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**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

In re:

U.S. MORTGAGE CORP. and
CU NATIONAL MORTGAGE, LLC,

Debtors.

Chapter 11

Case No. 09-14301 (RG)

Jointly Administered

DEBTORS' THIRD AMENDED JOINT PLAN OF LIQUIDATION

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INTRODUCTION

U.S. Mortgage Corp. (“USM”) and CU National Mortgage, LLC (“CU National”), debtors and debtors in possession in the above-captioned chapter 11 cases (each individually a “Debtor,” collectively, the “Debtors”), each propose the following Third Amended Joint Plan of Liquidation (hereinafter the “Plan”) pursuant to the provisions of Title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (the “Bankruptcy Code”).

ARTICLE I

DEFINITIONS

Unless otherwise provided in this Plan, all terms used herein shall have the meanings assigned to such terms in the Bankruptcy Code or the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). For the purposes of this Plan, the following terms (which appear in the Plan in capitalized forms) shall have the meanings set forth below, and such meanings shall be equally applicable to the singular and to the plural form of the terms defined, unless the context otherwise requires.

1.1. **“Administrative Claim”** shall mean, and be the collective reference to, all costs and expenses of administration of these cases with priority under Bankruptcy Code § 507(a)(1), including, without limitation, costs and expenses allowed under Bankruptcy Code § 503(b), the actual and necessary costs and expenses of preserving the Estates of the Debtors, any Professional Fee Claim and any fees or charges assessed against the Estates of the Debtors under 28 U.S.C. § 1930.

1.2. **“Allowed Claim”** shall mean a Claim (i) which has been scheduled by the Debtors pursuant to Bankruptcy Rule 1007 and (a) is not scheduled as disputed, contingent or unliquidated, and (b) as to which no Proof of Claim has been filed; (ii) as to which a timely Proof of Claim has been filed as of the Bar Date and no objection thereto, or application to equitably subordinate or otherwise limit recovery, has been made; or (iii) has been allowed by a Final Order.

An Allowed Claim shall not include interest on the amount of any Claim except with respect to an Allowed Secured Claim as permitted by § 506(b) of the Bankruptcy Code and as specifically provided in the Plan or by Final Order of the Bankruptcy Court. In accordance with § 502(d) of the Bankruptcy Code, a Claim held by any Person that is subject to any Filed Causes of Action set forth in that statute shall not be an Allowed Claim until such time as the avoidable transfer is returned, a Final Order has been entered that no avoidable transfer exists, or an agreement or settlement is reached. Any Claim that has been or is hereafter listed in the Schedules as disputed, contingent, or unliquidated, and for which no Proof of Claim has been timely Filed, is not considered an Allowed Claim and shall be expunged without further action by the Debtors and without any further notice to or action, order, or approval of the Bankruptcy Court.

1.3. **“Allowed [Class Designation] Claim”** shall mean an Allowed Claim in the specified Class.

1.4. **“Allowed Tax Claim”** shall mean that portion of an Allowed Claim which is entitled to priority under § 507(a)(8) of the Bankruptcy Code.

1.5. **“Allowed Unsecured Claim”** shall mean any Allowed Claim which is not an (i) Administrative Claim, (ii) Allowed Priority Claim, or (iii) Allowed Priority Tax Claim.

1.6. **“Assets”** shall mean all assets of each of the Debtors, of any nature whatsoever, including, without limitation, the property of the Estates pursuant to § 541 of the Bankruptcy Code, Cash, Causes of Action, rights, interests and property, real and personal, tangible and intangible, and Avoidance Actions; provided, however, that the Restitution Funds do not constitute property of the Estates.

1.7. **“Available Cash”** shall mean the aggregate of all Cash on the Effective Date and proceeds generated by the liquidation of the Assets thereafter.

1.8. **“Avoidance Action(s)”** shall mean all claims and causes of action arising under chapter 5 of the Bankruptcy Code and any fraudulent conveyance or transfer actions to be brought under state or federal law.

1.9. **“Bankruptcy Cases”** shall mean the cases commenced by the filing of the Debtors’ Chapter 11 petitions under the Bankruptcy Code.

1.10. **“Bankruptcy Code”** shall mean Title 11 of the United States Code, including 11 U.S.C. §§101-1532, together with all amendments, modifications and replacements as the same exist on any relevant date to the extent applicable to the Debtors’ Bankruptcy Cases.

1.11. **“Bankruptcy Court”** shall mean the United States District Court for the District of New Jersey with jurisdiction over the Debtors’ Bankruptcy Cases and, to the extent of any reference made pursuant to 28 U.S.C. § 157, the United States Bankruptcy Court for the District of New Jersey, or any court having competent jurisdiction to enter the Confirmation Order.

1.12. **“Bankruptcy Rules”** shall mean the Federal Rules of Bankruptcy Procedure effective in accordance with the provisions of 28 U.S.C. § 2075, as the same shall from time to time be amended.

1.13. **“Business Day”** shall mean a day (i) other than Saturday, Sunday, a legal holiday or other day on which commercial banks in the State of New Jersey are authorized or required by law to close and (ii) as defined in Bankruptcy Rule 9006(a).

1.14. **“Cash”** shall mean cash equivalents in certified or immediately available funds, including but not limited to bank deposits, checks and similar items.

1.15. **“Causes of Action”** shall mean all claims, causes of action, third-party claims, counterclaims and cross-claims of any kind or nature (including, but not limited to any Causes of Action described in the Disclosure Statement) that may be pending on the Effective Date or

instituted by the Trust or Trustee after the Effective Date against any entity based in law or equity, including, without limitation, under the Bankruptcy Code, whether direct, indirect, derivative or otherwise, and whether asserted or unasserted as of the date of entry of the Confirmation Order, inclusive of Avoidance Actions.

1.16. **“Claim Objection Deadline”** means the date that is later of (i) ninety (90) days after the Effective Date, or (ii) ninety (90) days after a Proof of Claim or request for payment with respect to a Claim is filed, as to both unless extended by order of the Bankruptcy Court upon the filing of a motion on notice by the Trustee.

1.17. **“Claims”** shall mean any claim(s) against the Debtors as such term is defined in § 101(5) of the Bankruptcy Code including, without limitations, (a) any right to payment from the Debtors whether or not such right is reduced to a judgment, liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from the Debtors whether or not such right to an equitable remedy is reduced to a judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured, arising before, on or after the Filing Date and before the Effective Date.

1.18. **“Class”** shall mean any group of Holders of Claims as specified in Article II of the Plan.

1.19. **“Committee”** shall mean the Official Committee of Unsecured Creditors of the Debtors appointed by the United States Trustee in the Debtors’ Bankruptcy Cases.

1.20. **“Confirmation Date”** shall mean the date on which the Confirmation Order is entered by the Bankruptcy Court.

1.21. **“Confirmation Hearing”** shall mean the hearing, and any subsequent hearing, at which the Bankruptcy Court considers confirmation of the Plan.

1.22. **“Confirmation Order”** shall mean the order of the Bankruptcy Court confirming the Plan, pursuant to § 1129 of the Bankruptcy Code, and approving the transactions contemplated herein.

1.23. **“Creditor”** shall mean any person that is a Holder of a Claim against the Debtors that arose, or is deemed to have arisen, on or before the Petition Date with respect to the Debtors, including, without limitation, Claims of the kind specified in Bankruptcy Code §§ 502(b), 502(h) or 502(i).

1.24. **“Debtor Releasees”** shall mean Andrew Liput, Howard Brod Brownstein and the Debtors’ professionals retained post-petition by order of the Bankruptcy Court.

1.25. **“Debtors”** shall mean, collectively, USM and CU National.

1.26. **“Disclosure Statement”** shall mean the Disclosure Statement dated September 11, 2009 related to this Plan and exhibits thereto, as amended, filed pursuant to Bankruptcy Code § 1125.

1.27. **“Disputed Claim”** shall mean a Claim: (i) (a) against the Debtors to the extent that a Proof of Claim has been timely filed or deemed timely filed under applicable law; and (b) as to which an objection has been filed by the Debtors, the Committee, the Trust, or Trustee, or by any other party-in-interest, and which objection, if timely filed, has not been withdrawn, (ii) not denied by a Final Order, except as otherwise provided in the Plan; or (iii) a Claim listed on the Debtors’ Schedules as contingent, disputed or unliquidated.

1.28. **“Disputed Claim Amount”** shall mean the aggregate face amount of all Disputed Claims, which shall not include post-petition interest.

1.29. **“Disputed Claim Reserve”** shall mean such amounts as are necessary to satisfy all distributions in respect of Disputed Claims assuming that all Disputed Claims were allowed in the Disputed Claim Amount on the Effective Date.

1.30. **“Effective Date”** shall mean the first business day after: (i) the conditions precedent in Article IX.A and Article IX.B of the Plan are satisfied or waived in accordance with Article IX.C of this Plan, and (ii) the Confirmation Order has become a Final Order.

1.31. **“Estates”** shall mean the estates of the Debtors created by § 541 of the Bankruptcy Code.

1.32. **“Executory Contract”** shall mean any executory contract or unexpired lease, subject to § 365 of the Bankruptcy Code, between a Debtor and any other Person.

1.33. **“Filed”** shall mean filed with the Bankruptcy Court in the Debtors’ Bankruptcy Cases.

1.34. **“Final Decree”** shall mean the decree contemplated under Bankruptcy Rule 3022.

1.35. **“Final Order”** shall mean an order or judgment of the Bankruptcy Court as entered on the docket: (i) that has not been reversed, stayed, modified, or amended; and (ii) (a) as to which the time to appeal, petition for certiorari, and seek reargument or rehearing has run, (b) as to which any right to appeal, reargue, petition for certiorari and seek rehearing has been waived in writing, or (c) if an appeal, reargument, petition for certiorari, or rehearing thereof has been denied and the time to take any further appeal, seek certiorari and further reargument or rehearing has expired. Notwithstanding, and in lieu of the foregoing, insofar as the Confirmation Order confirming the Plan is concerned, Final Order means such order or judgment with respect to which no stay is in effect.

1.36. **“Holder”** shall mean the owner or holder of any Claim or Interest.

1.37. **“Impaired”** shall have the meaning set forth in § 1124 of the Bankruptcy Code.

1.38. **“Insider”** shall have the meaning assigned to such term in § 101(31) of the Bankruptcy Code.

1.39. **“Intercompany Claims”** shall mean the Claims of one Debtor against the other Debtor.

1.40. **“Interest”** shall mean, with respect to the Debtors, any equity interest as defined in § 101(16) of the Bankruptcy Code. Interests shall include, without limitation, all stock, partnership, membership interest, warrants, options, or other rights to purchase or acquire any shares of stock or membership interests or units in the Debtors and any stockholder actions and/or claims arising from rescission of a purchase or sale of an Interest, for damages arising from the purchase or sale of such an Interest, or for reimbursement or contribution allowed under § 502 of the Bankruptcy Code on account of such a Claim.

1.41. **“Lien”** shall mean any lien, mortgage, charge, security interest, pledge or other encumbrance against or interest in property of the Debtors’ Estates to secure payment or performance of a Claim, debt, or pending litigation.

1.42. **“Person”** shall mean any individual, corporation, limited liability company, professional corporation, general partnership, limited partnership, limited liability partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, government or any political subdivision thereof or other entity.

1.43. **“Petition Date”** shall mean February 23, 2009, the date on which USM filed its Bankruptcy Case, and April 1, 2009, the date on which CU National filed its Bankruptcy Case.

1.44. **“Plan”** shall mean this Third Amended Joint Plan of Liquidation (as the same may be modified or amended by the Debtors in accordance with the Bankruptcy Code, the Bankruptcy Rules, or any Confirmation Order) and any exhibits hereto and any documents incorporated herein by reference.

1.45. **“Post-Confirmation Committee”** shall mean the committee established pursuant to Article V of this Plan.

1.46. **“Priority Claim”** shall mean all Claims that are entitled to priority pursuant to § 507 of the Bankruptcy Code and that are not Administrative Claims or Priority Tax Claims.

1.47. **“Priority Tax Claim”** shall mean a Claim of the kind specified in § 507(a)(8) of the Bankruptcy Code.

1.48. **“Professional”** shall mean a Person (a) employed by the Debtors and/or the Committee pursuant to a Final Order in accordance with §§ 327, 328 and/or 1103 of the Bankruptcy Code and to be compensated for services rendered prior to the Effective Date, pursuant to §§ 327, 328, 329, 330, and 331 of the Bankruptcy Code, or (b) for which compensation and reimbursement has been Allowed by the Bankruptcy Court pursuant to § 503(b)(4) of the Bankruptcy Code by a Final Order.

1.49. **“Professional Fee Claim”** shall mean all Claims for fees and expenses asserted by Professionals retained by the Debtors and/or the Committee pursuant to an order of the Bankruptcy Court under §§ 330 and 331 of the Bankruptcy Code and which remains unpaid as of the Effective Date.

1.50. **“Proof of Claim”** shall mean a proof of claim Filed in the Bankruptcy Cases pursuant to § 501 of the Bankruptcy Code and/or any order of the Bankruptcy Court, together with supporting documents.

1.51. **“Pro Rata”** shall mean proportionately so that the amount of consideration distributed on account of an Allowed Claim is the same as the ratio of the amount of consideration distributed on account of the Class or Classes to which such Allowed Claim belongs that share in the consideration being distributed at the time to the amount of all Allowed Claims of that Class or those Classes that share in the consideration being distributed at that time.

1.52. **“Restitution Claims”** shall mean Claims of those Creditors of the Debtors for restitution from Michael J. McGrath, Jr. and/or other persons or entities identified as victims in the restitution order or any amended restitution order to be entered by the United States District Court for the District of New Jersey in *United States v. McGrath*, 09-cr-436 (KSH), pursuant to 18 U.S.C. § 3663 et seq., and specifically identified therein as the Restitution Fund Recipients.

1.53. **“Restitution Funds”** shall mean those assets seized by the United States Attorney’s Office that Michael J. McGrath, Jr. has admitted under oath are involved in, derived from or are traceable to the offenses to which he pled guilty in the *United States v. McGrath*, 09-cr-436 (KSH). These assets include the contents or proceeds of the following accounts: TD Bank account numbers xxxxx0376 and xxxxxx1244; TD Ameritrade, Inc. account number xxx-xx9118; Newbridge Securities Corporation account number xxxx-3204; J.P. Turner & Co. account numbers xxxx7813, xxxxx2890 and xxxxx7644; and Capital One Bank account number xxxxxx2830 and in the attorney-trust account of Critchley, Kinum & Vasquez, LLC, and any other funds which may be seized and made available to the Trustee to distribute to the Restitution Fund Recipients.

