Estate to be vested in the Reorganized Debtor on the Effective Date, consisting of all property of the Estate that are not Trust Assets.

(71) “Sallyport” means Sallyport Commercial Finance, LLC.

(72) “Schedules” means the schedules of assets and liabilities (filed on September 5, 2017, and amended on November 28, 2017) and the statements of financial affairs filed on October 26, 2017 by the Debtor pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such may be amended or supplemented from time to time [Docket Nos. 2, 73, and 90].

(73) “Secured Jacob Samra Claim” means the Allowed Claim of Jacob Samra, to the extent such claim is (a) secured in whole or part by a lien which is valid, perfected and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law, or (b) not subject to setoff under ~~Section~~section 553 of the Bankruptcy Code, but with respect to (a) and (b) above, only to the extent of the value, net of any senior lien, of the Estate’s interest in the assets or property securing such Claim or the amount subject to setoff, as the case may be.

(74) “Secured OnDeck Claim” means the Allowed Claim of OnDeck, to the extent such claim is (a) secured in whole or part by a lien which is valid, perfected and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable

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non-bankruptcy law, or (b) not subject to setoff under ~~Section~~section 553 of the Bankruptcy Code, but with respect to (a) and (b) above, only to the extent of the value, net of any senior lien, of the Estate's interest in the assets or property securing such Claim or the amount subject to setoff, as the case may be.

(75) "Secured Sallyport Claim" means the Allowed Claim of Sallyport, to the extent such claim is (a) secured in whole or part by a lien which is valid, perfected and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law, or (b) not subject to setoff under ~~Section~~section 553 of the Bankruptcy Code, but with respect to (a) and (b) above, only to the extent of the value, net of any senior lien, of the Estate's interest in the assets or property securing such Claim or the amount subject to setoff, as the case may be.

(76) "Secured Seko Claim" means the Allowed Claim of Seko, to the extent such claim is (a) secured in whole or part by a lien which is valid, perfected and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law, or (b) not subject to setoff under ~~Section~~section 553 of the Bankruptcy Code, but with respect to (a) and (b) above, only to the extent of the value, net of any senior lien, of the Estate's interest in the assets or property securing such Claim or the amount subject to setoff, as the case may be.

(77) "Seko" means collectively SEKO Worldwide, LLC and SEKO Omni-Channel Logistics.

(78) "Seko Order" means that certain Order entered by the Court on October 24, 2017 that resolves the following motions: 1) Debtor's motion for an order (i) compelling the Debtor's warehouseman, SEKO Worldwide, LLC ("~~SEKO Worldwide~~") and SEKO OMNI-Channel Logistics ("~~SEKO OMNI~~") (collectively, "~~SEKO~~"), to release the Debtor's goods, and (ii) for an award of sanctions (~~the "Motion to Compel"~~) [Docket No. 20], and 2) Seko's motion that date for adequate protection (~~the "Adequate Protection Motion"~~) [Docket No. 21].

(79) "Subordinated Claims" means claims that are subordinated either voluntarily, or in accordance with section 510(c) of the Bankruptcy Code.

(80) "Tax" means (a) any net income, alternative or add-on minimum, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, property, environmental or other tax, assessment or charge of any kind whatsoever (together in each instance with any interest, penalty, addition to tax or additional amount) imposed by any federal, state, local or foreign taxing authority; or (b) any liability for payment of any amounts of the foregoing types as a result of being a member of an affiliated, consolidated, combined or unitary group, or being a party to any agreement or arrangement whereby liability for payment of any such amounts is determined by reference to the liability of any other entity.

(81) "Trustee" means ~~[[~~ Robert Castro and any other individual or entity designated by the Debtor and retained by the YSI Creditors' Trust, as of the Effective Date or thereafter, as the fiduciary responsible for administering the YSI Creditors' Trust.

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(82) “Trust Assets” means all of the assets of the YSI Creditors’ Trust, which shall consist of the New Value Contribution (less an amount necessary to pay Class 6 Claimants), as of the Effective Date. Trust Assets does not include any Causes of Action.

(83) “Unsecured Claims” means all prepetition unsecured Claims (including deficiency claims with respect to Other Secured Claims) other than (a) Priority Non-Tax Claims, (b) Priority Tax Claims, (c) Subordinated Claims, and (d) Claims arising under section 503(b)(9) of the Bankruptcy Code, to the extent they are prepetition Claims.

(84) “YSI Creditors’ Trust” has the meaning set forth in Section 2.2(e) of the Plan.

(85) “YSI Creditors’ Trust Agreement” means the agreement, substantially in the form annexed as Exhibit F of the Disclosure Statement, as it may be subsequently modified, governing the operations of the YSI Creditors’ Trust.

1.2 Interpretation; Application of Definitions and Rules of Construction. Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include both the singular and the plural and pronouns stated in the masculine, feminine or neutral gender shall include the masculine, feminine and neutral. Unless otherwise specified, all section, article, or schedule references in the Plan are to the respective section in, article of, or schedule to the Plan. The words “herein,” “hereof,” “hereto,” “hereunder” and other words of similar import refer to the Plan as a whole and not to any particular section, subsection or clause contained in the Plan. The use of the word “including” shall be deemed to mean “including, without limitation.” Except as expressly set forth herein, any reference to an entity as a holder of a Claim or Old Equity Interest includes that entity’s successors and assigns. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of the Plan. A term used herein that is not defined herein shall have the meaning ascribed to such term, if any, in the Bankruptcy Code. Any Plan references to amounts of time shall be calculated pursuant to Bankruptcy Rule 9006. The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of the Plan.

1.3 Disclosure Statement and Plan Documents. All Plan Documents are incorporated into the Plan by this reference as if set forth in full herein. In the event of a conflict between a Plan Document, the Disclosure Statement and the Plan, the Plan shall govern.

## ARTICLE 2

### CLASSIFICATION, TREATMENT, AND VOTING RIGHTS OF CLAIMS AND OLD EQUITY INTERESTS

#### 2.1 Administrative Claims.

(a) General. Except as otherwise specifically provided in this Section governing allowance and payment of Administrative Claims, unless such holder agrees to a different treatment, or unless an order of the Bankruptcy Court provides otherwise, on the Distribution Date, each holder of an Allowed Administrative Claim shall, in full and complete settlement, satisfaction, and discharge of such Claim, receive Cash in an amount equal to such Allowed Administrative Claim, *provided, however*, that an Administrative Claim representing a liability

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incurred in the ordinary course of business of the Debtor shall be paid in full in the ordinary course of business by the Debtor or the Reorganized Debtor, in accordance with the terms and subject to the conditions of any agreements governing such ordinary course liabilities.

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(b) Allowance and Payment of Fee Claims. All entities seeking allowance by the Bankruptcy Court of a Fee Claim shall prepare final applications for allowances of compensation for services rendered and reimbursement of expenses incurred through the Effective Date, and shall file and serve such applications no later than the date that is sixty (60) days after the Effective Date. The failure to timely file such application shall result in the Fee Claim being forever barred and discharged. Objections to a Fee Claim must be filed and served no later than seven (7) days prior to the return date of the application seeking allowance of such Fee Claim. Within ten (10) days after a Final Order is entered by the Bankruptcy Court allowing a Fee Claim, the Disbursing Agent shall pay the holder thereof Cash in the unpaid Allowed amount of such claim.

One of the conditions to the Effective Date is that the Debtor must escrow \$75,000 dedicated to payment of Allowed Fee Claims. To the extent the Allowed Fee Claims exceed \$75,000, the amount of fees exceeding \$75,000 shall be paid by the Disbursing Agent by the end of 2018, unless otherwise agreed to by the professional.

