

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT TACOMA

In re:

PRIUM COMPANIES, LLC,

Debtor.

NO. 14-44512

DEBTOR'S FIRST AMENDED
DISCLOSURE STATEMENT

I. INTRODUCTION

This is the disclosure statement (“**Disclosure Statement**”) in the Debtor’s chapter 11 case. This Disclosure Statement contains information about Prium Companies, LLC (the “**Debtor**”) and describes the Debtor’s liquidating plan (the “**Plan**”) filed by the Debtor on December 5, 2018. A full copy of the Plan is attached to this Disclosure Statement as **Exhibit A**. *Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one. This Disclosure Statement does not constitute and may not be deemed legal, business, financial, or tax advice. Any persons desiring any such advice should consult their own attorneys or advisors. The information provided in this Disclosure Statement is based on the Debtor’s best information and belief.*

1 General unsecured claims comprise the only class of claims under the Plan and would
2 receive a distribution of approximately 1% of their allowed claims, to be distributed within thirty
3 (30) days of the Plan's Effective Date.

4 **A. PURPOSE OF THIS DOCUMENT**

5 This Disclosure Statement describes:

- 6 • How the Plan proposes to treat claims of the type you hold; in other words, what
7 you will receive on your claim if the Plan is confirmed;
- 8 • Who can vote on or object to the Plan;
- 9 • What factors the bankruptcy court (the "**Court**") will consider when deciding
10 whether to confirm the Plan;
- 11 • Why the Debtor believes the Plan is feasible, and how the treatment of your claim
12 under the Plan compares to what you would receive on your claim in a
13 liquidation; and
- 14 • The effect of confirmation of the Plan.

15 Please read the Plan and Disclosure Statement. This Disclosure Statement describes the
16 Plan, but the Plan, once confirmed, will establish your rights.

17 **B. DEADLINE FOR VOTING AND OBJECTING; DATE OF PLAN**
18 **CONFIRMATION HEARING**

19 The Court has not yet confirmed the Plan described in this Disclosure Statement. This
20 section describes the procedures pursuant to which the Plan will or will not be confirmed.

21 **1. Time And Place Of Hearing To Confirm The Plan.** The hearing at which the
22 Court will determine whether to confirm the Plan will take place on January 9, 2019, at 10:00
23 a.m., in the United States Courthouse, Union Station, 1717 Pacific Avenue S., Tacoma,
24 Washington, Courtroom I.

25 **2. Deadline For Voting To Accept Or Reject The Plan.** If you are entitled to vote
26 to accept or reject the Plan, please vote on the enclosed ballot and return the ballot to:

1 CAIRNCROSS & HEMPELMANN, P.S.
2 Attn: Ms. Thao Nguyen
3 524 Second Avenue, Suite 500
4 Seattle, WA 98104-2323

5 OR VIA EMAIL TO:

6 TNguyen@cairncross.com

7 Please refer to Sections IV.A and IX.A below for more information regarding voting
8 eligibility requirements. Your ballot must be received by January 2, 2019, or it will not be
9 counted.

10 **3. Deadline For Objecting To Plan Confirmation.** Objections to confirmation
11 must be filed with the Court and served upon the undersigned by January 2, 2019.

12 **4. Identity Of Person To Contact For More Information.** If you want additional
13 information about the Plan, please contact Ms. Thao Nguyen of Cairncross & Hempelmann, P.S.,
14 524 Second Avenue, Suite 500, Seattle, Washington 98104.

15 **C. DISCLAIMER**

16 *The Court has yet to determine whether the Plan meets the legal requirements for*
17 *confirmation, and the fact that you have received this Disclosure Statement does not constitute*
18 *an endorsement of the Plan by the Court, or a recommendation that it be accepted.*

19 **II. RECOMMENDATION**

20 The Debtor believes the Plan provides the best feasible recoveries to creditors and,
21 therefore, urges you to vote to accept the Plan and to return a timely ballot.

22 **III. BACKGROUND**

23 To give you the proper context to make an informed decision on the Plan, the Debtor
24 offers the following background information:

25 **A. THE DEBTOR**

26 On August 15, 2014 (the “**Petition Date**”), the Debtor filed a voluntary chapter 11
bankruptcy petition. Prior to the Petition Date, the Debtor was a Washington state limited

1 liability company whose members were Thomas Price (42.5%), Hyun Um (42.5%), and William
2 Stegeman (15%). Thomas and Patricia Price (“**Price**”) and Hyun and Jin Um (“**Um**”) were
3 debtors in separate chapter 11 cases, jointly administered as Case No. 10-46731 (the “**Price/Um**
4 **Case**”).

5 The Debtor was a holding company that owned individual percentages in various
6 investment limited liability companies. The Debtor’s portfolio consisted primarily of
7 commercial buildings. In some instances, the Debtor, through its subsidiaries, owned 100% of
8 the real estate in its portfolio; in other instances, ownership was shared with outside partners.

9 The collapse of the real estate market in 2008-09 rendered the Debtor’s business
10 untenable. In 2010, the Debtor’s members were found liable for a \$5.8 million judgment. By
11 2011, with some of its subsidiaries and members embroiled in their own chapter 11 proceedings,
12 the Debtor’s bankruptcy filing was inevitable.