1.54. **“Restitution Fund Recipients”** shall mean the following parties whom the District Court has identified as victims entitled to share in the Restitution Funds as victims of the fraud perpetrated by Michael J. McGrath, Jr.: Federal National Mortgage Association (“Fannie Mae”), ADP Federal Credit Union, British Airways Employees Federal Credit Union, County

Educators Federal Credit Union, Grand Bank, N.A., Delaware First Federal Credit Union, Diablo Valley Federal Credit Union, Educational Systems Federal Credit Union, Energy Federal Credit Union, First Florida Credit Union, Frontier Financial Credit Union, Jersey Trades Financial Credit Union, JM Associates Federal Credit Union, Lassen County Federal Credit Union, Miami Firefighters Federal Credit Union, Newark Board of Education Employees Credit Union, Novartis Federal Credit Union, Penn East Federal Credit Union, Picatinny Federal Credit Union, Piedmont Advantage Credit Union, Pinnacle Federal Credit Union, Proponent Federal Credit Union, Rutgers Federal Credit Union, Sperry Associated Federal Credit Union, Suffolk Federal Credit Union, TCT Federal Credit Union, Treasury Department Federal Credit Union, United Financial Services Community Federal Credit Union, and Velocity Community Credit Union. This list of Restitution Fund Recipients is subject to modification by the District Court in the McGrath criminal proceeding. This definition shall be without prejudice to the Trustee's ability to contest any Claims (subject to the terms of the Trust Agreement).

1.55. **"Schedules"** shall mean the Statements of Financial Affairs and Schedules of Assets and Liabilities Filed by the Debtors with the Bankruptcy Court under Bankruptcy Rule 1007, and such Schedules as have been or may be amended or supplemented from time to time.

1.56. **"Secured Claims"** shall mean, pursuant to § 506 of the Bankruptcy Code, that portion of a Claim that is (a) secured by a valid, perfected and enforceable security interest, Lien, mortgage or other encumbrance, that is not subject to avoidance under applicable bankruptcy or non-bankruptcy law, in or upon any right, title or interest of the Debtor(s) in and to property of the Estates, to the extent of the value of the Holder's interest in such property as of the relevant determination date; or (b) Allowed as such pursuant to the terms of the Plan (subject to the Confirmation Order becoming a Final Order). The defined term "Secured Claims" includes any

Claim that is (i) subject to an offset right under applicable law, and (ii) a secured claim against the Debtors pursuant to §§ 506(a) and 553 of the Bankruptcy Code.

1.57. **“Sovereign”** shall mean Sovereign Bank, successor in interest to Independence Community Bank.

1.58. **“Trust”** shall mean the trust created pursuant to the Trust Agreement.

1.59. **“Trust Agreement”** shall mean the U.S. Mortgage Creditors Liquidation Trust Agreement, a copy of which is annexed hereto as Exhibit A.

1.60. **“Trustee”** shall mean the individual designated or appointed the trustee of the Trust by the Committee.

1.61. **“Unclassified Claim(s)”** shall mean Administrative Claims and Priority Tax Claims.

1.62. **“Unsecured Claim”** shall mean any claim which is not an Administrative Claim, a Secured Claim, a Priority Claim, or a Priority Tax Claim.

1.63. Use of Plan Definitions. All terms which are used in the Plan and are not defined herein shall have the same meaning set forth in the Trust Agreement.

ARTICLE II

CLASSIFICATION AND TREATMENT OF CLAIMS

A. General Provisions and Classifications

The categories of Claims listed below classify Claims for all purposes, including without limitation, voting, Confirmation and distributions under the Plan and under §§ 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim shall be deemed classified in a particular Class only to the extent that the Claim qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim qualifies within the

description of such different Class. A Claim is in a particular Class only to the extent that such Claim is allowed in that Class and has not been paid or otherwise settled before the Effective Date.

The classification of Claims pursuant to the Plan is as follows:

<u>CLASS</u>	<u>STATUS</u>	<u>VOTING RIGHTS</u>
Class 1: Priority Claims	Unimpaired	Not Entitled to Vote
Class 2: Unsecured Claims	Impaired	Entitled to Vote
Class 3: Restitution Claims	Unimpaired	Not Entitled to Vote
Class 4: Interests	Impaired	Not Entitled to Vote
Class 5: Sovereign	Unimpaired	Not Entitled to Vote

B. Unclassified Claims: Administrative Claims and Priority Tax Claims

1. Administrative Claims

a. Non-Professional Fee Claims

Subject to the terms of the Trust Agreement, the Trustee shall pay each Holder of an Allowed Administrative Claim (except for a Professional Fee Claim) the full amount of the Allowed Administrative Claim, without interest, in Cash, as soon as practicable after the Effective Date (or as soon thereafter as Available Cash exists) or within thirty (30) days after the Claim becomes an Allowed Claim (or as soon thereafter as Available Cash exists), except that Allowed Administrative Claims representing obligations incurred in the ordinary course of business are to be paid in accordance with the terms of any agreement upon which such Allowed Administrative Claim is based. Notwithstanding anything herein to the contrary, but subject to the terms of the Trust Agreement, the Holders of an Allowed Administrative Claim may be paid on such other date and upon such other terms as may be agreed upon by that Holder of an Allowed Administrative Claim and Debtors or the Trustee. **All Administrative Claims (except for Professional Fee Claims) are required to be Filed by the Administrative Bar Date determined in Article XI, Section 11.19 of this Plan, or such Administrative Claim shall be forever barred and shall not be enforceable against the Debtors, and the Trust and their successors, their assigns or their**

Assets. Without limiting the foregoing, all outstanding fees payable to the Office of the United States Trustee under 28 U.S.C. § 1930 that have not been paid shall be paid no later than thirty (30) days after the Effective Date or when due in the ordinary course.

b. Professional Fee Claims

The Trustee shall pay Professionals who are entitled to reimbursement or allowance of fees and expenses from the Debtors' Estates pursuant to § 503(b)(2) through (b)(6) of the Bankruptcy Code, in Cash, in the amount awarded to such Professionals by Final Order of the Bankruptcy Court as soon as practicable after the Effective Date or the date upon which any order awarding fees and expenses becomes a Final Order, in accordance with the terms of any order entered by the Bankruptcy Court governing the payment of fees and expenses during the course of the Bankruptcy Cases, and after application of any retainer received by the Professionals.

Any application for allowance of a Professional Fee Claim for services rendered and costs incurred through the Effective Date must be Filed with the Bankruptcy Court and served on counsel for the Post-Confirmation Committee and the Trustee at the addresses listed in Article XI, Section 11.10 of this Plan and the Office of the United States Trustee so that it is received no later than forty-five (45) days after the Effective Date, or such Professional Fee Claim shall be forever barred and shall not be enforceable against the Debtors, and/or the Trust and their successors, their assigns or their Assets.

2. Priority Tax Claims

After paying all Allowed Administrative Claims, the Trustee shall pay Allowed Priority Tax Claims, in full, in Cash, without interest, as soon as practicable after the later of (i) 60 days after the Effective Date, (ii) when the Claim becomes an Allowed Claim to the extent of Available Cash, (iii) at the option of the Debtors and Committee prior to the Effective Date in accordance with §1129(a)(9)(C) of the Bankruptcy Code, Cash in an aggregate amount of such Allowed Priority Tax Claim payable in regular installments over a period of not more than five (5) years from the Petition Date, or (iv) such other treatment agreeable to the Debtors, Committee and Holder of such Allowed Priority Tax Claim; provided, however, that 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 any Priority Tax Claim. Any demand for any such penalty, will be deemed disallowed by Confirmation of the Plan.

C. Classification of Certain Claims

Notwithstanding anything to the contrary in this Plan, each Restitution Fund Recipient's Claims constitute both Unsecured Claims and Restitution Fund Claims in the amount of the aggregate face value of any Proofs of Claims Filed by or on behalf of any Restitution Fund Recipient (subject to objection). Each Restitution Fund Recipient shall be entitled to receive distributions in both Class 2 and Class 3, but such Restitution Fund Recipient's: (i) Allowed Restitution Fund Claims will be paid first from the Restitution Funds and reduced dollar for dollar by the amount actually received; and (ii) then, second, Allowed Unsecured Claims and the unpaid balance of Allowed Restitution Fund Claims not satisfied in accordance with subsection (i) of this paragraph shall share Pro Rata in Class 2 distributions.

D. Transferability of Claims

Upon the agreement of a Restitution Claim Holder and Fannie Mae, such Holder's Restitution Claims may be transferred, sold, or assigned to Fannie Mae in exchange for consideration including the mortgage(s), notes and underlying documents that such Restitution Claim Holder alleges were fraudulently transferred, sold, or assigned to Fannie Mae without its consent. Any such transfer, sale, or assignment of Restitution Claims may contain: (i) a mechanism for disgorgement, repayment of consideration, payment of additional consideration, or similar relief in favor of the Restitution Claim Holder and/or Fannie Mae on account of the value (past, then-existing, or prospective) of such Restitution Claim(s), mortgage(s), notes and/or underlying documents so transferred, sold, or assigned; and/or (ii) a reservation of rights by such Restitution Claim Holder and/or Fannie Mae to seek damages and/or equitable relief notwithstanding such transfer, sale, or assignment.

E. Classes of Claims and Interests: Classification, Treatment and Voting Rights

Under the Plan, Holders of Claims and Interests are divided into Classes and treated as follows:

1. “Class 1” -- Priority Claims -- Unimpaired

a. Classification

Class 1 consists of all Allowed Priority Claims.

b. Treatment

After paying any and all Allowed Administrative Claims and Allowed Priority Tax Claims, the Trustee shall pay Allowed Class 1 Claims, in their respective order of priority pursuant to § 507 of the Bankruptcy Code in full, in Cash, without interest, to the extent of Available Cash, or pursuant to such other treatment as the Debtors, Committee and Holder of an Allowed Class 1 Claim may otherwise agree.

Prior to the Petition Date, in the ordinary course of business, the Debtors collected application and appraisal fees from a number of credit unions or their members or individuals who had applied for a loan in connection with numerous loan applications and held those funds while the loans were being processed or “in the pipeline.” Certain of those loans were never funded and, therefore, the Debtors are obligated under applicable state law to refund such fees to the credit union or loan applicant (the “Pipeline Loan Refunds”). Accordingly, on or after the Effective Date, the Debtors or the Trustee shall pay the Pipeline Loan Refunds listed on the schedule annexed hereto as Exhibit B, in full, in Cash, without interest. These pipeline loan funds are entitled to priority under §507(a)(7) of the Bankruptcy Code and, therefore, will be treated as Allowed Class 1 Priority Claims.

c. Voting

Class 1 is an Unimpaired Class. Holders of Class 1 Claims are conclusively deemed to accept the Plan pursuant to § 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 1 are not entitled to vote to accept or reject the Plan.

2. “Class 2” -- Unsecured Claims-- Impaired

a. Classification

Class 2 consists of all Allowed Unsecured Claims.

b. Treatment

Allowed Class 2 Unsecured Claims shall receive continuing Pro Rata distributions of Available Trust Cash in accordance with the Trust Agreement, in complete and full satisfaction of the Allowed Claims in this Class 2. Distributions made on account of Allowed Class 2 Claims will be made on a Pro Rata basis and without interest. A Creditor is entitled to and receive distributions in both Classes 2 and 3 if it so qualifies, but such a Creditor’s Claim will be paid first in Class 3 from Restitution Funds and any unpaid balance shall become a Class 2 Claim and share Pro Rata in Class 2 distributions (the “Deficiency Claim”). Any further Class 3 distributions would again reduce the amount of the Deficiency Claim to receive Pro Rata Class 2 distributions.

c. Voting

Class 2 is Impaired. The Holders of the Allowed Class 2 Unsecured Claims are entitled to vote to accept or reject the Plan.

3. “Class 3” – Restitution Claims – Unimpaired

a. Classification

Class 3 consists of all Restitution Claims.

b. Treatment

Holders of Allowed Class 3 Restitution Claims or Restitution Fund Recipients shall receive a Pro Rata distribution from those assets seized by the United States Attorney’s Office that Michael J. McGrath, Jr. or any other person or entity has admitted under oath are involved in, derived from or are traceable to the offenses to which he pled guilty in the *United States v. McGrath*, 09-cr-436 (KSH), namely the Restitution Funds. The monies provided by or at the direction of the United States Attorney’s Office to fund Class 3, or Restitution Funds as defined in the Plan, are not property of the Estates but are being administered by the Trustee solely as a convenience to the United States Attorney’s Office. As such, the Restitution funds cannot be used

to pay Administrative, Priority or Unsecured Claims, but may be used only to satisfy Restitution Claims. The Trustee shall maintain the Restitution Funds in a separate, interest-bearing account which will be segregated from all other Trust Assets. In addition, no monies will be provided to fund a Class 3 distribution unless and until this Plan receives final approval from the Bankruptcy Court. The Restitution Funds shall be disbursed in accordance with the terms of the Trust Agreement and Plan.

c. Voting

Class 3 is Unimpaired and thus the Holders of Allowed Restitution Claims are not entitled to vote to accept or reject the Plan as they are voting in Class 2.

4. “Class 4” -- Interests -- Impaired

a. Classification

Class 4 consists of all Interests.

b. Treatment

Holders of Class 4 Interests will receive no distribution on account of such Interests in the Debtors. On the Effective Date, all Interests in the Debtors shall be canceled.

c. Voting

Class 4 is Impaired. However, because the Holders of Interests in Class 4 will receive no distribution under the Plan, they are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Interests in Class 4 are not entitled to vote to accept or reject the Plan.

5. “Class 5” -- Sovereign -- Unimpaired

a. Classification

Class 5 consists of the Secured Claim of Sovereign.

b. Treatment

The Allowed Secured Claim of Sovereign shall be paid in full plus interest at the contract rate through the sale of certain collateral pledged to Sovereign. Sovereign has been granted stay relief by prior Order of the Bankruptcy Court to liquidate certain loans and, if the sales of such

loans do not satisfy in full Sovereign's Secured Claim, Sovereign shall have recourse to its other collateral (including, without limitation, funds of approximately \$106,000 held by the Debtors and a certificate of deposit issued by Sovereign). Sovereign shall provide the Debtors, the Trustee and the Committee with a detailed accounting of the disposition of its collateral and the application of the proceeds of such collateral. Any collateral remaining after payment in full of Sovereign's Allowed Secured Claim shall be promptly returned to the Debtors (before the Effective Date) or the Trustee (after the Effective Date) and transferred to the Trust. Any deficiency claim of Sovereign shall be treated in Class 2.

c. Voting

Class 5 is unimpaired and is presumed to have accepted the Plan since its Class 5 Allowed Claim will be paid in full.