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(c) Priority Tax Claims. Each holder of an Allowed Priority Tax Claim shall, in full and complete settlement, satisfaction, and discharge of such Claim, receive, at the option of the Reorganized Debtor, (i) the amount of such holder's Allowed Priority Tax Claim, plus interest on the unpaid amount of such Claim from the Effective Date at the rate applicable under non-bankruptcy law, in quarterly Cash installment payments over a period ending not later than five (5) years after the Commencement Date (provided that the Reorganized Debtor may prepay the balance of any such Allowed Priority Tax Claim at any time without premium or penalty); (ii) Cash on the Distribution Date in the amount equal to the Allowed Priority Tax Claim; or (iii) such other treatment as may be agreed upon in writing by such holder and the Debtor or Reorganized Debtor. Notwithstanding the foregoing, the holder of an Allowed Priority Tax Claim will not be entitled to receive any payment on account of any penalty arising with respect to or in connection with the Allowed Priority Tax Claim. Any such Claim or demand for any such penalty (a) will be discharged under the Plan and (b) the holder of an Allowed Priority Tax Claim shall be barred and enjoined from collecting or attempting to collect such penalty from the Reorganized Debtor or their property.

(d) Sallyport's DIP Factoring Agreement Claims. Sallyport's DIP Factoring Agreement Claims, to the extent any exist, shall be paid in the ordinary course in accordance with the DIP Factoring Agreement, except that the "Advance Rate" as defined therein is modified as follows:

"Advance Rate: up to 85% of the gross face amount of each Eligible Account purchased under this Agreement that was funded to Seller in advance of its due date. Of this amount, 5% shall be applied towards payment of Allowed Secured Seko Claims."

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2.2 Classification, Treatment, and Voting Rights of Classified Claims and Old Equity Interests.

a) Class 1- Secured Claims of Sallyport.

This class consists of the Allowed Secured Sallyport Claims pursuant to the Prepetition Loan Documents in the amount of approximately \$104,000 and estimated to be \$70,000 on the Effective Date. These claims shall be paid through Exit Financing Loans in the form of an Inventory Facility Line of Credit, pursuant to which Sallyport may make advances from time to time for purposes of payment of the Allowed Secured Sallyport Claims and providing working capital. The terms of the Inventory Facility shall be as follows:

Advance rate:	25% of Eligible Inventory
Advance limit:	\$200,000
Inventory Funding Fee:	8% above Prime rate

The holder of the Class 1 Claim is impaired and is entitled to vote.

b) Class 2- Secured Claims of Jacob Samra.

This class consists of the Allowed Secured Jacob Samra Claims pursuant to prepetition purchase money loans in the amount of approximately \$616,000. Holders of Claims in this Class will receive 100% of the equity interests in the Reorganized Debtor in full satisfaction of these Claims.

The holder of Class 2 Claims is impaired and is entitled to vote on the Plan.

c) Class 3- Secured Claims of Seko.

This class consists of the Allowed Secured Claims of Seko. These claims will be paid through payment by Sallyport of 5% of the Advance Rate funded to the Debtor/-Reorganized Debtor pursuant to the DIP Loan Documents to the extent the Debtor's rights to receive payment from Sallyport constitute Seko Cash Collateral (as defined in the Seko Order).

If there is no Seko Cash Collateral, then the Allowed Secured Seko Claims are deemed paid in full, and balance of Seko's Allowed prepetition claims will be treated as Class 5 Claims.

The holder of the Class 3 Claims is impaired and is entitled to vote on the Plan.

d) Class 3a- Secured Claims of OnDeck.

This class consists of the Allowed Secured Claims of OnDeck in the amount of \$44,019.22. These claims will be paid at 0% interest over 60 months with monthly payments of \$733.65 beginning the Effective Date.

The Debtor is currently investigating the validity and extent of OnDeck's liens. If these liens are invalid, then OnDeck's Claims will be treated as Class 5 Claims.

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The holder of the Class 3a Claims is impaired and is entitled to vote on the Plan.

e) Class 4- Priority Non-Tax Claims.

This class consists of Priority Non-Tax Claims against the Debtor. These claims, to the extent any exist, will be paid in full on the Effective Date. The holders of the Class 4 Claims are unimpaired and presumed to accept the Plan, and thus are not entitled to vote on the Plan.

f) Class 5- General Unsecured Claims.

This class consists of holders of Allowed General Unsecured Claims.

OPTION FOR CLASS 5 CLAIMANTS TO RELEASE NON-DEBTOR: Class 5 creditors are given the option to consensually release Released Parties from any causes of action, defenses, debts, demands, damages, obligations, and liabilities of any kind or nature whether under contract or tort, at law or in equity or otherwise, known or unknown, contingent or matured, liquidated or unliquidated, and all rights and remedies with respect thereto, including any personal liability pursuant to a Guaranty (the "Non-Debtor Release").

Class 5 creditors who (i) vote to accept the Plan or (ii) abstain from voting without opting out of the release, are deemed to consent to the Non-Debtor Release of the Released Parties. These creditors will receive their ~~pro rata share~~ Pro Rata Share of the New Value Contribution described below.

Class 5 creditors who (i) vote to reject the Plan or (ii) abstain from voting and opt out of the release, are deemed to not consent to the Non-Debtor Release. These creditors will receive no distribution under the Plan and are deemed to consent to this less favorable treatment pursuant to section ~~4124~~ 1123(a)(4) of the Bankruptcy Code.

For avoidance of doubt, creditors who do not consent to the Non-Debtor Release, regardless of whether they accept treatment as a class 5 creditor or voluntarily reduce their claim to \$2,500 to accept treatment as a class 6 creditor, will receive no distribution under the Plan.

New Value Contribution. A trust, the YSI Creditors' Trust, shall be established for the benefit of holders of Class 5 Allowed Claims who are to receive a distribution. These claims, if allowed, will receive a ~~pro rata share~~ Pro Rata Share of the "New Value Contribution" of \$700,000 for the benefit of unsecured creditors who are to receive a Class 5 distribution as follows: (i) a Pro Rata Share of \$100,000 on the Effective Date less amounts necessary to pay Class 6 (convenience class) claimants, and less a reserve of \$20,000 set aside to pay administrative expenses of the YSI Creditors' Trust, and (ii) a Pro Rata Share of \$120,000 on each of the next five (5) Annual Distribution Dates following the Effective Date.

These funds will be administered by a YSI ~~Creditors~~ Creditors' Trust through a trustee, ~~[redacted]~~ Robert Castro, in his business judgment.

Security. The first \$100,000 of the New Value Contribution is paid in ~~cash~~ Cash by Jacob Samra to the YSI Creditors' Trust. The balance remaining \$600,000 New Value Contribution shall be secured by a mortgage, that shall be held by the YSI Creditors' Trust, on a non-debtor

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asset, 1509 E. 17<sup>th</sup> Street, Brooklyn, NY 11230. This property is owned by a limited liability company, 1509 East 17<sup>th</sup> Street LLC, of which Jacob Samra is 83% member and Eran Shemesh is 17% member. Both members consent to the imposition of the mortgage. Should this property be sold, then at Jacob Samra's option, he will either (i) pay to the Class 5 Creditors the unpaid balance of the New Value Contribution out of the proceeds of the sale upon closing, or (ii) provide to the ~~the~~ YSI ~~Creditors~~ Creditors' Trust a mortgage on 1530 East ~~Captian~~ Captain Dreyfus Avenue, Phoenix, AZ 85022 as replacement collateral. Neither property has any liens or mortgages at this time. Any future mortgages or encumbrances on the properties will be subordinate to the YSI ~~Creditors~~ Creditors' Trust's mortgage.

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The holders of the Class 5 Claims are impaired and are entitled to vote on the Plan.

g) Class 6- Convenience Class.

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This class is for creditors with Unsecured Claims that are Allowed Claims in the amount of \$2,500 or less, or who voluntarily elect to reduce such claim to \$2,500 and receive treatment in this class.

Holders of Allowed Unsecured Claims in this class shall be entitled to receive ~~cash~~ Cash equal to 20% of such holder's Allowed Claim in the amount of \$2,500 or less, on the Effective Date from ~~cash~~ Cash obtained from the New Value Contribution.

The holders of Class 6 Claims are impaired and are entitled to vote on the Plan.

h) Class 7- Subordinated claims.

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This class is for creditors with Subordinated Claims. Holders of Allowed Claims in this class shall receive no distribution until all holders of Class 5 Claims are paid in full. The holders of the Class 7 Claims are presumed to have rejected the Plan and are not entitled to vote on the Plan.

i) Class 8- Old equity interests.

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The sole member of this class is Yosi Samra, and his equity interests in the Debtor shall be extinguished. Mr. Samra will not be receiving any monetary distribution from the estate on account of his equity interest in the Debtor. The holder of the Class 8 Claim is presumed to have rejected the Plan and is not entitled to vote on the Plan.

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2.3 Classification Rules and Settlement of Claims.

(a) The inclusion of an entity by name or status in any Class is for purposes of general description only and includes all persons claiming as beneficial interest holders, assignees, heirs, devisees, transferees, or successors in interest of any kind of the entity so named or described. A Claim is in a particular Class only to the extent that the Claim qualifies within the description of Claims of that Class, and such Claim is in a different Class to the extent that the remainder of the Claim qualifies within the description of a different Class. The Plan shall give effect to subordination agreements which are enforceable under applicable non-bankruptcy

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law, pursuant to section 510(a) of the Bankruptcy Code, except to the extent the beneficiary or beneficiaries thereof agree to less favorable treatment. Pursuant to section 1123(a)(4) of the Bankruptcy Code, all Allowed claims of a particular Class shall receive the same treatment unless the holder of a particular Allowed Claim agrees to a less favorable treatment for such Allowed Claim.

2.4 Impairment Controversies. If a controversy arises as to whether any Class or any Claim or Old Equity Interest is impaired under the Plan, such matter shall be determined by the Bankruptcy Court.

2.5 Record Date. Unless otherwise ordered by the Bankruptcy Court, the Record Date for determining entitlement to distributions under the Plan shall be the Confirmation Date.

2.6 Confirmation Without Acceptance By All Impaired Classes. Notwithstanding the rejection by one or more impaired Classes entitled to vote to accept or reject the Plan, the Debtor intends to seek confirmation of the Plan in accordance with section 1129(b) of the Bankruptcy Code.

### **ARTICLE 3**

#### **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

##### **3.1 Rejection of Executory Contracts and Unexpired Leases.**

(a) Upon the occurrence of the Effective Date, each and every executory contract and unexpired lease to which the Debtor is a party that is not listed on the Contract Assumption Schedule (including all such agreements listed in the Contract Rejection Schedule) shall be rejected pursuant to section 365 of the Bankruptcy Code. The Confirmation Order shall constitute the Bankruptcy Court's approval of such rejections pursuant to sections 365 and 1123 of the Bankruptcy Code and findings by the Bankruptcy Court that the requirements of section 365 of the Bankruptcy Code have been satisfied with respect to each rejected executory contract or lease.

(b) If the rejection of an executory contract or unexpired lease pursuant to the Plan gives rise to a Claim against the Debtor or its Estate, such Claim will be forever barred and will not be enforceable against the Debtor, the Reorganized Debtor, their respective successors, or their respective properties unless a proof of such claim is filed with the Bankruptcy Court no later than thirty (30) days after the Confirmation Date.

(c) To the extent that any rejected executory contract or unexpired lease by its terms provides any entity other than the Debtor or Reorganized Debtor with any options upon "termination", such options shall not be enforceable as a result of the rejection of such executory contract or unexpired lease. In addition, rejection of any executory contract or unexpired lease shall not affect any rights of the Debtor or Reorganized Debtor that arise upon termination pursuant to the terms of such executory contract or unexpired lease.

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3.2 Assumption of Executory Contracts and Unexpired Leases If Not Rejected.

(a) Upon the occurrence of the Effective Date, each and every executory contract and unexpired lease listed on the Contract Assumption Schedule, shall be assumed pursuant to section 365 of the Bankruptcy Code, *provided, however*, that the Debtor shall be entitled at any time prior to the tenth (10th) day before the Confirmation Hearing to add or delete executory contracts and unexpired leases on the Contract Assumption Schedule and/or the Contract Rejection Schedule, and *provided, further*, that the Debtor and Reorganized Debtor shall be entitled to file a motion after the Confirmation Date to reject any executory contract or unexpired lease for which an objection to a Cure Amount proposed by the Debtor has been timely filed, if the Debtor or Reorganized Debtor determines in their discretion, that in light of the Cure Amount asserted by the non-debtor party or in light of the Bankruptcy Court fixing a Cure Amount that is materially higher than the Cure Amount anticipated by the Debtor, assumption of such executory contract or unexpired lease is not in the best interests of the Debtor or Reorganized Debtor. The Confirmation Order shall constitute the Bankruptcy Court's approval of such assumptions pursuant to sections 365 and 1123 of the Bankruptcy Code and findings by the Bankruptcy Court that the requirements of section 365 of the Bankruptcy Code have been satisfied with respect to each assumed executory contract or lease and that such assumed executory contracts or leases shall inure to the benefit of the Reorganized Debtor.

(b) Notice of Assumption and Proposed Cure. Service of the Disclosure Statement and the Contract Assumption Schedule upon the parties listed thereon shall constitute notice of the assumption of contracts and the proposed Cure Amount. Any party listed on the Contract Assumption Schedule may object to the proposed assumption and/or the proposed cure by \_\_\_\_\_, 2018. In the event a party objects to the proposed cure amount (a "Cure Objection"), and is a party to a contract to be assumed, such Cure Objection shall not prevent or delay confirmation of the Plan. Instead, the cure amount asserted by the objecting party shall be placed into escrow by the Debtor, pending ruling by the Court on the Cure Objection or by agreement of the parties.

(c) To the extent that the parties to executory contracts and unexpired leases listed on the Contract Assumption Schedule and the Debtor have agreed prior to the Effective Date to modifications of such agreements as a condition for such assumption, such executory contracts and unexpired leases shall be deemed assumed as modified.

(d) Any objection to the assumption of an executory contract or unexpired lease by the Debtor shall be forever barred and will not be enforceable against the Debtor, the Reorganized Debtor, their respective successors, or their respective properties unless such objection is filed and served on the Debtor, and any other party required to be served pursuant to an order of the Bankruptcy Court, no later than the Confirmation Date.

(e) Unless compromised, settled, or otherwise resolved pursuant to a Final Order of the Bankruptcy Court or the authority granted to the Debtor or Reorganized Debtor under the Plan, the Cure Amount to be paid in connection with the assumption of an executory contract or unexpired lease that is identified on the Contract Assumption Schedule shall be the proposed Cure Amount listed on such schedule.

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3.3 Contract Assumption Schedule. Unless otherwise provided, each executory contract or unexpired lease listed or to be listed on the Contract Assumption Schedule shall include (a) any modifications, amendments, supplements, restatements or other agreements made directly or indirectly by any agreement, instrument or other documents that in any manner affects such contract or lease, irrespective of whether such agreement, instrument or other document is listed on the Contract Assumption Schedule; and (b) with respect to such executory contracts and unexpired leases that relate to the use or occupancy of real property, all executory contracts or unexpired leases appurtenant to the premises listed on the Contract Assumption Schedule including, all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, usufructs, reciprocal easement agreements, vault, tunnel or bridge agreements or franchises, and any other interests in real estate or rights in rem relating to such premises to the extent any of the foregoing are executory contracts or unexpired leases that have not been previously assumed by the Debtor. Listing a contract or lease on the Contract Assumption Schedule does not constitute an admission by the Debtor or Reorganized Debtor that the Debtor or Reorganized Debtor has any liability thereunder, or that such contract or lease is executory.

3.4 Contracts and Leases Entered into or Assumed After the Commencement Date. Contracts and leases entered into after the Commencement Date by any Debtor, and any executory contracts and unexpired leases assumed by the Debtor prior to confirmation of the Plan, will be performed by the Debtor or Reorganized Debtor under in the ordinary course of its business and will survive and remain unaffected by entry of the Confirmation Order.

3.5 Obligations to Indemnify Directors, Officers and Employees. The obligations of the Debtor or Reorganized Debtor to indemnify any director, officer or employee on or after the Commencement Date (by reason of such person's prior or future service in such capacity or as a director, officer, or employee on behalf of the Debtor, to the extent provided in the applicable certificates of incorporation, bylaws or similar constituent documents, by statutory law or by written agreement, policies or procedures of or with such Debtor or Reorganized Debtor) will (i) be deemed and treated as arising pursuant to executory contracts that are assumed by the applicable Debtor or Reorganized Debtor pursuant to the Plan and section 365 of the Bankruptcy Code as of the Effective Date and (ii) survive and be unaffected by entry of the Confirmation Order, irrespective of whether such indemnification is owed for an act or event occurring before or after the Commencement Date. Notwithstanding anything else in the Plan to the contrary, the obligations of the Debtor to indemnify any Person who immediately prior to the Effective Date no longer was a director, officer, or employee of the Debtor, shall terminate and be discharged pursuant to section 502(e) of the Bankruptcy Code or otherwise, as of the Effective Date.