ARTICLE III

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Rejection of Remaining Executory Contracts and Unexpired Leases.

On the Confirmation Date, except for any Executory Contract that was previously assumed or rejected by an Order of the Bankruptcy Court pursuant to § 365 of the Bankruptcy Code, each Executory Contract entered into by the Debtors prior to the Petition Date that has not previously expired or terminated pursuant to its own terms, shall be deemed rejected pursuant to § 365 of the Bankruptcy Code, effective as of the Confirmation Date other than (i) insurance policies and insurance contracts and (ii) computer software licenses in effect on the Confirmation Date. The Confirmation Order shall constitute an Order of the Bankruptcy Court approving such rejections pursuant to § 365 of the Bankruptcy Code, as of the Confirmation Date.

B. Bar to Rejection Damages.

Except to the extent that another Bar Date applies pursuant to an Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts under the Plan must be filed with the Clerk of the Bankruptcy Court, Martin Luther King, Jr. Federal Building, P.O. Box 1352, 50 Walnut Street, 3rd floor, Newark, NJ

07101-1352, and a copy served on counsel for the Trust, within thirty (30) days from the entry of the Confirmation Order, or such Claim shall be forever barred and shall not be entitled to a distribution or enforceable against the Debtors, and/or the Trust and their successors, their assigns or their Assets. Claims arising from the rejection of Executory Contracts shall be treated in Class 2.

ARTICLE IV

PROVISIONS FOR TREATMENT OF DISPUTED, CONTINGENT AND UNKNOWN ADMINISTRATIVE CLAIMS AND CLAIMS

A. Resolution of Disputed Administrative Claims and Disputed Claims

1. Prosecution of Objections to Claims

An objection to the allowance of a Claim shall be in writing and shall be Filed with the Bankruptcy Court pursuant to Section B. 3 below.

Except as set forth herein, nothing in the Plan, the Confirmation Order or any order in aid of Confirmation, shall constitute, or be deemed to constitute, a waiver or release of any Claim, Causes of Action, Avoidance Action, right of setoff, or other legal or equitable defense which any or all of the Debtors and their Estates had immediately prior to the commencement of their Bankruptcy Cases against or with respect to any Claim. Except as set forth herein, upon Confirmation, the Trust shall have, retain, reserve and be entitled to assert all such Claims, Causes of Action, rights of setoff and other legal or equitable defenses which any or all of the Debtors or their Estates had immediately prior to the commencement of their Bankruptcy Cases against or with respect to any Claim.

2. Payments and Distributions on Disputed Claims

As and when authorized by a Final Order, Disputed Claims that become Allowed Claims shall be paid from the Disputed Claim Reserve in accordance with the terms of the Plan and Trust Agreement. Until that time, a Disputed Claim Reserve shall be maintained for each Disputed Claim.

No distribution shall be made on a Claim where only a portion of such Claim is disputed until such dispute is resolved by settlement or Final Order, except as otherwise provided for in Section B. 1 below.

B. Allowance of Claims

1. Disallowance of Claims

All Claims held by Persons against whom the Debtors, their Estates and/or the Trust have/has filed or commenced a Claim or Cause of Action under §§ 522(f), 522(h), 542, 543, 544, 547, 548, 549, 550, 551, 553 or 724(a) of the Bankruptcy Code shall be deemed disallowed pursuant to § 502(d) of the Bankruptcy Code, and Holders of such Claims may not vote to accept or reject the Plan until such time as such filed or commenced Claims or Causes of Action against the Person have either been: (i) settled with the reasonable consent of the Committee (prior to the Effective Date) or the Post-Confirmation Committee subject to the procedures set forth in the Trust Agreement (on or after the Effective Date), and all sums due the Debtors by that Person turned over to the Trust; or (ii) an order permitting a vote to accept or reject the Plan is entered by the Bankruptcy Court. The Holders of any and all Claims Filed with the Bankruptcy Court after the deadline for the filing of or request for payment on such Claim shall be deemed disallowed without further action by the Debtors and without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not vote to accept or reject the Plan or be entitled to any distribution, unless otherwise allowed by Final Order of the Bankruptcy Court.

2. Allowance of Claims

Except as expressly provided in the Plan, no Claims shall be deemed Allowed by virtue of the Plan, Confirmation Order, or any order of the Bankruptcy Court, unless and until such Claim is deemed Allowed under the Bankruptcy Code, or the Bankruptcy Court enters a Final Order in the Bankruptcy Cases allowing such Claim. Notwithstanding the foregoing, any Claim included in the Debtors' Schedules that is *not* listed as contingent, unliquidated, and/or

disputed shall be an Allowed Claim. The Allowance and disallowance of Claims shall be in all respects subject to the provisions of §502 of the Bankruptcy Code.

3. Objections to Claims

Both the Trust and Trustee shall have standing and the right to commence and pursue objections to Claims after the Effective Date. All objections to Claims shall be filed with the Bankruptcy Court and served upon the Holders of each of the Claims to which objections are made by the Claim Objection Deadline. The Trust and Trustee shall have the right to move the Bankruptcy Court for an extension of the Claim Objection Deadline and such an extension shall not be deemed a modification of the Plan.

4. Setoffs and Recoupment

Subject to the terms of the Trust Agreement and Plan, the Trust and Trustee may, pursuant to § 553 of the Bankruptcy Code or applicable non-bankruptcy law, but shall not be required to, setoff against or recoup from any Claim on which payments are to be made pursuant to the Plan, any Claims of any nature whatsoever the Debtors may have against the Holder of such Claim; provided, however, that neither the failure to do so nor the allowance of any Claim shall constitute a waiver or release by the Debtors of any such claims the Debtors may have against such Claim.

5. Withholding or Other Taxes

The Trust and Trustee may deduct any federal, state or local withholding or other taxes from any distributions under this Plan. As a condition to making any distribution under this Plan, the Trust or Trustee may require that the Holder of an Allowed Claim provide such Holder's taxpayer identification number and such other information or certification as the Trust or Trustee may deem reasonably necessary to comply with applicable tax reporting and/or withholding laws or regulations.

C. Controversy Concerning Impairment

If a controversy arises as to whether any Claims or any Class of Claims or Interests are Impaired under the Plan, the Bankruptcy Court, after notice and a hearing, shall determine such controversy on or before the Confirmation Date.

ARTICLE V

POST-CONFIRMATION COMMITTEE

A. Post-Confirmation Committee

Pursuant to the Plan, the Committee shall be reconstituted as the Post-Confirmation Committee on the Effective Date with the following members: Educational Systems Federal Credit Union, Energy Federal Credit Union, Novartis Federal Credit Union, Picatinny Federal Credit Union, Pinnacle Federal Credit Union, Treasury Department Federal Credit Union, and Suffolk Federal Credit Union. The Committee's professionals may be authorized and permitted to represent the Trustee, subject to the approval of the Post-Confirmation Committee pursuant to the procedures set forth in the Trust Agreement. Any consent or agreement by the Post-Confirmation Committee required or contemplated under this Plan shall be made in accordance with the procedures set forth for such determination, consent, direction, approval, or agreement in Section 3.9.7 of the Trust Agreement. The Post-Confirmation Committee shall have all the powers set forth in the Plan and Trust Agreement. The confidentiality agreement by and between the Committee and the Debtors shall terminate on the Effective Date. The duties and powers of the Post-Confirmation Committee shall terminate in accordance with the terms of the Trust Agreement.

The Post-Confirmation Committee shall have the power regarding the actions of the Trust and Trustee and the liquidation of the Debtors' Assets as set forth in the Plan and Trust Agreement.

B. Rights of the Post-Confirmation Committee

In order to carry out its duties under the Plan, the Post-Confirmation Committee, in addition to its additional rights hereunder, shall have the right, but not the obligation, to retain and

compensate professionals to assist the Post-Confirmation Committee. The reasonable fees and actual and necessary expenses of such professionals and any expenses of the Post-Confirmation Committee shall be paid by the Trustee as provided in Article XI, Section 11.18 of the Plan, and shall be funded (see Article XI, Section 11.18 below) from the Trust Assets.

C. Pursuit of Objections to Claims

Subject to the terms of the Trust Agreement and Plan, as discussed above in Article IV, Section B. 3, both the Trust and the Trustee shall have all proper legal standing and the right to commence and pursue objections to Claims. The Bankruptcy Court shall retain jurisdiction to adjudicate any and all objections to Claims whether filed by the Trust or the Trustee and whether such objections are commenced prior to or after Confirmation of the Plan. Subject to the terms of the Trust Agreement, the Trustee shall have the ability to pursue, make a demand on, sue on, settle or compromise any objection to any Claim.

D. Examiner's Role, Rights and Duties

The Examiner shall comply and be compensated in accordance with the procedures governing Professional Fee Claims set forth in Article II.B.1.b of this Plan. The Examiner's role in the Bankruptcy Cases shall terminate when he has completed his duties, unless the Bankruptcy Court enters an Order at an earlier date.

E. Assignment, Pursuit, and Settlement of Avoidance Actions and Causes of Action

Except as otherwise provided in this Plan, any and all Causes of Action shall remain Assets of the Estates and, pursuant to § 1123(b)(3)(B) of the Bankruptcy Code, on the Effective Date such Causes of Action shall be assigned, transferred to and vested in the Trust. Subject to the terms of the Trust Agreement, pursuant to § 1123(b)(3)(B) of the Bankruptcy Code and this Plan, the Trust and the Trustee shall have the standing and power to pursue the Causes of Action on or after the Effective Date of the Plan. Other than as set forth herein, no other Person may pursue any of the Causes of Action. Subject to the terms of the Trust Agreement, the Trust and the Trustee may enforce, pursue, make a demand on, sue on, settle or compromise any or all of the Causes of Action

and/or Avoidance Actions without any approval by the Bankruptcy Court, or may determine not to pursue any or all of the Causes of Action.

The Bankruptcy Court shall retain jurisdiction to adjudicate any and all of the Causes of Action whether commenced prior to or after Confirmation of the Plan.

ARTICLE VI

DISTRIBUTIONS

A. Distributions

1. Distributions Made by the Trust

Except as set forth in the Trust Agreement and Plan, on the Effective Date all Assets of the Debtors shall be transferred to the Trust for liquidation and/or distribution in accordance with the Plan and Trust Agreement.

Subject to the terms of the Trust Agreement and Plan, distributions on account of Administrative Claims, Priority Tax Claims, Priority Claims, Class 2 Claims, or Class 3 Claims that are Allowed Claims or become Allowed Claims as of or after the Effective Date and are entitled to receive distributions under the Plan, shall be made by the Trustee from Trust Assets on the Effective Date or as soon thereafter as is practicable.

B. Method of Distribution Under the Plan

1. In General

The Trust shall make all distributions under the Plan as may be required on a Pro Rata basis. The Trust shall establish such accounts as may be necessary or desirable to effectuate distributions as provided for in the Plan.

2. Manner of Payment

Any payment of Cash under the Plan may be made either by check drawn or by wire transfer from a domestic bank, at the option of the Trustee.

3. Transmittal of Distributions to Parties Entitled Thereto

All distributions by check shall be deemed made at the time such check is deposited in the United States mail, postage prepaid. Any distributions by wire transfer shall be deemed made as of the date of the wire transfer is made. Except as otherwise agreed with the Holder of an Allowed Claim in respect thereof or provided in the Plan, any distribution required under the Plan on account of an Allowed Claim, shall be mailed to (i) the latest mailing address filed for the Holder of an Allowed Claim entitled to a distribution, (ii) the latest mailing address filed for a Holder of a filed power of attorney designated by the Holder of such Claim to receive distributions, (iii) the latest mailing address filed for the Holder's transferee as identified in a filed notice served on the Debtors pursuant to Bankruptcy Rule 3001(e), or (iv) if no such mailing address has been filed, the mailing address reflected on the Schedules or in the Debtors' books and records.

4. Distribution of Unclaimed Property

Except as otherwise provided in the Plan, any distribution under the Plan which is unclaimed after three (3) months following any distribution date shall be forfeited, and such distribution, together with any interest earned thereon, and shall return to the Trust and become an Asset to be reserved or distributed, as the case may be, in accordance with the provisions of the Plan for future distribution.

5. Saturday, Sunday or Legal Holiday

If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the following Business Day, but shall be deemed to have been completed as of the required date.

6. Reports

Until a Final Decree is entered, the Trustee shall submit quarterly reports to the United States Trustee as required by the United States Trustee guidelines (with a copy served on the Office of the United States Trustee) setting forth all receipts and disbursements of the Trust,

with a copy delivered to the Post-Confirmation Committee. The first report shall be filed within thirty (30) days after the first full three (3) months after the Effective Date have expired. The Trustee shall be responsible to request that a Final Decree be entered in these Bankruptcy Cases. The Trustee shall also be responsible for any quarterly fees due to the United States Trustee from and after the Effective Date until the Bankruptcy Cases are closed.

C. Fractional Cents and De Minimis Distributions

Notwithstanding any other provisions of the Plan to the contrary, no payment of fractional cents will be made under the Plan. Cash will be issued to Holders entitled to receive a distribution of Cash in whole cents (rounded to the nearest whole cent when and as necessary).

Any distribution of less than \$25.00 will be considered de minimis, and Holders of Allowed Claims that are entitled to a final distribution of less than \$25.00 will not receive any distribution. Such funds will remain with the Trust to be distributed in accordance with the provisions of the Plan.

D. Corporate Action

Upon the Effective Date, all matters provided under the Plan involving the Debtors shall be deemed to be authorized and approved without any requirement of further action by the Debtors and their respective officers and/or boards of directors.

E. Dissolution of the Debtors

Subject to the terms of the Trust Agreement and the Trustee's ability to assert claims or Causes of Action relating to the Trust, on the Effective Date, the Debtors shall be deemed dissolved.