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**ARTICLE 4**

CONFIRMATION OF THE PLAN

4.1 Conditions Precedent to Confirmation and Effective Date.

(a) The following are conditions to the confirmation of the Plan:

(i) The Confirmation Order shall be in form and substance satisfactory to the Debtor, in consultation with the Committee.

(ii) All schedules and other attachments to the Plan, including, without limitation, the mortgage to be held by the YSI Creditors' Trust as security for the New Value Contribution, and a Trust Agreement establishing and governing the YSI Creditors' Trust, shall be in form and substance acceptable to the Debtor, in consultation with the Committee.

(b) The following are conditions to the occurrence of the Effective Date:

(i) The Confirmation Order, in form and substance acceptable to the Debtor, in consultation with the Committee, shall have become a Final Order.

(ii) The Debtor shall have received all authorizations, consents, regulatory approvals, rulings, letters, no action letters, opinions or documents that are determined by the Debtor, in consultation with the Committee, to be necessary to implement the Plan.

(iii) No stay of the Confirmation Order shall then be in effect.

(iv) The Plan shall not have been materially amended, altered or modified from the Plan confirmed by the Confirmation Order.

(v) The Debtor has escrowed \$175,000 earmarked as follows: \$100,000 for Allowed Class 5 Claims, and \$75,000 for Allowed Fee Claims.

(c) Waiver of Conditions. The conditions to confirmation and the conditions to effectiveness may be waived by the Debtor, in consultation with the Committee except that conditions with respect to the trust agreement relating to the YSI Creditors' Trust, the escrow, and the mortgage to be given thereto may be only waived by the Debtor with the consent of the Committee.

4.2 Effect of Confirmation of the Plan.

(a) Term of Bankruptcy Injunctions or Stays; Continued Jurisdiction. Until the Effective Date, unless otherwise provided, all injunctions or stays provided for in the Chapter 11 Case in existence on the Confirmation Date, including those under section 105 or 362 of the Bankruptcy Code, shall remain in effect, and the Bankruptcy Court shall retain custody and jurisdiction of the Debtor and its Estate.

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(b) Debtor's Authority. On and after the Effective Date, the Reorganized Debtor shall be released from the custody and jurisdiction of the Bankruptcy Court and may operate its business and may use, acquire, and dispose of property without supervision or approval by the Bankruptcy Court, except for those matters as to which the Bankruptcy Court specifically retains jurisdiction under the Plan or the Confirmation Order. On and after the Effective Date, except as otherwise provided in the Plan, the Debtor will, as the Reorganized Debtor, continue to exist as a separate legal entity, with all the powers of a limited liability company under applicable law and without prejudice to any right to alter or terminate such existence (whether by merger, conversion, dissolution or otherwise) under applicable law.

(c) Continued Corporate Existence and Revesting of Assets and Causes of Action. On the Effective Date, except as otherwise provided for in the Plan or the Confirmation Order, (i) the property of the Debtor's Estate shall vest in the Reorganized Debtor, free and clear of all liens, Claims, Old Equity Interests, and Causes of Action against or in the Debtor or Reorganized Debtor or its property, (ii) any and all Causes of Action belonging to the Debtor or its Estate shall be preserved and shall vest in the Reorganized Debtor. The Debtor reserves rights vis-à-vis Causes of Action. In particular, the Debtor is investigating whether one creditor, SGI, has tortuously interfered with its business relations and whether such actions damaged the Debtor.

(d) Discharge of Debtor. The rights afforded in the Plan and the payments and distributions to be made hereunder shall discharge all Causes of Action against the Debtor or its Estate arising prior to the Effective Date, and all Old Equity Interests shall be cancelled, to the extent permitted by section 1141 of the Bankruptcy Code. The Confirmation Order, except as provided herein or therein, shall be a judicial determination of discharge of all such Causes of Action against the Debtor and the termination of all Old Equity Interests, such discharge shall void any judgment against the Debtor at any time obtained to the extent it relates to a discharged Cause of Action or the terminated Old Equity Interests, and all entities shall be precluded from asserting against the Debtor, the Reorganized Debtor, or any of their respective property, any Cause of Action based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder filed a proof of Claim. As provided in section 524 of the Bankruptcy Code, entry of the Confirmation Order shall operate as an injunction against the prosecution of any action against the Debtor, the Reorganized Debtor, or any of their property to the extent such prosecution relates to a discharged Cause of Action or the terminated Old Equity Interests. Notwithstanding the foregoing paragraph, nothing herein shall be deemed to prevent any party in interest from pursuing an action to enforce the terms of the Plan or the Confirmation Order.

(e) Injunction. On the Effective Date, except as otherwise provided in the Plan or in the Confirmation Order, all entities who have been, are, or may be holders of Claims against or Old Equity Interests in the Debtor shall be enjoined from taking any of the following actions against or affecting the Debtor, the Reorganized Debtor, or their property with respect to such Causes of Action or Old Equity Interest (other than actions brought to enforce any (1) post-petition rights or obligations, (2) rights or obligations under the Plan and (3) appeals, if any, from the Confirmation Order):

(i) commencing, conducting, or continuing in any manner, directly or indirectly, any prepetition suit, action, or other proceeding of any kind against the Debtor, the

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Reorganized Debtor, or their property, or any direct or indirect successor in interest to the Debtor or any assets or property of such transferee or successor (including all suits, actions, and proceedings that are pending as of the Effective Date, which must be withdrawn or dismissed with prejudice);

(ii) enforcing, levying, attaching, collecting, or otherwise recovering by any manner or means whether directly or indirectly any prepetition judgment, award, decree or order against the Debtor, the Reorganized Debtor, or their property, or any direct or indirect successor in interest to the Debtor or any assets or property of such transferee or successor;

(iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any prepetition lien against the Debtor, the Reorganized Debtor, or their property, or any direct or indirect successor in interest to the Debtor or any assets or property of such transferee or successors, or other than as contemplated by the Plan;

(iv) except as otherwise provided in the Plan and Plan Documents, asserting any prepetition right of setoff, right of subrogation, or recoupment of any kind, directly or indirectly against any obligation due the Debtor, the Reorganized Debtor, or their property, or any direct or indirect successor in interest to the Debtor or any assets or property of such transferee or successor; and

(v) proceeding in any manner in any place whatsoever that does not conform to or comply with the provisions of the Plan.

(f) Exculpation. From and after the Effective Date, none of the Debtor, the Reorganized Debtor, or the Committee, each acting in such capacities, or any of their respective members, officers, directors, employees, advisors, professionals, attorneys or agents, acting in such capacity, shall have or incur any liability to any entity for any act or omission in connection with, related to, or arising out of, the Chapter 11 Case, the preparation therefor, the formulation, preparation, dissemination, implementation, confirmation, or approval of the Plan, the property to be distributed under the Plan, or any contract, instrument, release, or other agreement or document provided for or contemplated in connection with the consummation of the transactions set forth in the Plan, *provided, however*, that the foregoing provisions shall not affect the liability of any entity that would result from any (i) act or omission to the extent that such act or omission is determined by a Final Order of the Bankruptcy Court to have constituted gross negligence or willful misconduct, or (ii) unauthorized use of confidential information that causes damages, or ultra vires acts, fraud or criminal conduct. Nothing in the Plan shall limit the liability of the professionals of the Debtor or the Committee to their respective clients for malpractice pursuant to Rule 1.8(h) of the New York Rules of Professional Conduct.

(g) Releases by the Debtor. As of the Effective Date, the Debtor, on behalf of itself and all of its successors and assigns, and the Debtor's Estate (collectively, including the Debtor and its Estate, the "Releasing Parties") shall be deemed to have forever released, waived, and discharged the Released Parties from all Causes of Action against them held by the Debtor or its Estate, that are based in whole or in part on any act, omission, transaction, or other occurrence taking place on, or prior to, the Effective Date in any way relating to the Chapter 11 Case, the preparation therefor, the formulation, preparation, dissemination, implementation, confirmation,

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or approval of the Plan, the property to be distributed under the Plan, or any contract, instrument, release, or other agreement or document provided for or contemplated in connection with the consummation of the transactions set forth in the Plan, any of such Released Party's relationship with the Debtor, which any Releasing Party has, had, or may have against any Released Party, *provided, however*, that such release shall not apply to any obligations of the Released Parties under the Plan or any Plan Document. Such release shall be effective notwithstanding that any Releasing Party or other entity may thereafter discover facts in addition to, or different from, those which that entity previously knew or believed to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and the Releasing Parties and any successors or assigns are hereby expressly deemed to have waived any and all rights that they may have under any statute or common law principle which would limit the effect of the foregoing release, waiver, and discharge to those claims actually known or suspected to exist on the Effective Date. Notwithstanding the foregoing, no Released Party shall be released from any Cause of Action resulting from the gross negligence, willful misconduct, unauthorized use of confidential information that causes damages, ultra vires acts, fraud or criminal conduct of such Released Party.

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For avoidance of doubt, this Plan does not affect the rights of one non-debtor vis-à-vis another non-debtor, other than those creditors who consent to the Non-Debtor Release in section 2.2 of this Plan.

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(h) Releases by the Released Parties. As of the Effective Date, each of the Released Parties shall release and forever discharge each of the Releasing Parties from any and all claims (including, but not limited to, secured claims, general unsecured claims allowed under the Plan and claims as defined in section 101(5) of the Bankruptcy Code), demands, causes of action, obligations, damages and liabilities of any nature whatsoever, arising at any time from the beginning of the world through the Effective Date, whether in law or equity, whether known or unknown, whether disclosed or undisclosed, whether anticipated or unanticipated, whether asserted or unasserted, whether direct or indirect, whether contingent or liquidated, that a Released Party or any of its successors or assigns ever had or now has, or may claim to have, except all rights arising under the Plan and any Plan Document are preserved. Such release shall be effective notwithstanding that any Released Party or other entity may thereafter discover facts in addition to, or different from, those which that entity previously knew or believed to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and the Released Parties and any successors or assigns are hereby expressly deemed to have waived any and all rights that they may have under any statute or common law principle which would limit the effect of the foregoing release, waiver, and discharge to those claims actually known or suspected to exist on the Effective Date. Notwithstanding the foregoing, no Releasing Party shall be released from any Cause of Action resulting from the gross negligence, willful misconduct, unauthorized use of confidential information that causes damages, ultra vires acts, fraud or criminal conduct of such Releasing Party.

(i) Non-Debtor Release. As of the Effective Date, the Non-Debtor Release (referenced above, section 2.2 of this Plan) is triggered vis-à-vis Class 5 creditors. Notwithstanding the foregoing, no released party with respect to this Non-Debtor Release shall be released from any Cause of Action resulting from the gross negligence, willful misconduct,

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unauthorized use of confidential information that causes damages, ultra vires acts, fraud or criminal conduct of such released party.

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Nothing in the Confirmation Order or the Plan of Reorganization shall effect a release of any claim by the United States Government or any of its agencies or any state and local authority whatsoever including, without limitation, any claim arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States or any state and local authority, nor shall anything in the Confirmation Order or the Plan of Reorganization enjoin the United States or any state or local authority from bringing any claim, suit, action or other proceedings for any liability whatever, including without limitation any claim, suit or action arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States or any state or local authority, nor shall anything in the Confirmation Order or the Plan of Reorganization exculpate any party from any liability to the United States Government or any of its agencies or any state and local authority whatsoever, including any liabilities arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States or any state and local authority.

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## ARTICLE 5

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### IMPLEMENTATION OF THE PLAN

5.1 Funding. The Debtor shall implement the Plan with funds generated from the operation of its business, funds provided by the Exit Financing Loans (if any), and the funding of the New Value Contribution.

5.2 Corporate Existence. On the Effective Date:

(a) The Reorganized Debtor shall continue to exist as a separate legal entity, and shall be a corporation under the laws of the State of New York.

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5.3 Corporate Action ~~To~~ Facilitate Consummation of the Plan. After the Confirmation Order is entered, and subject to the subsequent occurrence of the Effective Date, all matters provided for under the Plan that would otherwise require action by the members or directors of one or more of the Debtor, the Reorganized Debtor, the adoption of certificates of formation, operating agreements, the election or appointment of the initial directors and officers of the Reorganized Debtor, the entry into any agreement or the delivery of any document by any of the Debtor, or the Reorganized Debtor, shall occur in accordance with the Plan and the Confirmation Order and without any further action by any of such entities' Old Equity Interest holders or directors.

The Debtor's charter shall be deemed to prohibit (i) the issuance of nonvoting equity securities, and (ii) the existence of securities possessing an inappropriate distribution of voting power within the meaning of section 1123(a)(6) of the Bankruptcy Code.

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5.4 Corporate Governance and Management of the Reorganized Debtor. On the Effective Date, the management, control, and operation of the Reorganized Debtor shall be as follows:

- (i) Board of Directors. Yosi Samra, Jacob Samra, Orly Samra
- (ii) Officers. Yosi Samra as CEO, Larry Reines as President and Treasurer, Jacob Samra as Secretary.

The following insiders of the Debtor shall also be employed by the Reorganized Debtor:

Yosi Samra	CEO	\$120,000/ yr salary
Larry Reines	President, Treasurer	\$240,000/ yr salary

5.5 Transactions on the Effective Date. On the Effective Date, unless otherwise provided by the Confirmation Order, the following shall occur, shall be deemed to occur simultaneously, and shall constitute substantial consummation of the Plan:

(a) The property to be retained by and/or transferred under the Plan to the Reorganized Debtor shall automatically be vested in such retainee or transferee without further action on the part any Debtor or Reorganized Debtor.

(b) All Retained Assets shall vest in the Reorganized Debtor free of any Claims, liens or equity interests (except for liens granted pursuant to this Plan), to be managed and used by the Reorganized Debtor.

The Reorganized Debtor shall have the right to pursue any and all claims and Causes of Action included within the Retained Assets that the Debtor may have as of the Effective Date against any entity. Unless a Cause of Action against an entity is, in writing, expressly waived, relinquished, released, assigned, compromised, or settled in this Plan, or in a Final Order, all rights with respect to such Cause of Action are reserved to the Reorganized Debtor. The Reorganized Debtor shall determine when and if to pursue, compromise or not pursue any such Cause of Action as may be interest of the Reorganized Debtor.

(c) All Trust Assets shall vest in the YSI Creditors' Trust free of any Claims, liens or equity interests, to be managed and used by the Trustee in accordance with the YSI Creditors' Trust Agreement and this Plan.

(d) All Plan Documents shall be executed, delivered, and become binding in all respects, on the Reorganized Debtor and each and every counterparty.

5.6 Establishment of the YSI Creditors' Trust

The Debtor shall have the sole authority to administer its assets prior to the Effective Date. On or before the Effective Date, the Committee, on behalf of Holders of Allowed General Unsecured Claims, shall establish the YSI Creditors' Trust in accordance with the Plan and the YSI Creditors' Trust Agreement.

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The Trustee shall be retained pursuant to the YSI Creditors' Trust Agreement. The Trustee shall be deemed to have been appointed as the Estate's representative by the Bankruptcy Code pursuant to section 1123(b)(3)(B) of the Bankruptcy Code.

For all U.S. federal income tax purposes, all parties (including, without limitation, the Committee, Debtors, the Trustee and the Beneficiaries) shall treat the transfer of the Trust Assets to the YSI Creditors' Trust as a transfer of such assets by the Debtors to the Beneficiaries, and followed by a transfer by such Beneficiaries to the YSI Creditors' Trust.