F. Dissolution of the Committee

On the Effective Date, the Committee shall be dissolved whereupon its members, Professionals and agents shall be released from any further duties and responsibilities in the Bankruptcy Cases except with respect to: (i) obligations arising under confidentiality agreements and/or protective orders entered into, which shall remain in full force and effect according to their terms; (ii) applications for Professional Fee Claims; and (iii) any motions or other actions

seeking modification, amendment, supplement, enforcement or implementation of the provisions of this Plan or the Confirmation Order. The Professionals retained by the Committee and the respective members thereof shall not be entitled to compensation and/or reimbursement of expenses rendered or incurred after the Effective Date, other than to the extent provided in the Trust Agreement and Plan.

ARTICLE VII

MEANS FOR IMPLEMENTATION OF THE PLAN

A. Substantive Consolidation of Claims against Debtors for Plan Purposes Only

The Plan is premised on the substantive consolidation of the Debtors with respect to the treatment of all Claims. Thus, the Debtors Bankruptcy Cases shall be substantively consolidated for purposes of voting on the Plan and distributions under the Plan. This Plan shall serve as a request by the Debtors, in lieu of a separate motion, to the Bankruptcy Court, that it grant substantive consolidation with respect to the treatment of all Claims as follows: on the Effective Date (a) all Intercompany Claims will be eliminated and no distribution will be made on account of Intercompany Claims between the Debtors; (b) all Assets and liabilities of the Debtors will be merged or treated as though they were merged; (c) any Claims against any of the Debtors based upon a guaranty, indemnity, or signature, surety agreement or otherwise shall be treated as a single Claim against the consolidated Estates of the Debtors; and (d) each and every Claim against any Debtor shall be deemed filed against the consolidated Debtors and all Claims filed against more than one Debtor for the same liability shall be deemed one Claim against any obligation of the consolidated Debtors. The substantive consolidation of the Debtors under the Plan shall have no effect on any Causes of Action commenced by the Debtors, the Trustee and/or the Trust either before or after confirmation of the Plan.

B. Appointment of the Trustee

On the Effective Date, [to be determined] shall be designated the Trustee of the Trust by vote of the Committee.

C. Vesting of Assets

On the Effective Date, title to all Assets of the Debtors and their Estates shall vest in the Trust free and clear of all liens, Claims and Interests, except as expressly provided in the Plan. The Debtors shall transfer and convey all of their Assets (including but not limited to Cash and Causes of Action) to the Trust on the Effective Date, with the exception of the collateral in favor of Sovereign which shall be treated as set forth in Class 5 of the Plan.

D. Funding of Plan

The source of funds to achieve consummation of and carry out the Plan shall be the Cash from the liquidation of the Assets and Cash on hand.

E. Causes of Action

Except as otherwise provided in the Trust Agreement and Plan, any and all rights or Causes of Action (which include Avoidance Actions) under any theory of law or fact, including without limitation under the Bankruptcy Code, accruing to or assertable by any of the Debtors shall remain Assets of the Estates and, pursuant to § 1123(b)(3)(B) of the Bankruptcy Code, on the Effective Date such Causes of Action shall be assigned, transferred to and vested in the Trust. Subject to the terms of the Trust Agreement, pursuant to § 1123(b)(3)(B) of the Bankruptcy Code, only the Trust and Trustee shall have the right to pursue or not to pursue, or compromise or settle any Causes of Action owned or held by the Debtors or their Estates as of the Effective Date. Subject to the terms of the Trust Agreement, from and after the Effective Date, the Trust and Trustee may litigate or settle any Causes of Action or rights to payments or claims that belong to the Debtors that may be pending on the Effective Date or instituted by the Trust and/or Trustee after the Effective Date. Subject to the terms of the Trust Agreement, the Trustee may settle, without need of Bankruptcy Court approval, any Causes of Action. The Bankruptcy Court shall retain jurisdiction to adjudicate any and all Causes of Action and approve of any settlement thereof, whether commenced prior to or after Confirmation of the Plan.

F. Duties of the Trustee

Subject to the terms of the Trust Agreement, in addition to the duties as set forth elsewhere in the Plan and the Trust Agreement, the Trustee shall, diligently and for the highest value in his business judgment, liquidate; or abandon the Trust Assets as appropriate under the circumstances.

G. Rights of the Trustee

Subject to the terms of the Trust Agreement, in order to carry out his duties under the Plan and the Trust Agreement, the Trustee shall have the right, but not the obligation, to retain and compensate professionals (including, but not limited to, the professionals retained by the Debtors or the Committee prior to the Effective Date) to assist the Trustee in the liquidation and distribution of the Debtors' Assets without prior Bankruptcy Court approval.

ARTICLE VIII

EFFECT OF CONFIRMATION

A. Authority to Effectuate Plan

Upon the Effective Date, all matters provided under the Plan shall be deemed to be authorized and approved without the requirement of further approval from the Bankruptcy Court or the Debtors. The Debtors and/or Trustee, as the case may be, shall be authorized, without further application to or order of the Bankruptcy Court, to take whatever action necessary to achieve consummation and carry out the Plan and to effectuate the transactions provided for thereunder.

B. Escrows

Subject to the consent of the Post-Confirmation Committee in accordance with the procedures set forth in the Trust Agreement, all escrows previously established in the Bankruptcy Cases and still in existence on the Effective Date shall continue in effect, be administered, and the escrowed funds released, according to their terms and any orders of the Bankruptcy Court previously entered. Escrowed funds that are held by the Debtors after the Effective Date shall be assigned or transferred to the Trust as soon as reasonably practicable to achieve consummation of

the Plan. Notwithstanding the foregoing, the escrow in favor of Sovereign shall be dealt with as set forth in Class 5 of the Plan.

C. Binding Effect

Except as otherwise expressly provided in the Plan, on and after the Effective Date, the Plan shall bind all Holders of Claims and Interests, whether or not such Holders voted to accept or reject the Plan. Subject to the terms of the Plan and Trust Agreement, upon the Effective Date, every Holder of a Claim or Interest shall be precluded and permanently enjoined from asserting against the Debtors any Claim based on any document, instrument, judgment, award, order, act, omission, transaction or other activity of any kind or nature that occurred before the Petition Date.

D. Discharge

Because this is a Plan of liquidation, the Debtors shall not receive a discharge under the Bankruptcy Code.

1. Releases

Except as otherwise specifically provided in this Plan, upon the Effective Date, none of: (i) the Committee, the Committee Members (in their representative capacity only), the Post-Confirmation Committee (in their representative capacity only), or any of each of their respective officers, directors, shareholders, members, employees, representatives, advisors, attorneys, financial advisors, investment bankers, agents, or affiliates, or any of each of their successors or assigns, or (ii) the Debtor Releasees shall have or incur liability for, and are hereby released from any Obligation to one another, to any Holder of a Claim or Interest, or any other party in interest, for any act or omission that occurred on or between the Petition Date and the Effective Date in connection with, relating to, or arising out of these Bankruptcy Cases, the administration of the Debtors' Estates, the formation, negotiation and/or pursuit of confirmation of the Plan, any contract, instrument, release, or other agreement or document created in connection with the Plan, or the consummation of the Plan, except for their gross negligence, willful misconduct, or fraud, and each releasee shall in all respects be entitled to reasonably rely upon the advice of counsel with respect to their

duties and responsibilities (if any) under the Plan. Except as otherwise specifically provided in this Plan, upon the Effective Date: (i) the Committee, the Committee Members (in their representative capacity only), the Post-Confirmation Committee (in their representative capacity only), the Trust, the Trustee, and any and all of each of their respective officers, directors, shareholders, members, employees, representatives, advisors, attorneys, financial advisors, investment bankers, agents, or affiliates, and any and all of each their successors or assigns, and (ii) the Debtor Releasees are each granted the protections and benefits of § 1125(e) of the Bankruptcy Code. Notwithstanding anything to the contrary in this Plan, the releases set forth in this paragraph shall not be given to Michael McGrath, Jr., Susan McGrath, Glenn Hedges, Richard Barrett, Leroy Hayden, Jarrett Coiro, Robert O'Mara, Ngoon Lup Goon, Gerald Carti, Graham Fleming, Grand Bank, Icon Residential Lenders, LLC, or any other officers, directors, shareholders, members, employees of the Debtors, or to the firm of J.H. Cohn LLP. The releases provided in this paragraph are to be strictly construed to relate only to the postpetition administration of the Debtors' Estates and do not bar any actions related to or arising out of any prepetition activity, conduct, or action.

2. Injunctions

Except as otherwise specifically provided in the Plan, all Persons, including their successors or assigns, who have held, hold or may hold Claims, Causes of Action, or Interests based upon any act or omission, transaction, or other activity of any kind or nature prior to the Petition Date and against the Debtors, regardless of whether such Claim, Cause of Action, or Interest was Filed, allowed, or disallowed, and regardless of whether such Person has voted to accept or reject the Plan, shall be precluded and permanently enjoined from the: (a) assertion, commencement, or continuation in any manner of any claim, action, or other proceeding of any kind with respect to any such Claim, Cause of Action, or Interest against the Debtors, or any Assets which they possessed or may possess prior to the Effective Date; (b) enforcement, attachment, collection, or recovery by any manner or means, including any judgment, award, decree, or order with respect to any such Claim, Cause of Action, or Interest against the Debtors, or any Assets which they possessed or may possess prior to the Effective Date; and (c) creation, perfection, or enforcement of any encumbrance or lien of any kind with respect to any such

Claim, Cause of Action, or Interest against the Debtors, or any Assets which they possessed or may possess prior to the Effective Date. For the avoidance of doubt, this paragraph is inapplicable to any act or omission, transaction, or other activity of any kind or nature that occurred after the applicable Petition Date and with respect to Sovereign as set forth in Class 5 of this Plan.

ARTICLE IX

CONDITIONS PRECEDENT

A. Conditions Precedent to Confirmation of the Plan

The following are conditions precedent to Consummation that must be satisfied, or waived in accordance with Article IX.C of this Plan:

- (i) The final version of the Plan, Trust Agreement, and all of schedules, documents and exhibits thereto shall have been Filed in form and substance acceptable to the Committee; and
- (ii) The Confirmation Order shall approve in all respects the provisions, terms and conditions of the Plan and Trust Agreement, and shall be in a form and substance reasonably acceptable to the Committee.

B. Condition Precedent to Effective Date

The following are conditions precedent to the Effective Date that must be satisfied, or waived in accordance with Article IX.C of this Plan:

- (i) The Confirmation Date shall have occurred;
- (ii) The Confirmation Order shall have become a Final Order in form and substance reasonably acceptable to the Committee;
- (iii) The Trust Agreement, and all documents or agreements related thereto, including those regarding the transfer of Assets to the Trust, shall be reasonably acceptable, in form and substance, to the Committee;
- (iv) The Trust Agreement, and all documents or agreements related thereto, including those regarding the transfer of Assets to the Trust, shall have been executed in proper form;

- (v) The executed version of the Trust Agreement, and all schedules, documents and exhibits thereto shall have been Filed with the Bankruptcy Court; and
- (vi) The release of the Restitution Funds by the United States Attorney's Office for the District of New Jersey to the Trust shall have occurred.

C. Waiver of Conditions Precedent

The Debtors, with the consent of the Committee, may waive any of the conditions precedent to Confirmation or the Effective Date set forth in Article IX.A and Article IX.B of this Plan at any time, without notice and without further action, order, or approval of the Bankruptcy Court.

D. Effect of Non-Occurrence of Conditions to the Effective Date

Each of the conditions to the Effective Date must be satisfied or waived pursuant to Article IX.C of this Plan, and the Effective Date must occur within one-hundred-and-eighty (180) days of Confirmation, or by such later date established by Final Order. If the Effective Date has not occurred within ninety (90) days of Confirmation, then upon motion by a party in interest made before the Effective Date and a hearing, the Confirmation Order may be vacated by the Bankruptcy Court; provided, however, that notwithstanding the filing of such motion to vacate, the Confirmation Order may not be vacated if the Effective Date occurs before the Bankruptcy Court enters a Final Order granting such motion. If the Confirmation Order is vacated pursuant to this Article IX.D or otherwise, then except as provided in any Final Order vacating the Confirmation Order, the Plan will be null and void in all respects, and nothing contained in the Plan or Disclosure Statement shall: (1) constitute a waiver or release of any Claims, Interests, or Causes of Action; (2) prejudice in any manner the rights of the Debtors or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking of any sort by a Debtor or any other Entity.

ARTICLE X

RETENTION OF JURISDICTION BY THE BANKRUPTCY COURT

Jurisdiction of Bankruptcy Court. Upon and after Confirmation, as well as after the closing of the Debtors' Bankruptcy Cases and the entry of a Final Decree, the Bankruptcy Court shall retain jurisdiction of the Debtors' Bankruptcy Cases to the maximum extent permitted by law, including for the following purposes:

A. To hear and determine any and all pending applications for the rejection and disaffirmance, assumption or assignment of Executory Contracts and any objection to Claims resulting therefrom and the allowance of Claims resulting therefrom.

B. To hear and determine any and all applications, adversary proceedings, applications, contested matters and other litigated matters pending on the Confirmation Date, and to hear and determine any and all Causes of Action and the Avoidance Actions, , whether pending on the Confirmation Date or commenced by the Trust and/or Trustee after the Effective Date.

C. To insure that the distributions to Holders of Claims are accomplished as provided herein.

D. To hear and determine any objections to Claims filed both before and after Confirmation of the Plan, including any objections to the classification of any Claim and to allow or disallow any Disputed Claim in whole or in part.

E. To enter and implement such orders as may be appropriate in the event Confirmation is for any reason stayed, reversed, revoked, modified or vacated.

F. To hear and determine all applications for compensation of fees and reimbursement of expenses.

G. To hear any application to modify the Plan in accordance with § 1127 of the Bankruptcy Code.

H. To hear and determine disputes arising in connection with the Plan or its implementation, including disputes arising under agreements, documents or instruments executed in connection with this Plan.

I. To construe and to take any action to enforce the Plan and issue such orders as may be necessary for the implementation, execution and consummation of the Plan.

J. To take any action to resolve any disputes or objections arising out of or relating to any Claim; to hear and determine other issues presented by or arising under the Plan; and to take any action to resolve any disputes or objections of Creditors with respect to their Claims.

K. To determine such other matters and for such other purposes as may be provided in the Confirmation Order and Plan.

L. To hear and determine issues relating to, and issue any necessary orders with respect to, any governmental or regulatory agency or instrumentality.

M. To hear and determine applications for orders sought pursuant to any provision of the Plan.

N. To hear and determine any other matters not inconsistent with Chapter 11 of the Bankruptcy Code.

O. To hear and determine any application or motion by the Trust to sell any Asset pursuant to Bankruptcy Code § 363, including the Property.