The YSI Creditors' Trust shall be established for the primary purpose of liquidating the Trust Assets for and on behalf of Beneficiaries in accordance with Treas. Reg. Sec. 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business. The YSI Creditors' Trust shall not be deemed a successor-in-interest of the Debtor for any purpose other than as specifically set forth herein. The YSI Creditors' Trust is intended to qualify as a "grantor trust" for federal income tax purposes with the Beneficiaries treated as grantors and owners of the Trust.

The Trustee shall have only the rights, powers and privileges expressly provided in the Plan and the YSI Creditors' Trust Agreement. Upon the Effective Date, the Trustee shall have the power, without any further order of the Bankruptcy Court, to take the actions specified in the subsections below and any powers reasonably incidental thereto, which the Trustee, in the exercise of the Trustee's business judgment, deems necessary or appropriate to fulfill the purpose of the YSI Creditors' Trust:

- A. Hold legal title to any and all rights of the settlor and the Beneficiaries in or arising from the Trust Assets;
- B. Pursue or not to pursue, or settle, assign, transfer or sell, any Trust Assets as the Trustee determines is in the best interests of the Beneficiaries and consistent with the purposes of the YSI Creditors' Trust;
- C. Marshal, liquidate, sell, assign, transfer, abandon and/or distribute the Trust Assets;
- D. In reliance upon the official claims register maintained in the Chapter 11 Case, maintain on the Trustee's books and records a register evidencing the beneficial interest herein held by each Beneficiary;
- E. Make distributions to holders of Allowed Unsecured Claims as provided for in the Plan;
- F. Open and maintain bank accounts on behalf of or in the name of the Trust;
- G. Send annually to each Beneficiary, as soon as reasonably practicable after the end of each calendar year, a separate statement stating the Beneficiary's share of income, gain, loss, deduction or credit and instruct all such Beneficiaries to report such items on their federal tax returns;

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- H. Establish such reserves for Disputed Claims, taxes, assessments, Trustee's fees and professional fees and other expenses of administration of the YSI Creditors' Trust as set forth below, and as may be necessary and appropriate for the proper operation of the YSI Creditors' Trust;
- I. Pay all expenses and make all other payments relating to the Trust Assets;
- J. Retain and pay third-party professionals in accordance with the YSI Creditors' Trust Agreement; and
- K. Invest any moneys held as part of the Trust Assets in accordance with the terms of the YSI Creditors' Trust Agreement.

In addition the YSI Creditors' Trust is a party in interest who may seek relief in the Bankruptcy Court to effectuate the terms of the Plan.

The Trustee shall be bonded in an amount of not less than one hundred and ten percent (110%) of the amount held in the YSI Creditors' Trust. Furthermore, the Trustee must (a) maintain all funds in an account at a bank that is an authorized depository institution for the Southern District of New York, and (b) file quarterly disbursement and status reports on the 20<sup>th</sup> day after the conclusion of the relevant quarter (until the case is converted, closed or dismissed by means of a final decree, whichever is earlier).

The issuance of beneficial interests in the YSI Creditors' Trust to the beneficiaries of such trusts, are exempt from registration under the Securities Act of 1933, as amended, and all applicable state and local laws requiring registration of securities, pursuant to ~~Section~~section 1145 of the Bankruptcy Code. Nevertheless, if the Trustee determines, with the advice of counsel, that the YSI Creditors' Trust is required to comply with the registration and reporting requirements of the Securities and Exchange Act of 1934, as amended, or the Investment Company Act of 1940, as amended, the Trustee, at the expense of the trust, shall take any and all actions to comply with such reporting requirements and file necessary periodic reports with the Securities and Exchange Commission.

5.7 Monthly Reporting The Reorganized Debtor shall provide the Trustee with financial reports (in the form of at least an income statement and balance sheet) every thirty (30) days until distributions to Class 5 claimants are complete.

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**ARTICLE 6**

PROVISIONS GOVERNING DISTRIBUTIONS AND RESOLUTION OF DISPUTED CLAIMS

6.1 Distributions Under the Plan.

(a) Disbursing Agent.

(i) The disbursing agent for distributions on account of Claims in all Classes other than Class 5 shall be the Reorganized Debtor or its designee acting in such capacity, and the disbursing agent for distributions on account of Claims in Class 5 shall be the Trustee or its designee acting in such capacity ~~-(when the Reorganized Debtor or Trustee is acting in such capacity, the “Disbursing Agent”)~~.

(ii) The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise provided herein or ordered by the Bankruptcy Court.

(b) Distributions for Claims Allowed as of the Effective Date. Except as otherwise provided, distributions of Cash to be made on the Effective Date to holders of Claims as provided by Article II that are Allowed as of the Effective Date shall be deemed made on the Effective Date if made on the Effective Date or as promptly thereafter as practicable, but in any event no later than (1) ~~thirty~~ (30) days after the Effective Date or (2) such later date when the applicable conditions of this Article are satisfied. Distributions on account of claims that are Disputed Claims as of the Effective Date but are Allowed after the Effective Date will be made pursuant to Section 6.2.

(c) Disbursing Agent Exculpation. Subject to the provisions of this paragraph, the Disbursing Agent, in its capacity as such, together with each of its officers, directors, employees, agents, and representatives (acting in that capacity), are exculpated by all entities from any and all Causes of Action, and other assertions of liability arising out of the discharge of the powers and duties conferred upon the Disbursing Agent, by the Plan, any Final Order of the Bankruptcy Court entered pursuant to or in the furtherance of the Plan, or applicable law, except solely for actions or omissions arising out of the Disbursing Agent’s gross negligence, willful misconduct, unauthorized use of confidential information that causes damages, ultra vires acts, fraud or criminal conduct. No holder of a Claim or an Old Equity Interest, or representative thereof, shall have or pursue any Claim or Cause of Action (A) against the Disbursing Agent, in its capacity as such, or its officers, directors, employees, agents, and representatives (acting in that capacity) for making payments in accordance with the Plan, or (B) against any holder of a Claim or an Old Equity Interest for receiving or retaining payments or transfers of property as provided for by the Plan. Nothing contained in this paragraph shall preclude or impair any holder of an Allowed Claim from bringing an action in the Bankruptcy Court to compel the making of distributions contemplated by the Plan on account of such Claim against a Disbursing Agent. Nothing in the Plan shall limit the liability of the professionals of the Disbursing Agent to its respective client for malpractice pursuant to Rule 1.8(h) of the New York Rules of Professional Conduct.

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(d) Surrender of Certificates, etc. The Disbursing Agent may require, as a condition to making any distribution under the Plan, that each holder of an Allowed Claim surrender the note, certificate or other document evidencing such Allowed Claim to the Disbursing Agent or its designee. In that event, any holder of an Allowed Claim that fails to (i) surrender such note, certificate or other document; or (ii) execute and furnish a bond before the first anniversary of the Effective Date, the form, substance, and amount of which is reasonably satisfactory to the Disbursing Agent, shall be deemed to have forfeited all rights and may not participate in any distribution under the Plan.

(e) Tax Matters.

(i) In connection with the Plan, to the extent applicable, the Disbursing Agent will comply with all applicable Tax withholding and reporting requirements imposed on it by any governmental unit, and all distributions pursuant to the Plan will be subject to applicable withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Disbursing Agent will be authorized to take any actions that may be necessary or appropriate to comply with such withholding and reporting requirements, including requiring recipients to fund the payment of such withholding as a condition to delivery, liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding Taxes, or establishing any other mechanism the Disbursing Agent believes are reasonable and appropriate including requiring Claim holders to submit appropriate Tax and withholding certifications.

(ii) Notwithstanding any other provision of the Plan, each entity or person receiving a distribution of any consideration pursuant to the Plan will have sole and exclusive responsibility for the determination of the tax consequences to such entity or person and for the satisfaction and payment of any Tax obligations imposed on such entity or person on account of the distribution, including income, withholding, and other Tax obligations.

(f) Delivery of Distributions. Subject to Bankruptcy Rule 9010 and except as otherwise set forth in the Plan, all distributions under the Plan shall be made to the holder of each Allowed Claim at the address of such holder as listed on the Schedules as of the Record Date, unless the Debtor or, on and after the Effective Date, the Reorganized Debtor, shall have been notified in writing of a change of address, including by the filing of a timely proof of claim by such holder that provides an address for such holder different from the address reflected on the Schedules. Subject to the provisions herein specifically governing unclaimed distributions, in the event that any distribution to any holder is returned as undeliverable, the Disbursing Agent shall use reasonable efforts to determine the current address of such holder, but no distribution to such holder shall be made unless and until the Disbursing Agent has determined the then current address of such holder, at which time such distribution shall be made to such holder without interest.

(g) Distributions of Cash. Any distribution of Cash under the Plan shall, at the Disbursing Agent's option, be made by check drawn on a domestic bank or wire transfer.

(h) Timing of Distributions. Any payment or distribution required to be made under the Plan on a day other than a Business Day shall be made on the next succeeding Business Day.

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(i) Minimum Distributions. No payment of Cash less than \$25 shall be made by the Disbursing Agent to any holder of a Claim unless a request therefor is made in writing to the Disbursing Agent no later than thirty (30) days after the Effective Date.

(j) Unclaimed Distributions. All distributions under the Plan that are unclaimed for a period of one (1) year after distribution thereof shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and revested in the Reorganized Debtor, or YSI Creditors' Trust as applicable, and any entitlement of any holder of any Claim to such distributions shall be extinguished and forever barred.

(k) Time Bar to Cash Payments. Checks issued by the Disbursing Agent in respect of Allowed Claims shall be null and void if not negotiated within one hundred eighty (180) days after the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Disbursing Agent by the holder of the Allowed Claim to whom such check originally was issued. Any Claim with respect to such a voided check shall be made on or before two hundred seventy (270) days after the date of issuance of such check. After such date, all Claims in respect of void checks shall be discharged and forever barred.

(l) Distributions to Holders as of the Record Date. As of the close of business on the Record Date for distributions under the Plan, the claims register shall be closed (subject to subsequently filed rejection damage claims that are allowed), and there shall be no further changes in the record holder of any Claim. The Disbursing Agent shall have no obligation to recognize any transfer of any Claim occurring after the Record Date, and shall instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those record holders stated on the claims register as of the close of business on the Record Date for distributions under the Plan.

(m) Allocation Between Principal and Accrued Interest. To the extent applicable, all distributions to a holder of an Allowed Claim will apply first to the principal amount of such Claim until such principal amount is paid in full and then to any interest accrued on such Claim. All distributions for Claims under the Prepetition Secured Note shall be applied pursuant to the applicable terms of the respective credit agreements.

(n) Cancellation of Existing Securities and Agreements. On the Effective Date, the promissory notes, share certificates, bonds and other instruments evidencing any Claim or Old Equity Interest shall be deemed cancelled without further act or action under any applicable agreement, law, regulation, order or rule, and the obligations of the Debtor under the agreements, indentures and certificates of designations governing such Claims and Old Equity Interests, as the case may be, shall be discharged.

(o) Limited Recourse for Disputed Unsecured Claims. Each Disputed Class 5 Claim that ultimately becomes an Allowed Claim shall have recourse only to the undistributed Cash held in the applicable Disputed Claims Reserve for satisfaction of the Cash distributions to which holders of Allowed Class 5 Claims, are entitled hereunder, and the holder may not otherwise look to the Debtor, Reorganized Debtor, or the YSI Creditors' Trust, their respective properties, or any property previously distributed on account of any Allowed Claim.

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6.2 Resolution of Disputed Claims.

(a) Objections to and Settlement of Claims.

(i) The Debtor (prior to the Effective Date) and the Reorganized Debtor (on and after the Effective Date) shall bear the responsibility and cost of administering and closing the Chapter 11 Case, including the duties typically associated with the Debtor's claims administration. On and after the Effective Date, the Reorganized Debtor and the YSI Creditors' Trust shall have the ~~exclusive~~ right to file and continue the prosecution of any objections to all Claims against the Debtor's Estate.

(ii) On and after the Effective Date, for any objections to Claims prosecuted by the Reorganized Debtor under this Plan, the Reorganized Debtor shall be entitled to compromise, settle, otherwise resolve, or withdraw any such objections to Claims, after consultation with the YSI Creditors' Trust, without further order of the Bankruptcy Court.

(iii) Unless otherwise ordered by the Bankruptcy Court, all objections to Claims that are the subject of proofs of claim or requests for payment filed with the Bankruptcy Court (other than applications for allowance of Fee Claims) shall be filed and served upon the holder of the Claim as to which the objection is made on or prior to the Claims Objection Deadline.

(b) Creation of Disputed Claims Reserves. From and after the Effective Date, the Trustee, on behalf of the YSI Creditors' Trust, will place Cash into segregated accounts (the "Disputed Class 5 Claims Reserve") equal to, in the case of the Claims in Class 5, the product of (a) the quotient of (i) the Maximum Allowable Amount of all Disputed Claims in Claims in Class 5 divided by (ii) the amount equal to the sum of (A) the amount of all Allowed Claims in Class 5, plus (B) the Maximum Allowable Amount of all Disputed Claims in Claims in Class 5, multiplied by (b) the Class 5 Cash. The Disputed Claims Reserve will remain in full force and effect until all Disputed Claims in Class 5 have been resolved. Funds in the Disputed Claims Reserve shall be maintained in an account at a bank that is an authorized depository institution for the Southern District of New York.

(c) Distributions from Disputed Claims Reserve. On each Annual Distribution Date, each holder of an Allowed Class 5 Claim that has been Allowed as of the Annual Test Date shall receive, from the applicable Disputed Claims Reserve, Cash in the amount of the difference between (a) the amount such holder would have received on the Effective Date, if its Claim had been Allowed as of the Effective Date, if all Claims that were disallowed on or prior to the Annual Test Date were disallowed as of the Effective Date, minus (b) the aggregate amount of Cash previously distributed on account of the Claim. Notwithstanding the foregoing, no payment or distribution may be made from the Disputed Claims Reserve that would result in such holder receiving an amount in excess of what the holder would have received if such holder's Claim were Allowed as of the Effective Date in the Maximum Allowable Amount. Once all Claims have been allowed or disallowed, any remaining Cash in the Disputed Claims Reserves shall be distributed to the YSI Creditors' Trust for the benefit of Beneficiaries.

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(d) Distribution Efficiency. Notwithstanding anything to the contrary in the preceding paragraph, the Disbursing Agent shall not be required to make any distribution on any Annual Distribution Date if the Disbursing Agent determines, in its sole and absolute discretion, that making such distribution would not be cost efficient. Any distribution to a holder of a Claim that has not been made shall be retained for distribution on the next Annual Distribution Date for which such distribution is cost-efficient, or such time as all Claims have been allowed or disallowed.

(e) Estimation of Claims. The Reorganized Debtor or YSI Creditors' Trust may at any time request that the Bankruptcy Court estimate any contingent, unliquidated, or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether any party previously objected to such Claim or whether the Bankruptcy Court has ruled on such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to such Claim, including during the pendency of any appeal relating to any such objection. All of the aforementioned objection, estimation, and resolution procedures are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

(f) Special Rules for Distributions to Holders of Disputed Claims. Notwithstanding any provision otherwise in the Plan and except as otherwise agreed by the Reorganized Debtor or Trustee, neither the Reorganized Debtor nor Trustee shall not be required to (a) make any partial payments or partial distributions to a person, estate or trust with respect to a Disputed Claim until all such disputes in connection with such Disputed Claim have been resolved by settlement or Final Order or (b) make any distributions on account of an Allowed Claim of any person, estate or trust that holds both an Allowed Claim and a Disputed Claim, unless and until all objections to the Disputed Claim have been resolved by settlement or Final Order and the Claims have been Allowed.

(g) Litigation Claims. Any Litigation Claim that has been determined and liquidated shall be deemed an Allowed Claim only to the extent that the holder of such Claim can establish that such Claim is not recoverable from third parties through the Debtor's insurance coverage.

(h) Nonpayment of Claims of Parties Holding Recoverable Property; Setoff.