P. To hear and determine any and all fee disputes by and among the Trust and Trustee and other professionals after the Effective Date of the Plan.

Q. To hear and determine all disputes arising under or related to the Trust Agreement.

ARTICLE XI

MISCELLANEOUS PROVISIONS OF THE PLAN

11.1 **Governing Law.** Except to the extent that the Bankruptcy Code or Bankruptcy Rules are applicable, the rights, duties and obligations arising under this Plan shall be governed by,

and construed and enforced in accordance with the laws of the State of New Jersey, without giving effect to conflicts of law principles.

11.2 **Headings.** The headings of the articles, paragraphs and sections of this Plan are inserted for convenience only and shall not affect the interpretation of this Plan.

11.3 **Severability.** After the Effective Date, should the Bankruptcy Court, or any other court of competent jurisdiction, determine that any provision in the Plan is either illegal on its face or illegal as applied to any Claim, such provisions shall be unenforceable either as to all Holders of Claims or as to the Holder of such Claim as to which the provision is illegal, respectively. Such a determination of unenforceability shall in no way limit or affect the enforceability and operative effect of any other provision of the Plan.

11.4 **Revocation.** The Debtors reserve the right to revoke and withdraw the Plan prior to the Confirmation Date. If this Plan revoked or withdrawn, then the Plan shall be null and void and, in such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claims, Interests, or Causes of Action by or against the Debtors or any other Person, prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors, or be deemed an admission by the Debtors.

11.5 **The Failure to Satisfy a Confirmation Condition or an Effective Date Condition.** If one or more of the conditions to Confirmation or to the occurrence of the Effective Date is not satisfied, and the time within which such condition must be satisfied has expired, the Plan shall be deemed null and void, and, in such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claims, Interests, or Causes of Action by or against the Debtors or any other Person, prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors, or be deemed an admission by the Debtors.

11.6 **Construction.** The rules of construction as set forth in § 102 of the Bankruptcy Code shall apply to the construction of the Plan.

11.7 **Amendments.** After the Effective Date and absent any material adverse affect on the Debtors or their Estates' Creditors, the Trustee, subject to the terms of the Trust Agreement and

the consent of the Post-Confirmation Committee pursuant to the procedures set forth in the Trust Agreement, may take any actions necessary to remedy any defect or omission, or reconcile any inconsistencies in the Plan, Trust Agreement, or the Confirmation Order to carry out the purposes and effects of the Plan or Trust Agreement without notice or further approval of the Bankruptcy Court. Except as otherwise provided herein, the Plan may be amended, modified or supplemented by the Debtors (prior to the Effective Date and with the consent of the Committee) or the Trustee (after the Effective Date and with the consent of the Post-Confirmation Committee pursuant to the procedures set forth in the Trust Agreement), as the case may be, before or after the Effective Date, in the manner provided for by § 1127 of the Bankruptcy Code, or as otherwise permitted by law without additional disclosure pursuant to § 1125 of the Bankruptcy Code, except as the Bankruptcy Court may otherwise order.

11.8 No Interest. Except as expressly stated in this Plan, or allowed by Final Order of the Bankruptcy Court, no interest, penalty or late charge is to be allowed on any Claim subsequent to the Petition Date.

11.9 Confirmation Over Objection. If any Impaired Class of Creditors shall fail to accept the Plan, the Debtors reserve the right to request that the Bankruptcy Court confirm the Plan in accordance with the applicable provisions of § 1129(b) of the Bankruptcy Code.

11.10 Notices. All notices, requests or demands for payments provided for in the Plan shall be in writing and shall be deemed to have been given when personally delivered by hand or deposited in any general or branch post office of the United States Postal Service. Notices, requests and demands for payments shall be addressed and sent postage pre-paid or delivered in the case of notices, requests or demands for payments to the following:

To the Debtors:
Lowenstein Sandler PC
65 Livingston Avenue
Roseland, NJ 07068
Attention: Bruce Buechler, Esq.

To the Committee:

Wilentz Goldman & Spitzer, P.A.
90 Woodbridge Center Drive, Box 10
Woodbridge, NJ 07095
Attention: David H. Stein, Esq.

To the Trustee:

(To be designated by a filing on the docket)

To the Post-Confirmation Committee:

(To be designated by a filing on the docket)

11.11 Plan Controls Disclosure Statement. Notwithstanding anything to the contrary contained herein or in the Disclosure Statement, in the event and to the extent that any provision of the Plan is inconsistent with any provision of the Disclosure Statement, the provisions of the Plan shall control and take precedence.

11.12 Filing of Additional Documents. Prior to the Effective Date, the Debtors may file with the Bankruptcy Court such agreements or other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan that are not inconsistent with the terms of the Plan or Trust Agreement. On or after the Effective Date, the Trustee, subject to the consent of the Post-Confirmation Committee pursuant to the procedures set forth in the Trust Agreement, may file with the Bankruptcy Court such agreements or other documents as may be necessary or appropriate to effectuate the terms and conditions of this Plan.

11.13 Reservation of Rights. If the Plan is not confirmed by the Bankruptcy Court or any other Court of competent jurisdiction for any reason, the rights of the Debtors and all parties in interest in the Debtors' Bankruptcy Cases shall and will be reserved in full. Statements and provisions made in the Plan or in the Disclosure Statement are made only for the purpose(s) of the Plan. If the Plan is withdrawn, the Confirmation Order is not entered, or if the Effective Date does not occur, no Person shall be bound by or deemed prejudiced by any such statement or provision.

11.14 Direction to a Party. From and after the Effective Date, the Trustee may apply to the Bankruptcy Court for the entry of an order directing any Person to execute or deliver or to join in the execution or delivery of any instrument or document reasonably necessary or reasonably

appropriate to effect a transfer of properties dealt with by this Plan, and to perform any other act (including the satisfaction of any lien or security interest) that is reasonably necessary or reasonably appropriate for the consummation of the Plan.

11.15 Successors and Assigns. The rights, duties and obligations of any Person named or referred to in this Plan, including all Creditors, shall be binding on, and shall inure to the benefit of, the successors and assigns of such Person.

11.16 Compliance with Tax Requirements. In connection with this Plan, the Trust shall comply with all withholding and reporting requirements imposed by Federal, State, local or foreign taxing authorities. Under § 1146(a) of the Bankruptcy Code and applicable New Jersey State law, the issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer under the Plan shall not be taxed under any law imposing a stamp tax or similar tax.

11.17 Waiver of Subordination. Notwithstanding any provision of the Plan to the contrary, all holders of Claims shall be deemed to have waived any and all contractual subordination rights to which they may have with respect to the distributions made pursuant to the Plan, and the Confirmation Order shall permanently enjoin, effective as of the Effective Date, all holders of Claims from enforcing or attempting to enforce any such rights against any person receiving distributions under the Plan.

11.18 Post-Effective Date Professional Fees. The reasonable fees and actual and necessary expenses incurred after the Effective Date by professionals, the Trustee and the Post-Confirmation Committee, each as permitted by the Plan and Trust Agreement, shall be paid by the Trustee upon each monthly submission of a fee statement to the Trustee and the Post-Confirmation Committee, in accordance with the following procedures. The Trustee shall receive fair and reasonable compensation for his/her services in accordance with the compensation schedule annexed to the Trust Agreement as Exhibit __, which shall be a charge against and paid out of the Assets; provided, that no compensation may be paid to the Trustee unless and until the compensation schedule has been approved by Final Order of the Bankruptcy Court as being reasonable as required by § 1129(a)(4) of the Bankruptcy Code. Also, the following procedures

must be followed with respect to any individual request for compensation: The Trustee and the Post-Confirmation Committee shall have twenty (20) days from the delivery of a fee statement to give notice of an objection to the fee statement to the professional seeking compensation or reimbursement, the Trustee and the Post-Confirmation Committee. For an objection to be valid, it shall be in writing and set forth in detail the specific fees objected to and the basis for the objection. The uncontested portion of each invoice shall be paid within twenty-five (25) days after its original delivery to the Trustee and Post-Confirmation Committee. Any objection that remains unresolved fifteen (15) days after it is made shall be submitted to the Bankruptcy Court for resolution.

11.19 Administrative Bar Date.

The bar date or last date for the filing or request of Administrative Claims, exclusive of Professional Fee Claims (which are addressed in Article II, Section B. 1. b of this Plan), shall be thirty (30) days after the Effective Date. Such Administrative Claims must be filed with the Clerk of the Bankruptcy Court, Martin Luther King, Jr. Federal Building, P.O. Box 1352, 50 Walnut Street, 3rd floor, Newark, NJ 07101-1352, with a copy sent to counsel for Debtors, the Trustee and the Post-Confirmation Committee. The failure to timely file such an Administrative Claim shall bar the Administrative Claim from being paid.

SIGNATURES

Dated: September 11, 2009

U.S. Mortgage Corp.

By: /s/ Andrew Liput

Name: Andrew Liput

Title: Senior Vice President

CU National Mortgage, LLC

By: U.S. Mortgage Corp., its sole member

By: /s/Andrew Liput

Name: Andrew Liput

Title: Senior Vice President

EXHIBIT A

U.S. MORTGAGE CREDITORS LIQUIDATION TRUST AGREEMENT

This U.S. Mortgage Creditors Liquidation Trust Agreement (the "Agreement") dated as of September _____, 2009 by and between U.S. Mortgage Corp. and CU National Mortgage, LLC (collectively, the "Settlor" or "Debtors"), and _____ (the "Trustee"), for the benefit of the holders of Allowed Claims (the "Beneficiaries") under the terms of the Debtors' Third Amended Joint Plan of Liquidation filed in the above-captioned matter (the "Plan") confirmed by the United States Bankruptcy Court for the District of New Jersey (the "Bankruptcy Court") in Chapter 11 Case No. 09-14301 (RG), by Order dated October __, 2009.

WITNESSETH

WHEREAS, the Trust is created pursuant to, and to effectuate, the Plan;

WHEREAS, the Trust is created on behalf, and for the sole benefit, of the Beneficiaries made pursuant to the Plan;

WHEREAS, the Trust is established for the purpose of collecting, distributing and liquidating the Assets for the benefit of the Beneficiaries in accordance with the terms of this Agreement and the Plan;

WHEREAS, pursuant to the Plan, the Settlor, the Trustee, and the Beneficiaries are required to treat, for all federal income tax purposes, the transfer of the Assets to the Trust as a transfer of the Assets by the Settlor to the Beneficiaries in satisfaction of their Allowed Claims, followed by a transfer of the Assets by the Beneficiaries to the Trust in exchange for the beneficial interest herein, and to treat the Beneficiaries as the grantors and owners of the Trust in accordance with Treasury Regulation 301.7701-4;

WHEREAS, the Trust is intended to be treated as a grantor trust for federal income tax purposes;

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein and in the Plan, the Settlor and the Trustee agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

1.1.1 “Agreement” shall mean this U.S. Mortgage Creditors Liquidation Trust Agreement.

1.1.2 “Available Trust Cash” shall mean the aggregate of all Cash and proceeds generated by the liquidation of the Assets, after paying, reserving against, or satisfying: (1) Allowed Administrative Claims, Allowed Priority Tax Claims, and Allowed Class 1 Claims, (2) incurred fees due to the U.S. Trustee pursuant to 28 U.S.C. § 1930(a)(6); (3) incurred operating and administrative expenses of the Trust, including but not limited to all costs, expenses, and obligations incurred by the Trustee (or professionals who may be employed by the Trustee in administering the Trust) and any professionals retained by the Post-Confirmation Committee, in carrying out their other responsibilities under this Agreement, or in any manner connected, incidental, or related thereto and payment of Professional Fee Claims; and (4) the Disputed Claim Reserve. Available Trust Cash excludes Restitution Funds, which shall be maintained by the Trustee in a separate interest-bearing account, segregated from all other Trust Assets.

1.1.3 “Beneficiaries” shall collectively mean the holders of Allowed Claims under the Plan, or any successors to such holders’ Allowed Claims.

1.1.4 “Claim” shall have the meaning ascribed to it in the Plan.

1.1.5 “Class 2 Beneficiaries” shall mean the Holders of Allowed Class 2 Claims under the Plan.

1.1.6 “Class 3 Beneficiaries” shall mean the Holders of Allowed Class 3 Restitution Claims under the Plan.

1.1.7 “Effective Date” shall have the same meaning as set forth in the Plan.

1.1.8 “Settlor” shall mean the Debtors.

1.1.9 “Trust” shall mean the trust established pursuant to the terms of this Agreement and the Plan.

1.1.10 “Trustee” shall mean (x) initially, the persons/corporations named herein, and (y) any successors or replacements duly appointed under the terms of this Agreement.

1.1.11 “Permitted Investments” shall mean all investments made by the Trustee shall be made pursuant to § 345 of the Bankruptcy Code unless the Bankruptcy Court authorizes a modification after the filing of a motion upon notice to all interested parties and a hearing.

1.2 Trust Assets. All of the Assets which have been transferred to the Trust pursuant to the Plan, and the proceeds and income related thereto.

1.3 Use of Plan Definitions. All terms which are used in this Agreement not defined herein shall have the same meaning set forth in the Plan. In the case of any inconsistency between the terms of this Agreement and the terms of the Plan, the terms of this Agreement shall govern and control.

1.4 Interpretation. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the provisions of this Agreement. Words denoting the singular number shall include the plural number and vice versa, and words denoting one gender shall include the other gender.

1.5 Particular Words. Reference in this Agreement to any Section or Article is, unless otherwise specified, to that such Section or Article under this Agreement. The words “hereof,” “herein,” “herein,” and similar terms shall refer to this Agreement and not to any particular Section or Article of this Agreement.

ARTICLE II

DECLARATION OF TRUST

2.1 Creation and Name. There is hereby created the Trust, which shall be known as the “U.S. Mortgage Creditors Liquidation Trust,” and is the Trust referred to as the U.S. Mortgage Trust in the Plan. The Trustee may conduct the affairs of the Trust under the name of the “U.S. Mortgage Creditors Liquidation Trust.”

2.2 Purpose of Trust. The Settlor and the Trustee, pursuant to the Plan and in accordance with title 11 of the United States Code (the “Bankruptcy Code”), hereby create the Trust for the purpose of collecting, distributing and liquidating the Trust Assets for the benefit of the Beneficiaries in accordance with the terms of this Agreement and the Plan. The activities of the Trust shall be limited to those activities set forth this Agreement and as otherwise contemplated by the Plan.