(i) Notwithstanding any other provisions of the Plan, no payments or distributions will be made on account of any Claims of holders from which property is recoverable or alleged to be recoverable pursuant to section 542, 543, 550, or 553 of the Bankruptcy Code or from entities that are or are alleged to be a transferee of a transfer avoidable under section 544, 545, 547, 548, or 549 of the Bankruptcy Code until (A) the holder has paid the amount, or turned over any such property, for which such entity or transferee is liable under section 542, 543, 550 or 553 of the Bankruptcy Code or (B) the Bankruptcy Court determines by Final Order that the holder need not pay the amount, or turn over such property.

(ii) Subject to the provisions of section 553 of the Bankruptcy Code, in the event that the Debtor has a Cause of Action of any nature whatsoever against the holder of a Claim, such Debtor may, but is not required to, setoff against the Claim (and any payments or

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other distributions to be made in respect of such Claim hereunder) the Debtor's Cause of Action against the holder. Parties that are to be affected by setoffs by the Debtor are to receive notice of the setoff and have an opportunity to object. Neither the failure to setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtor of any Cause of Action that the Debtor has against the holder of a Claim.

## **ARTICLE 7**

### RETENTION OF JURISDICTION

7.1 Scope of Jurisdiction. Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the Chapter 11 Case and this Plan to the fullest extent legally permissible, including but not limited to jurisdiction to:

(a) Hear and determine pending applications (including pursuant to the Plan) for the assumption or rejection of executory contracts or unexpired leases, if any are pending, and the allowance of Cure Amounts and Claims resulting therefrom.

(b) Hear and determine any and all adversary proceedings, applications, and contested matters in the Chapter 11 Case, whether pending on the Confirmation Date or commenced thereafter.

(c) Hear and determine any objection to, or estimation of, Claims.

(d) Enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated.

(e) Consider any amendments to or modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in the Plan or in any order of the Bankruptcy Court entered in the Chapter 11 Case, including the Confirmation Order.

(f) Hear and determine all applications with respect to Fee Claims.

(g) Hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan and Confirmation Order including any and all disputes arising in connection with the interpretation, implementation or enforcement of the discharge, release and injunction provisions contained in the Plan, and issue such orders as are necessary to aid in the implementation of the Plan.

(h) Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation or enforcement of the Plan or Confirmation Order.

(i) Recover all assets of the Debtor and property of the Debtor' Estate, wherever located.

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- (j) Hear and determine matters concerning Taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code.
- (k) Hear any other matter not inconsistent with the Bankruptcy Court's jurisdiction.
- (l) Enter a final decree closing the Chapter 11 Case as contemplated by Bankruptcy Rule 3022.

## ARTICLE 8

### MISCELLANEOUS PROVISIONS

8.1 Effectuating Documents and Further Transactions. The Debtor and the Reorganized Debtor are authorized to execute, deliver, file or record such contracts, instruments, releases, indentures, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and any securities issued pursuant to the Plan.

8.2 Exemption from Transfer Taxes. Pursuant to section 1146(a) of the Bankruptcy Code, the creation of any mortgage, deed of trust, lien or other security interest, the making or assignment of any lease or sublease, in furtherance of, or in connection with the Plan, including any merger or conversion agreements or agreements of consolidation, restructuring, disposition, liquidation or dissolution, deeds, bills of sale or assignments executed in connection with any of the forgoing or pursuant to the Plan, shall not be subject to any stamp Tax, real estate transfer Tax, mortgage recording Tax, sales or use Tax, or other similar Tax. All sale transactions consummated by the Debtor and approved by the Bankruptcy Court on and after the Confirmation Date through and including the Effective Date, including the sale by the Debtor of owned property pursuant to section 363(b) of the Bankruptcy Code and the assumption, assignment and sale by the Debtor of unexpired leases of non-residential real property pursuant to section 365(a) of the Bankruptcy Code, shall be deemed to have been made under, in furtherance of, or in connection with the Plan and, thus, shall not be subject to any stamp Tax, real estate transfer Tax, mortgage recording Tax, sales or use Tax, or other similar Tax.

8.3 Dissolution of Committee. On the Effective Date, the Committee shall be dissolved and its members shall be released of all of their duties, responsibilities, and obligations in connection with the Chapter 11 Case.

8.4 Payment of Certain Fees and Expenses.

(a) From and after the Effective Date, the Reorganized Debtor shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses of professional persons thereafter incurred by the Reorganized Debtor, respectively, including those fees and expenses incurred in connection with the implementation and consummation of the Plan.

(b) All fees payable pursuant to section 1930 of title 28 of the United States Code and any applicable interest thereon shall be paid on the Effective Date. After the Effective Date and until this ~~chapter~~Chapter 11 ~~case~~Case is closed, dismissed, or converted (whichever happens

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earlier), the Reorganized Debtor shall pay fees pursuant to section 1930 of title 28 of the United States Code and any applicable interest thereon as such obligations become due.

The Reorganized Debtor shall file quarterly disbursement reports on the twentieth (20th) day after the conclusion of the relevant quarter (until the case is converted, closed or dismissed by means of a final decree, whichever is earlier).

8.5 Amendment or Modification of the Plan.

(a) Any alterations, amendments, or modifications of or to the Plan may be made in writing by the Debtor, in consultation with the Committee, at any time prior to the Confirmation Date provided that the Plan, as altered, amended, or modified, satisfies the conditions of sections 1122 and 1123 of the Bankruptcy Code, and the Debtor shall have complied with section 1125 of the Bankruptcy Code.

(b) Any alterations, amendments, or modifications of or to the Plan may be made in writing by the Debtor, in consultation with the Committee, at any time after the Confirmation Date and before substantial consummation of the Plan provided that (i) the Plan, as altered, amended, or modified, satisfies the requirements of sections 1122 and 1123 of the Bankruptcy Code, and (ii) the Bankruptcy Court, after notice and a hearing, confirms the Plan, as altered, amended or modified, under section 1129 of the Bankruptcy Code. No material modifications of the Plan shall be made after the Effective Date of the Plan without notice and a hearing.

(c) A holder of a Claim 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 the Claim of such holder.

8.6 Severability. If the Bankruptcy Court determines that any provision of the Plan would be unenforceable or would prevent the Plan from being confirmed, either on its face or as applied to any Claim or Old Equity Interest or transaction, the Debtor may modify the Plan so that such provision shall not be applicable to the holder of any Claim or Old Equity Interest or in such manner as will allow the Plan to be confirmed. Such a determination by the Bankruptcy Court and modification by the Debtor shall not (a) limit or affect the enforceability and operative effect of any other provision of the Plan, or (b) require the re-solicitation of any acceptance or rejection of the Plan.

8.7 Binding Effect. The Plan shall be binding upon and inure to the benefit of the Reorganized Debtor, the holders of all Claims and Old Equity Interests, and their respective successors and assigns, including the Reorganized Debtor.

8.8 Notices. To be effective, all notices, requests and demands to or upon the following parties shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Debtor or the Reorganized Debtor:

Yosi Samra, Inc.

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Larry Reines  
50 Railroad Ave.  
Closter NJ, 07624

With a copy (which shall not constitute notice hereunder) to:

Ballon Stoll Bader & Nadler, P.C.  
729 Seventh Avenue  
New York, NY 10019  
Telephone: (212) 575-7900  
Facsimile: (212) 764-5060  
Vincent J. Roldan

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8.9 Governing Law. Except to the extent the Bankruptcy Code, Bankruptcy Rules, or other federal law is applicable, the rights and obligations arising under the Plan and any agreements, documents, and instruments executed in connection with the Plan or the Chapter 11 Case, including the Plan Documents, shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (without giving effect to the principles of conflicts of law, other than §5-1401 of the New York General Obligations Law, of such jurisdiction), except as may be otherwise specifically provided in such agreements, documents, and instruments.

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8.10 Final Decree. Within fourteen (14) days following the full administration of the estate, the Reorganized Debtor shall file, on notice to the United States Trustee, an application and a proposed order for a final decree pursuant to Bankruptcy Rule 3022. Any party in interest, including the YSI Creditors' Trust, may move to reopen the case in order to effectuate the terms of the Plan, to convert the case, or for any other relief provided under the Bankruptcy Code, Bankruptcy Rules, or applicable law.

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Dated: ~~August 15~~September 14, 2018

YOSI SAMRA, INC.

By:                   /s/ Larry Reines                    
Name: Larry Reines  
Title: President

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