2.3 Transfer of Assets.

A. The Settlor hereby grants, releases, assigns, conveys, transfers and delivers, on behalf of the Beneficiaries, the Assets to the Trustee as of the Effective Date in trust for the benefit of the Beneficiaries, pursuant to §§ 1123(a)(5)(B) and 1123(b)(3)(B) of the Bankruptcy Code and in accordance with the Plan and Confirmation Order, the Assets to the Trust as of the Trust Effective Date free and clear of any and all liens, claims, encumbrances and interests (legal, beneficial, or otherwise) of all other Persons to the maximum extent contemplated by and permissible under § 1141(c) of the Bankruptcy Code. for the uses and purposes as specified in this Agreement and the Plan. The Settlor shall from time to time as and when reasonably requested by the Trustee execute and deliver or cause to be executed and delivered all such documents (in recordable form where necessary or appropriate) and the Settlor shall take or cause to be taken such further action as the Trustee may reasonably deem necessary or appropriate, to vest or perfect in or confirm to the Trustee title to and possession of the Assets.

B. Solely to the extent that Bankruptcy Court rules that any Cause of Action cannot be transferred to the Trust because of a restriction on transferability under applicable nonbankruptcy law that is not superseded by § 1123 or any other provision of the Bankruptcy Code (the "Retained Action), such Retained Action shall be retained by the applicable Debtor(s) and Estate(s). The Trustee shall automatically, and without need for further notice or approval of the Bankruptcy Court or the Debtors, be designated as the representative of the Estates pursuant to § 1123(b)(3)(B) of the Bankruptcy Code to enforce or pursue any Retained Action that remains property of the Estates after the Trust Effective Date in accordance with the terms of this Agreement, the Plan and the Confirmation Order. Any proceeds of a Retained Action shall be distributed pursuant to the terms of the Plan, and outside of this Agreement and the Trust.

2.4 Securities Law. Under § 1145 of the Bankruptcy Code, the issuance of beneficial interests in the Trust to the Beneficiaries under the Plan shall be exempt from registration under the Securities Act of 1933, as amended, and all applicable state and local laws requiring registration of securities. If the Trustee determines, with the advice of counsel, that the 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, then the Trustee shall take any and all actions to comply with such reporting requirements and file necessary periodic reports with the Securities and Exchange Commission.

2.5 Appointment and Acceptance of Trustee. The Trustee shall be deemed to be appointed pursuant to § 1123(b)(3)(B) of the Bankruptcy Code. The Trustee accepts the Trust created by this Agreement and the grant, assignment, transfer, conveyance and delivery to the Trustee, on behalf, and for the benefit, of the Beneficiaries, by the Debtors of all of their respective right, title and interest in the Trust Property, upon and subject to the terms and conditions set forth in this Agreement, the Plan and the Confirmation Order.

2.6 No Reversion to Debtors. In no event shall any part of the Trust Property be distributed to any of the Debtors.

ARTICLE III

ADMINISTRATION OF THE TRUST

3.1 Rights, Powers and Privileges. The Trustee shall have only the rights, powers and privileges expressly provided in this Agreement. Subject to the terms of this Agreement, including Section 3.4 of this Agreement, the Trustee shall have the power to take the actions granted in this Section 3.1 and any powers reasonably incidental thereto, which the Trustee deems necessary or appropriate to fulfill the purpose of the Trust, including:

A. Prosecute, settle, assign, or otherwise compromise or abandon for the benefit of the Trust any and all Causes of Action transferred to the Trust or arising in favor of the Trust, including, without limitation, take any action with respect to appeals, counterclaims, and defenses of or with respect to such claims and causes of action, including retaining counsel to pursue the Causes of Action;

B. All powers provided to the Trustee or the Trust under the Plan or Confirmation Order, including, without limitation, the right to allow, object to and/or reconcile Creditors' Claims, and marshal, liquidate, sell, abandon and/or distribute the Trust Property;

C. Liquidate the Trust Property and any non-Cash property received upon enforcement of a judgment in relation to the Trust Property;

D. Execute any documents and take any other actions related to, or in connection with, the liquidation of the Trust Property and the exercise of the Trustee's powers granted in this Agreement, the Plan and Confirmation Order;

E. Hold legal title to any and all rights of the Beneficiaries in, to or arising from the Trust Property;

F. Establish the Disputed Claims Reserve, as well as reserves for taxes, assessments, Trustee's fees and professional fees and other expenses of administration of the

Trust as may be necessary and appropriate for the proper operation of matters incident to the Trust;

G. Protect and enforce the rights to the Trust Property vested in the Trustee by this Agreement by any method deemed reasonably appropriate, including, without limitation, by judicial proceedings or pursuant to any applicable bankruptcy, insolvency, moratorium or similar law and general principles of equity;

H. Make distributions of the Trust Property to or on behalf of the appropriate Beneficiaries in accordance with this Agreement, the Plan and the Confirmation Order;

I. File, if necessary, any and all tax returns with respect to the Trust and pay taxes properly payable by the Trust, if any;

J. Make all necessary filings in accordance with any applicable law, statute or regulation;

K. Determine and satisfy from the Trust Property any and all taxes and ordinary course liabilities, including reasonable professional fees and expenses, created, incurred or assumed by the Trust;

L. Invest Trust Property received by the Trust or Trustee or otherwise held by the Trust or Trustee in accordance with Section 3.5 of this Agreement;

M. In the event that the Trustee or the Post-Confirmation Committee determines that the Beneficiaries or the Trust may, will or have become subject to different tax consequences than those described in this Agreement, take such actions that will, or are intended to, address such different tax consequences;

N. Create sub-trusts or title vehicles of which the Trust or the Beneficiaries hold the beneficial or ownership interests, as applicable;

O. Send annually to each Beneficiary 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;

P. Open and maintain bank accounts on behalf of or in the name of the Trust;

Q. Purchase customary insurance coverage in accordance with Section 4.7 of this Agreement;

R. In reliance upon the official claims register maintained in the Bankruptcy Cases and any applicable court order, maintain on the Trustee's books and records, a register evidencing the beneficial interest in the Trust held by each Beneficiary;

S. Perform such functions and take such actions as are provided for or permitted in this Agreement, the Plan, the Confirmation Order, or any other agreement executed pursuant to this Agreement, the Plan, or the Confirmation Order; and

T. Terminate this Trust and seek to close the Debtors' Bankruptcy Cases pursuant to § 350(a) of the Bankruptcy Code.

3.2 Agents and Professionals. The Trustee may, but shall not be required to, consult with and retain attorneys, accountants, appraisers, or other parties deemed by the Trustee to have qualifications necessary to assist in the proper administration of the Trust. The Trustee may pay the reasonable salaries, fees and expenses of such persons (including himself) out of the Trust Assets in the ordinary course of business pursuant to the Plan and Confirmation Order.

3.3 Investment and Safekeeping of Assets. All Trust Assets shall, until distributed or paid over as herein provided or in the Plan, be held in trust for the benefit of the Beneficiaries in accordance with the Plan and this Agreement. The Trustee shall be under no liability for interest or producing income on any moneys received by it herein and held for distribution or payment to the Beneficiaries, except as such interest and/or income shall actually be received by the Trustee.

Investments of any moneys held by the Trustee shall be invested in Permitted Investments and shall be administered in view of the manner in which individuals of ordinary prudence, discretion and judgment would act in the management of their own affairs; provided, however, that the right and power of the Trustee to invest moneys held by the Trustee, the proceeds from any sale of shares of stock, or any income earned by the Trust shall be limited to the right and power to invest such moneys, pending periodic distributions in accordance with Article IV hereof and the Plan.

3.4 Limitations on Trustee.

3.4.1 The exercises of those of the Trustee's powers described in this Section 3.4 are subject to the approval, consent and direction of the Post-Confirmation Committee; provided, however, that, subject to Section 3.9.4 of this Agreement, the Trustee may take the actions set forth in this Section 3.4 after giving seven (7) days' notice, calculated from the date of delivery, of his intent to exercise such powers to the Post-Confirmation Committee in writing by mail or electronic mail unless a member of or counsel for the Post-Confirmation Committee advises him of an objection. Once an objection has been made, the Trustee may not proceed with the proposed action until a vote of the Post-Confirmation Committee as set forth in Section 3.9 of this Agreement has taken place. Notwithstanding the foregoing, in the instance of an emergent matter and the Trustee's inability to obtain the Post-Confirmation Committee's consent due an inability to act under Section 3.9.4, the Trustee may take the actions set forth in this Section 3.4 without the consent of the Post-Confirmation Committee, solely to the extent necessary to protect the Trust Property or distributions therefrom in the Trustee's reasonable business judgment.

Subject to the terms of this Agreement, the Trustee may take the following actions upon the approval, consent and direction of the Post-Confirmation Committee:

A. Commence, prosecute, settle, assign, or otherwise compromise or abandon for the benefit of the Trust any and all Causes of Action transferred to the Trust or arising in favor of the Trust, including, without limitation, the filing of appeals, counterclaims, and defenses of or with respect to such claims and causes of action;

B. Retain counsel to prosecute the Causes of Action and enter into retention agreements with such counsel;

C. Allowing, objecting to or settling Claims in a filed or scheduled amount greater than \$25,000;

D. Liquidate, sell, dispose or, or abandon the Trust Property having a value greater than \$25,000;

E. Establish the Disputed Claims Reserve;

F. Take action in a court of law to protect and enforce the rights to the Trust Property vested in the Trustee by this Agreement;

G. Make distributions of the Trust Property to or on behalf of the appropriate Beneficiaries in accordance with this Agreement, the Plan and the Confirmation Order;

H. Purchase insurance coverage in accordance with Section 4.7 of this Agreement;

I. Terminate this Trust, seek to extend the termination date of the Trust, or seek to close the Debtors' Bankruptcy Cases; and

J. Take any action that would have a material and adverse affect on Trust Property.

The Trustee shall not at any time, on behalf of the Trust or Beneficiaries:
(i) enter into or engage in any trade or business, and no part of the Trust's Assets or the proceeds,

revenue or income therefrom shall be used or disposed of by the Trust in furtherance of any trade or business, or (ii) except as provided below, reinvest any Trust Assets.

3.5 The Trustee may only invest funds held in the Trust in Permitted Investments, in a manner consistent with the requirements of the Bankruptcy Code or any order of the Bankruptcy Court modifying such requirements and, provided that the Trustee does so, he or she shall have no liability in the event of insolvency of any institution in which he or she has invested any funds of the Trust Estate.

3.6 The Trustee shall hold, collect, conserve, protect and administer the Trust in accordance with the provisions of this Agreement and the Plan, and pay and distribute amounts as set forth herein for the purposes set forth in this Agreement. Any determination by the Trustee as to what actions are in the best interests of the Trust shall be determinative.

3.7 Bankruptcy Court Approval of Trustee Actions. Except as provided in the Plan or otherwise specified in this Agreement, the Trustee need not obtain the order or approval of the Bankruptcy Court in the exercise of any power, rights, or discretion conferred hereunder, or account to the Bankruptcy Court. The Trustee shall exercise its business judgment for the benefit of the Beneficiaries in order to maximize the value of the Trust Assets and distributions, giving due regard to the cost, risk, and delay of any course of action. Notwithstanding the foregoing in this Section 3.7, but subject to Section 3.4 of this Agreement, the Trustee may submit to the Bankruptcy Court any question or questions regarding which the Trustee may desire to have explicit approval of the Bankruptcy Court for the taking of any specific action proposed to be taken by the Trustee with respect to the Trust Assets, this Trust, the Agreement, the Plan, or the Debtors, including the administration and distribution of the Trust Assets. The Bankruptcy Court shall retain jurisdiction for such purposes and shall approve or disapprove any

such proposed action upon motion. In addition, subject to Section 3.4 of this Agreement, the Trustee shall have the authority, but not the obligation, to seek Bankruptcy Court approval to sell any Trust Asset free and clear of any and all liens, claims and encumbrances.

3.8 Management/Dissolution of Debtors. The Trustee, on behalf of the Debtors, shall have the obligation and the power to undertake any and all action necessary to (i) dissolve and wind-up the Debtors and undertake any action on behalf of the Debtors to implement such dissolution and wind-up, including without limitation, the preparation, execution and filing of articles of dissolution and other corporate documents, and the preparation and filing of any federal, state and local tax returns and provide for payment of any taxes related thereto consistent with the Plan; (ii) manage the Debtors to the extent not inconsistent with the Plan; (iii) otherwise cause Debtors to comply with their obligations and duties under the Plan; (iv) to close the Debtors' Bankruptcy Cases pursuant to 11 U.S.C. § 350(a); and (v) execute and deliver documents and take actions on behalf of the Debtors as are necessary or appropriate after the Effective Date. All services rendered and expenses incurred by the Trustee with respect to the foregoing shall be paid by the Trust.

3.9 Establishment of the Post-Confirmation Committee.

3.9.1 The Post-Confirmation Committee shall initially be comprised of the Committee Members. Subject to Section 3.9.5 of this Agreement, all Post-Confirmation Committee members shall be entitled to vote on all matters that require the determination, consent, direction, approval, or agreement of the Post-Confirmation Committee. In the event of a vacancy in the Post-Confirmation Committee, such vacancy may be filled by Majority Vote (defined below).

3.9.2 The Post-Confirmation Committee may adopt bylaws to the extent that they are consistent with the terms and conditions of this Agreement. Subject to Section 3.9.5 of this Agreement, the Post-Confirmation Committee shall have the power and authority, acting by Majority Vote (as defined below), to amend, modify, or supplement the bylaws not inconsistent with the terms and conditions of this Agreement. To the extent any such bylaws are in conflict or inconsistent with this Agreement, the terms of this Agreement shall control.

3.9.3 Each Post-Confirmation Committee member shall designate (i) one or more representatives who shall attend meetings of and participate in other activities of the Post-Confirmation Committee and (ii) an alternate representative to attend meetings and participate in other activities of the Post-Confirmation Committee when the representatives designated pursuant to clause (i) above are unavailable to participate in such meetings and activities.

3.9.4 Notwithstanding anything to the contrary in this Agreement, the Plan, or the Confirmation Order, the Post-Confirmation Committee shall not make any determination, consent, direction, approval, or agreement required or contemplated by this Agreement, the Plan or the Confirmation Order unless the Post-Confirmation Committee maintains at least five (5) members at the time of such proposed determination, consent, direction, approval, or agreement. Notwithstanding anything to the contrary in this Agreement, the Trustee may not take any action unless the Post-Confirmation Committee maintains at least five (5) members at the time of such action.

3.9.5 If any matter under consideration by the Post-Confirmation Committee involves a conflict of interest of any member(s) of the Post-Confirmation Committee (“Conflict Member(s)”), the Conflict Member(s) shall: (a) disclose to the Post-Confirmation Committee and its counsel the existence and nature of any conflict of interest of which the Conflict Member(s)

has/have knowledge, and (b) abstain from voting on the matter being considered by the Post-Confirmation Committee unless determined by a Majority Vote that it is appropriate for the Conflict Member(s) to participate. The existence or absence of a conflict of interest shall be determined by Majority Vote of Post-Confirmation Committee members present at a given meeting. The Post-Confirmation Committee, on the advice of Post-Confirmation Committee counsel, shall have the authority, by Majority Vote, to excuse any Conflict Member(s) from any meeting at any appropriate time or from discussions on the matter.

3.9.6 Subject to Section 3.9.4 and Section 3.9.9 of this Agreement, the affirmative vote of a majority of the members of the Post-Confirmation Committee eligible to vote and not counting Conflict Members (the "Majority Vote") shall constitute the approval by the Post-Confirmation Committee of any matter that requires the determination, consent, direction, approval, or agreement of the Post-Confirmation Committee. In all matters submitted to a vote of the Post-Confirmation Committee, each Post-Confirmation Committee member eligible to vote shall be entitled to cast a single vote.

3.9.7 The Post-Confirmation Committee, by Majority Vote, may remove any Post-Confirmation Committee member for "cause," which shall include, but is not limited to, actions taken by such member (i) detrimental to the Trust or contrary to the Trust Agreement, and (ii) gross negligence, willful misconduct, intentional wrongdoing, or fraud in connection with the Trust, this Agreement, or the Plan. In the event of a dispute over such removal, the Post-Confirmation Committee member may petition the Bankruptcy Court for a determination of whether such removal is proper pursuant to the terms of this Agreement.

3.9.8 The purpose of the Post-Confirmation Committee shall be to monitor and control the administration of the Trust, the liquidation and distribution of the Trust Property by

the Trustee in accordance with the terms of this Agreement, the Plan and the Confirmation Order, and to exercise all rights, powers and privileges contemplated in this Agreement and the Plan.

3.9.9 A meeting of the Post-Confirmation Committee shall be held on the third (3rd) business day following the date that written notice of such meeting is provided by any voting member of the Post-Confirmation Committee to all other members of such committee. A quorum for meetings of the Post-Confirmation Committee shall consist of a majority of Post-Confirmation Committee members eligible to vote and excluding Conflict Members; provided, however, that for purposes of determining whether a quorum is present at such a meeting, a member of the Post-Confirmation Committee shall be deemed present if a representative of the member is attending in person, by telephone, or by proxy.

3.9.10 In order to carry out its duties under this Agreement, the Post-Confirmation Committee, in addition to its additional rights hereunder, shall have the right, but not the obligation, to retain and compensate professionals to assist the Post-Confirmation Committee. The reasonable fees and actual and necessary expenses of such professionals and any expenses of the Post-Confirmation Committee shall be paid by the Trustee as provided in Article XI, Section 11.18 of the Plan from the Trust Property.

ARTICLE IV

DISTRIBUTIONS FROM THE TRUST

4.1 Timing and Amount of Distributions. Distributions of the Trust Property shall be made quarterly and on such additional dates determined appropriate from time to time (each, a "Distribution Date"); provided, however, that a distribution may be deferred to the next Distribution Date if the amount available for distribution at such time is insufficient to justify the

cost of effecting the distribution. A record date of not less than ten (10) days or more than thirty (30) days prior to the proposed Distribution Date shall be established for all distributions.

4.2 Distributions. Thereafter the Trustee shall make distributions to the Holders of Allowed Claims in Class 2 from the Available Trust Cash when feasible. The Trustee shall implement a distribution of the Restitution Funds to the Restitution Fund Recipients by filing a motion with the Bankruptcy Court to distribute Restitution Funds to Class 3 Creditors after the Effective Date. As set forth in the Plan, a Creditor may be entitled to and receive distributions in both Classes 2 and 3 if it so qualifies, but such a Creditor's Claim will be paid first in Class 3 from the Restitution Funds and any unpaid balance shall become a Class 2 Claim and share Pro Rata in Class 2 distributions (the "Deficiency Claim"). Any further Class 3 distributions would again reduce the amount of the Deficiency Claim to receive Pro Rata Class 2 distributions.

4.3 Pro Rata Share of Distributions. Each Beneficiary shall receive its Pro Rata share of any and all distributions in accordance with the Plan, except that the Trustee may withhold from amounts distributable to any Beneficiary, any and all amounts, determined in the Trustee's reasonable business judgment, to be required by any law, regulation, rule, ruling, directive or other governmental requirement.

4.4 Distributions After Allowance or Disallowance of a Disputed Claim. Within thirty (30) days of a Disputed Claim becoming an Allowed Claim, the Trustee shall distribute to the Holder thereof, from the Disputed Claim Reserve, such amount of Trust Property as would have been distributed to such Holder if its Claim had been an Allowed Claim on the Effective Date. The Trustee shall no longer reserve for and shall distribute to the Beneficiaries, pursuant to this Agreement, their Pro Rata share of the funds held in reserve against any Disputed Claim that becomes disallowed.

4.5 Undeliverable Property. If any distribution of Trust Property to or on behalf of a Beneficiary is returned to the Trustee or its agent as undeliverable, no further distribution to such Beneficiary shall be made unless and until the Trustee is notified in writing of such Beneficiary's then-current address. Any Beneficiary that does not assert a claim for an undeliverable distribution of Trust Property within three (3) months after the last Distribution Date on which the relevant distribution became deliverable shall no longer have any claim to or interest in the Trust Property represented by such undeliverable distribution, and in such cases, all title to and all beneficial interests in the Trust Property represented by any such undeliverable distributions shall revert to and/or remain in the Trust and shall be distributed in accordance with Article IV of this Agreement.

4.6 Payments Limited to Trust Assets. All payments to be made by the Trustee to or for the benefit of any Beneficiary shall be made only from the Trust Assets. Only Class 2 Beneficiaries shall receive distributions from Available Trust Cash. Only Class 3 Beneficiaries shall receive distributions from the Restitution Funds, which will be segregated from all other Trust Assets in a separate, interest-bearing account. However, as set forth in Section 4.2 above, a Creditor may be entitled to and receive distribution in both Classes 2 and 3 if it so qualifies. Each Beneficiary shall have recourse only to the Assets available for distribution to them under this Agreement and the Plan.

4.7 United States Trustee Fees and Reports. After the Effective Date, the Trust shall pay as an expense of the Trust all fees incurred under 28 U.S.C. § 1930(a)(6) by reason of the Trust's disbursements as required under the Plan and Confirmation Order until the Debtors' Bankruptcy Cases are closed. After the Confirmation Date, the Trust shall prepare and serve on

the Office of the U.S. Trustee such quarterly disbursement reports for the Trust as required by the U.S. Trustee for as long as the Bankruptcy Cases remain open.

4.8 Insurance. Subject to the consent and approval of the Post-Confirmation Committee, the Trustee may use Trust Property in his reasonable business judgment to maintain customary insurance coverage, if available, for the protection of the Trust Property, the Trustee, the Post-Confirmation Committee and any such other Persons serving as administrators, agents and overseers of the Trust on and after the Trust Effective Date.

BENEFICIARIES

4.9 Incidents of Ownership. The Beneficiaries shall be the sole beneficiaries of the Trust, the Assets and the Trust Property, and the Trustee shall retain only such incidents of ownership as are necessary to undertake the actions and transactions authorized in this Agreement, the Plan and the Confirmation Order.

4.10 Interest Beneficial Only. The ownership of a beneficial interest in the Trust shall not entitle any Beneficiary or the Settlor to any title in or to the Trust Assets or to any right to call for a partition or division of such assets or to require an accounting, except as specifically provided herein or in the Plan.

4.11 Evidence of Beneficial Interest. Ownership of a beneficial interest in the Trust Assets shall not be evidenced by any certificate, security, or receipt or in any other form or manner whatsoever, except as maintained on the books and records of the Trust by the Trustee.

4.12 Notice of Transfer of Beneficial Interest. Any notice of a change of beneficial interest ownership as described in Section 10.1 of this Agreement shall be forwarded to the Trustee by registered or certified mail as set forth herein. The notice shall be executed by both the transferee and the transferor, and the signatures of the parties shall be acknowledged before a

notary public and as required by Bankruptcy Rule 3001(e). The notice must clearly describe the interest to be transferred. The Trustee may rely upon such signatures and acknowledgments as evidence of such transfer without the requirement of any further investigation.

ARTICLE V

THIRD PARTY RIGHTS AND LIMITATION OF LIABILITY

5.1 Reliance. Except as otherwise provided in this Agreement, the Plan, or the Confirmation Order: (i) the Trustee or Post-Confirmation Committee may rely and shall be protected in acting upon any resolution, statement, instrument, opinion, report, notice, request, consent, order, or other paper or document reasonably believed to be genuine and to have been signed or presented by the Trustee or the Post-Confirmation Committee, provided, however, that neither the Trustee nor the Post-Confirmation Committee may rely or shall be protected based upon reliance upon any resolution, statement, instrument, opinion, report, notice, request, consent, order, or other paper or document provided by itself to itself; and (ii) Persons (including any professionals retained in accordance with this Agreement) engaged in transactions with the Trust, the Trustee, or the Post-Confirmation Committee shall look only to the Trust Property to satisfy any liability incurred in connection with the carrying out the terms of this Agreement, the Plan, or the Confirmation Order.

5.2 Parties Dealing With the Trustee. In the absence of actual knowledge to the contrary, any person dealing with the Trust or the Trustee shall be entitled to rely on the authority of the Trustee or any of the Trustee's agents to act in connection with the Trust Assets. There is no obligation on any Person dealing with the Trustee to inquire into the validity or expediency or propriety of any transaction by the Trustee or any agent of the Trustee.

5.3 Limited Recourse. Persons (including any professionals retained in accordance with this Agreement) engaged in transactions with the Trust, the Trustee, or the Post-Confirmation Committee shall look only to the Trust Property to satisfy any liability incurred in connection with the carrying out the terms of this Agreement, the Plan, or the Confirmation Order.

5.4 Limitation of Liability. The Trustee, the Post-Confirmation Committee, the members of the Post-Confirmation Committee, and each of their respective agents, employees, officers, directors, professionals, attorneys, accountants, advisors, representatives and principals, shall not be subject to any personal liability whatsoever, in tort, contract, or otherwise, to any Person in connection with the Trust Property or the affairs of the Trust, except for their own gross negligence, recklessness, willful misconduct, or fraud. Other than as set forth in the Plan or Confirmation Order, nothing in this Agreement shall be deemed to release any Beneficiary from any actions or omissions occurring prior to the Trust Effective Date.

5.5 Non-Liability for Acts of Others. Nothing contained in this Agreement, the Plan, or the Confirmation Order shall be deemed to be an assumption by the Trustee, the Post-Confirmation Committee, or the members of the Post-Confirmation Committee of any of the liabilities, obligations, or duties of the Debtors or Beneficiaries and shall not be deemed to be or contain a covenant or agreement by the Trustee, the Post-Confirmation Committee, or the members of the Post-Confirmation Committee to assume or accept any such liability, obligation, or duty. Any successor Trustee may accept and rely upon any accounting made by or on behalf of any predecessor Trustee hereunder, and any statement or representation made by a predecessor Trustee or its agents as to the assets comprising the Trust Property or as to any other fact bearing upon the prior administration of the Trust, so long as it has a good faith basis to do

so. A Trustee shall not be liable for having accepted and relied in good faith upon any such accounting, statement, or representation if it is later proved to be incomplete, inaccurate, or untrue. A Trustee or successor Trustee shall not be liable for any act or omission of any predecessor Trustee, nor have a duty to enforce any claims against any predecessor Trustee on account of any such act or omission, unless upon consent and approval of the Post-Confirmation Committee.

5.6 Indemnification. The Trustee, the Post-Confirmation Committee, the members of the Post-Confirmation Committee (other than with respect to fees and expenses of counsel for the individual members), and each of their respective agents, employees, officers, directors, professionals, attorneys, accountants, advisors, representatives and principals (collectively, the “Indemnified Parties”) shall be indemnified and held harmless by the Trust, to the fullest extent permitted by law, solely from the Trust Property for any losses, claims, damages, liabilities and expenses, including, without limitation, reasonable attorneys’ fees, disbursements and related expenses which the Indemnified Parties may incur or to which the Indemnified Parties may become subject in connection with any action, suit, proceeding or investigation brought or threatened against one or more of the Indemnified Parties on account of the acts or omissions of an Indemnified Party solely in its capacity as such; provided, however, that the Trust shall not be liable to indemnify any Indemnified Party for any act or omission constituting gross negligence, recklessness, willful misconduct, or fraud by such Indemnified Party. Notwithstanding any provision in this Agreement to the contrary, the Indemnified Parties shall be entitled to obtain advances from the Trust to cover reasonable fees and necessary expenses in defending themselves in any action brought against them as a result of the acts or omissions, actual or alleged, of an Indemnified Party in its capacity as such; provided, however, that the Indemnified

Parties receiving such advances shall repay the amounts so advanced to the Trust upon the entry of an order finding that such Indemnified Parties were not entitled to any indemnity under the provisions of this Section 5.6. This indemnification shall survive the death, dissolution, resignation, or removal, as may be applicable, of the Indemnified Parties, or the termination of the Trust, and shall inure to the benefit of the Indemnified Parties' heirs and assigns.

ARTICLE VI

SELECTION, REMOVAL AND COMPENSATION OF TRUSTEE

6.1 . Initial Trustee. The initial Trustee shall be selected by the Official Committee of Unsecured Creditors.

6.2 Term of Service. The Trustee shall serve until (a) the completion of all the Trustee's duties, responsibilities and obligations under this Agreement and the Plan; (b) termination of the Trust in accordance with this Agreement, or (c) the Trustee's death, resignation or removal.

6.3 Removal of a Trustee. Any Person serving as Trustee may be removed at any time and for any reason upon the determination of the Post-Confirmation Committee, acting by a Majority Vote. Any Trustee so removed is entitled to payment of reasonable fees and necessary expenses accrued prior to removal subject to the terms of this Agreement.

6.4 Resignation of Trustee. The Trustee may resign at any time by giving the Post-Confirmation Committee at least thirty (30) days' written notice of his or her intention to do so. In the event of a resignation, the resigning Trustee shall render to the Post-Confirmation Committee and Beneficiaries a full and complete accounting of monies and assets received, disbursed, and held during the term of office of that Trustee. The resignation shall be effective on the later of (i) the date specified in the notice; (ii) the date that is thirty days (30) after the date

the notice is delivered; or (iii) the date the accounting described in the preceding sentence is delivered.

6.5 Appointment of Successor Trustee. Upon the resignation, death, incapacity, or removal of a Trustee, the Post-Confirmation Committee shall appoint a successor Trustee to fill the vacancy so created. Any successor Trustee so appointed shall consent to and accept in writing the terms of this Agreement and agree that the provisions of this Agreement shall be binding upon and inure to the benefit of the successor Trustee and all of its heirs and legal and personal representatives, successors or assigns. Notwithstanding anything in this Agreement, in the event that a successor Trustee is not appointed within sixty (60) days of the occurrence or effectiveness, as applicable, of the prior Trustee's resignation, death, incapacity, or removal, the Post-Confirmation Committee shall move the Bankruptcy Court for the appointment of a successor Trustee.

6.6 Powers and Duties of Successor Trustee. A successor Trustee shall have all the rights, privileges, powers, and duties of his or her predecessor under this Agreement and the Plan.

6.7 Trust Continuance. The death, resignation or removal of the Trustee shall not terminate the Trust or revoke any existing agency created pursuant to this Agreement or invalidate any action theretofore taken by the Trustee.

6.8 Compensation and Costs of Administration. Subject to the approval of the Post-Confirmation Committee, in order to carry out his duties under the Plan and the Trust Agreement, the Trustee may, but need not (i) retain and compensate professionals to assist the Trustee in the liquidation and distribution of the Trust Assets without prior Bankruptcy Court approval, and (ii) employ such other procedures, not inconsistent with the Plan, necessary for the

Trust to perform its duties hereunder. The Trustee shall receive fair and reasonable compensation for his/her services in accordance with the compensation schedule annexed hereto as Exhibit A, which shall be a charge against and paid out of the Trust Property; provided, that no compensation may be paid to the Trustee unless and until the compensation schedule has been approved by Final Order of the Bankruptcy Court as being reasonable as required by § 1129(a)(4) of the Bankruptcy Code. The reasonable fees and actual and necessary expenses of such professionals and the Trustee shall be paid by the Trustee upon each monthly submission of a fee statement to the Trustee and the Post-Confirmation Committee, in accordance with the following procedures. The Trustee and the Post-Confirmation Committee shall have twenty (20) days from the delivery of a fee statement to give notice of an objection to the fee statement to the professional seeking compensation or reimbursement, the Trustee and the Post-Confirmation Committee. For an objection to be valid, it shall be in writing and set forth in detail the specific fees objected to and the basis for the objection. The uncontested portion of each invoice shall be paid within twenty-five (25) days after its original delivery to the Trustee and Post-Confirmation Committee. Any objection that remains unresolved fifteen (15) days after it is made shall be submitted to the Bankruptcy Court for resolution.

6.9 Reporting and Filing Requirements.

A. The Trustee shall deliver reports to members of the Post-Confirmation Committee, upon request on a periodic basis, in the form requested by the Post-Confirmation Committee, regarding: (i) the status of the Causes of Action; (ii) the fees and expenses of the Trust, and the Trustee and its professionals incurred and/or earned during the most recent calendar quarter; (iii) the aggregate fees and expenses of the Trust, and the Trustee and its professionals incurred and/or earned since the date of this Agreement; (iv) the amount of

proceeds from Trust Property received by the Trust during the most recent calendar quarter; (v) the aggregate amount of Trust Proceeds received by the Trust since the date of this Agreement; (vi) the calculation of the Trust Property available for distribution on the next Distribution Date, including the amounts of available Trust Proceeds and the Disputed Claim Reserve; (vii) the aggregate amount of distributions from the Trust to or on behalf of Beneficiaries since the date of this Agreement; and (viii) such other information as the Post-Confirmation Committee may request from time to time.

B. Within 45 days after the end of each calendar year, the Trustee shall furnish a report to the Post-Confirmation Committee of all Assets received by the Trust, all assets disbursed to Beneficiaries, all Assets held by the Trust, and all fees, income and expenses related to the Trust during the preceding calendar year. The Trustee's report will be available and provided to any Beneficiary upon request.

C. The Trustee shall also timely prepare, file and distribute such additional statements, reports and submissions (i) as may be necessary to cause the Trust and the Trustee to be in compliance with applicable law or (ii) as may be otherwise requested from time to time by the Post-Confirmation Committee.

ARTICLE VII

A. The Trustee shall file tax returns for the Trust as a grantor trust pursuant to Treasury Regulation Section 1.671-4(a) and any other applicable laws or regulations.

B. To the extent reasonably practicable unless otherwise ordered by the Bankruptcy Court, the Trustee shall annually and within seventy-five (75) days after the end of each calendar year send to each Beneficiary a statement setting forth the Beneficiary's share or items of income, gain, loss, deduction, or credit and will instruct all such holders to report

such items on their federal income tax returns. Such a statement shall also be sent to each Beneficiary within seventy-five (75) days of the dissolution of the Trust. The Trust's taxable income, gain, loss, deduction, or credit will be allocated (subject to provisions of the Plan and Confirmation Order relating to Disputed Claims) to the Beneficiaries in accordance with their relative beneficial interests in the Trust, as determined pursuant to this Agreement.

ARTICLE VIII

MAINTENANCE OF RECORDS

8.1 The Trustee shall maintain books and records containing a description of all property from time to time constituting the Trust Assets and an accounting of all receipts and disbursements. Said books shall be open to inspection by any Beneficiary at any reasonable time during normal business hours. The Trustee shall furnish to any Beneficiary upon written request an annual statement of receipts and disbursements, including a summary of all income and expenses of the Trust.

8.2 Debtors' Books and Records. The Debtors shall deliver books, records and files reasonably necessary for the Trustee to undertake its rights, powers and duties as set forth in this Agreement to the Trustee on the Trust Effective Date. The Trustee shall retain and preserve the Debtors' books, records and files that shall have been delivered to or created by the Trustee, including all such books, records and files as may be needed to investigate, prosecute and resolve the Causes of Action. The Trustee shall cause the Trust to perform its obligations under any non-prosecution agreement, joint prosecution and/or common interest agreement to which the Trust has succeeded (of which the Trustee is aware) or the Trustee is a party.

8.3 Cooperation. The Debtors shall turn over or otherwise make available to the Trustee, all books, records and files required by the Trustee to carry out its duties hereunder in

accordance with this Agreement, and agree to otherwise reasonably cooperate with the Trustee in carrying out its duties hereunder for thirty days after the Effective Date at reasonable compensation plus reimbursement of expenses.

ARTICLE IX DURATION OF TRUST

9.1 Duration. The Trust shall become effective upon the Effective Date of the Plan. Thereupon, the Trust and its provisions herein shall remain and continue in full force and effect until the Trust is terminated.

9.2 Termination. The Trust shall terminate upon the occurrence of the earlier of: (a) the full liquidation, administration and distribution of the Trust Property in accordance with this Agreement, and the full performance of all other duties and functions of the Trustee set forth in this Agreement, the Plan and the Confirmation Order, or (b) the third (3rd) anniversary of the Trust Effective Date. Such termination may be extended upon request of the Trustee (i) on motion to the Bankruptcy Court within six (6) months prior to the termination of the Trust, (ii) which extensions must be approved by the Bankruptcy Court for cause shown prior to the termination of the Trust and (iii) provided that the Trustee receives an opinion of counsel or a favorable ruling from the Internal Revenue Service to the effect that any such extension would not adversely affect the status of the Trust as a grantor trust for federal income tax purposes. Notwithstanding anything to the contrary in this Agreement, in no event shall the Post-Confirmation Committee unduly prolong the duration of the Trust, and the Trustee, in the exercise of its reasonable business judgment and in the interests of the Beneficiaries, shall at all times endeavor to: (i) liquidate the Trust Property to maximize net recoveries and distributions to

the Beneficiaries, and (ii) otherwise terminate the Trust as soon as practicable in accordance with and subject to the provisions of this Agreement.

9.3 Continuance of Trust for Winding Up. After the termination of the Trust and for the purpose of liquidating and winding up the affairs of the Trust, the Trustee shall continue to act as such until his duties have been fully performed, including, without limitation, such post-distribution tasks as necessary to windup the affairs of the Trust. After the termination of the Trust, the Trustee shall retain for a period of two (2) years the books, records, Beneficiary lists, and certificates and other documents and files which shall have been delivered to or created by the Trustee. At the Trustee's discretion, all of such records and documents may, but need not, be destroyed at any time after two (2) years from the completion and winding up of the affairs of the Trust. Except as otherwise specifically provided herein, upon the discharge of all liabilities of the Trust and final distribution of the Trust, the Trustee shall have no further duties or obligations hereunder.

ARTICLE X

MISCELLANEOUS

10.1 Jurisdiction. The Bankruptcy Court shall have exclusive jurisdiction over (i) the Trust, the Trustee and the Post-Confirmation Committee with respect to the administration of and activities relating to the Trust, as well as (ii) any issues or disputes arising out of this Agreement; provided, however, that notwithstanding the foregoing, the Trustee shall have the power and authority to bring any action in any court of competent jurisdiction to prosecute any Causes of Action assigned to the Trust.

10.2 Limitation on Transferability. A beneficial interest in the Trust shall be non-assignable and non-transferable except (i) in accordance with the express and specific terms of

the Plan, (ii) by operation of law or (iii) by right of subrogation by virtue of contract, agreement, or operation of law. An assignment or transfer shall not be effective until appropriate notification and proof thereof is submitted to the Trustee, and the Trustee may continue to pay all amounts to or for the benefit of the assigning or transferring Beneficiary until receipt of proper notification and proof of assignment or transfer. The Trustee may rely upon such proof without the requirement of any further investigation.

10.3 Notices. All notices to be given to Beneficiaries may be given by ordinary mail, or may be delivered personally, to the holders at the addresses appearing on the books kept by Trustee. Any notice or other communication which may be or is required to be given, served, or sent to the Trustee shall be in writing and shall be sent by registered or certified United States mail, return receipt requested, postage prepaid, or transmitted by hand delivery or facsimile (if receipt is confirmed) addressed as follows:

If to the Trust/Trustee:

(To be determined)

With a copy to:

(To be determined)

If to the Post-Confirmation Committee:

(To be determined)

With a copy to:

(To be determined)

or to such other address as may from time to time be provided in written notice by the Trustee.

10.4 No Bond. Notwithstanding any state law to the contrary, the Trustee (including any successor) shall be exempt from giving any bond or other security in any jurisdiction.

10.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey, without giving effect to conflicts of law principles.

10.6 Successors and Assigns. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

10.7 Headings. The various headings of this Agreement are inserted for convenience only and shall not affect the meaning or understanding of this Agreement or any provision hereof.

10.8 No Execution. All funds in the Trust shall be deemed *in custodia legis* until such times as the funds have actually been paid to or for the benefit of a Beneficiary, and no Beneficiary or any other Person can execute upon, garnish or attach the Trust Assets or the Trustee in any manner or compel payment from the Trust except by Final Order of the Bankruptcy Court. Payment will be solely governed by the Plan and this Agreement.

10.9 Plan and Confirmation Order. To the extent that the terms of this Agreement are inconsistent with the terms set forth in the Plan, then the terms of this Agreement shall govern. To the extent that the terms of this Agreement are inconsistent with the terms set forth in the Confirmation Order, then the terms of the Confirmation Order shall govern.

10.10 Intention of Parties to Establish Grantor Trust. This Agreement is intended to create a grantor trust for United States federal income tax purposes and, to the extent provided by law, shall be governed and construed in all respects as such a grantor trust.

10.11 Amendment. This Agreement may be amended by (a) order of the Bankruptcy Court or (b) at the direction of the Post-Confirmation Committee; provided, however that Bankruptcy Court approval shall be required for any changes or amendments to this Agreement

that (i) are inconsistent with the terms of the Plan or the Confirmation Order, and (ii) materially and adversely affect the Debtors, Trust Property, or recoveries or distributions from the Trust Property. Notwithstanding anything to the contrary in this Agreement, the Plan, or the Confirmation Order, the Post-Confirmation Committee shall have the power and authority to limit or expand the Trustee's ability and/or powers to take any action under this Agreement by Majority Vote.

10.12 Severability. If any term, provision covenant or restriction contained in this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

IN WITNESS WHEREOF, the parties have executed this Agreement (or are deemed to have so executed this Agreement) as of the day and year written above.

U.S. MORTGAGE CORP.

By: _____
Name: Andrew Liput
Title: Senior Vice President

CU NATIONAL MORTGAGE, LLC
By: U.S. Mortgage Corp., its sole member

By: _____
Name: Andrew Liput
Title: Senior Vice President

LIQUIDATING TRUSTEE

By: _____

Name:

Title:

EXHIBIT B

Loan Applicant	Amount
Albinson	\$325.00
Angell	\$325.00
Bentley	\$325.00
Breach	\$325.00
Class	\$325.00
Class	\$325.00
Cosentino	\$325.00
Cottle	\$375.00
Dechellis	\$325.00
Doroski	\$325.00
Dumol	\$325.00
Filosa	\$325.00
Giella	\$1,125.00
Gimenez	\$325.00
Hall	\$50.00
Harris	\$325.00
Jackson	\$325.00
Jordan	\$325.00
Julio	\$325.00
Kandziolka	\$225.00
Knott	\$325.00
Kriner	\$325.00
Larchick	\$325.00
Martin	\$325.00
Matheson	\$325.00
McGarry	\$325.00
Meriam	\$325.00
Mock	\$325.00
Mulville	\$325.00
Murray	\$225.00
Nguyen	\$325.00
Norris	\$325.00
Owings	\$325.00

Loan Applicant	Amount
Pham	\$325.00
Puttbach	\$50.00
Quiles	\$325.00
Raymond	\$325.00
Robinson	\$325.00
Robinson	\$325.00
Rodecker	\$325.00
Rodriguez	\$50.00
Sawicki	\$325.00
Sebina	\$325.00
Stone	\$325.00
Ungeheuer	\$325.00
Zic	\$225.00