13 **B. THIS CHAPTER 11 CASE**

14 Eric D. Orse (“**Mr. Orse**”) was the plan administrator in the Price/Um Case, wherein Mr.
15 Orse was named the management representative of the Debtor. As acting manager of the Debtor,
16 Mr. Orse filed the Debtor’s voluntary chapter 11 petition.

17 **1. Claims Reconciliation Process Complete.**

18 (a) **Unsecured claims reconciliation process complete.** As of October 24,
19 2016, the unsecured claims reconciliation process is complete.

20 (b) **MLMT 2005-MCP1 Washington Office Properties, LLC’s**
21 **Administrative Claim Resolved.** On October 6, 2017, MLMT 2005-MCP1 Washington Office
22 Properties, LLC (“**Noteholder**”) filed notice of an administrative claim in an amount not less
23 than \$5,000,000. ECF No. 552 (the “**Asserted Claim**”). On June 29, 2018, the Sharon Graham
24 Bingham 2007 Trust (“**SGB**”) filed an objection to the Asserted Claim, ECF No. 565 (the
25 “**Claim Objection**”), to which the Debtor joined. Noteholder, SGB, and the Debtor reached an
26 agreement to resolve the Asserted Claim and Claim Objection, evidenced by a stipulated motion

1 to approve settlement of administrative claim, ECF No. 586. Pursuant to the settlement
2 agreement, Noteholder is entitled to be paid \$200,000 on account of its allowed administrative
3 expense priority claim (the “**Noteholder Claim**”). On November 15, 2018, the Court approved
4 the settlement.

5 **2. Remaining Slip and Fall Claim.** The Debtor is the sole member and manager of
6 Century Investment Associates, LLC (“**Century**”), a Delaware limited liability company. Prior
7 to April 1, 2016, Century owned interests in, among other things, real property located at 4710
8 Auto Center Boulevard, Bremerton, Washington (the “**Bremerton Property**”). Century
9 previously leased the Bremerton Property to DSHS. On November 23, 2015, a DSHS employee
10 filed an injury incident report, claiming to have fallen on black ice in the parking lot of the
11 Bremerton Property (the “**Bremerton Incident**”). As of the date of this Disclosure Statement,
12 the Debtor believes available insurance should be sufficient to cover any claim arising from the
13 Bremerton Incident. Notwithstanding the foregoing, the Debtor reserves the right to maintain a
14 holdback in the event circumstances prior to confirmation warrant doing so.

15 **3. CDC Sale Proceeds To Remain With CDC.** The Debtor is the sole member and
16 manager of CDC Acquisition Company I, LLC, a Delaware limited liability company, which in
17 turn is the sole member and manager of CDC Properties I, LLC (“**CDC**”), a Delaware limited
18 liability company. CDC’s separate chapter 11 case before the bankruptcy court for the Western
19 District of Washington at Tacoma, Case No. 11-41010 (“**CDC Case**”), was closed on February
20 21, 2012 following confirmation of a plan of reorganization (the “**CDC Plan**”). On December
21 14, 2016, the Court reopened the CDC Case.

22 CDC sold its real property to four tenant-in-common purchasers for the sum of \$100,000
23 on or about September 28, 2016 (the “**CDC Sale**”). The purchase funds, \$100,000 in sale
24 proceeds (the “**CDC Sale Proceeds**”), remain in escrow with CDC’s counsel, Karr Tuttle
25 Campbell. While the Debtor initially believed the CDC Sale Proceeds may eventually be
26 available for distribution to the Debtor’s creditors, the Plan proposes that the Court retain

1 jurisdiction to direct the release of the CDC Sale Proceeds, if required. If the CDC Sale
2 Proceeds are made available to Prium, the Debtor would distribute the funds pro rata to Class 1
3 Claimants less applicable fees and administrative costs.

4 **4. Equity in Orchard Hills.** The Debtor is the sole member and manager of P & U
5 Capital Partners I, LLC (“P/U I”), a Washington limited liability company. As of the Petition
6 Date, one of the assets of P/U I was an interest in Prium Orchard Hills, LLC (“Orchard Hills”),
7 a Washington limited liability company, which owned a low-income housing project financed
8 under Section 42 of the Department of Housing and Urban Development’s Low Income Housing
9 Tax Credit Program. Prior to Petition Date, both P/U I and the Debtor were sued by the investor
10 limited partner for multiple alleged defaults under the limited partnership agreement and a
11 related guaranty. The parties subsequently entered into a court-approved settlement agreement
12 under the terms of which both P/U I and the Debtor were relieved of any monetary obligations
13 under the Orchard Hills limited liability company agreement. Additionally, the parties agreed to
14 the appointment of a new managing partner but P/U I retained its 0.01% equity interest in the
15 limited liability company. The Debtor has been unable to find a buyer for this interest. If
16 confirmed, the Plan would allow the Debtor to abandon any interest it may hold in Orchard Hills.

17 **5. Motion To Dismiss Case And Disburse Funds To Creditors.** On October 28,
18 2016, the Debtor moved the Court to enter an order authorizing distributions and dismissing the
19 Case. Although there was no objection by creditors to the motion, the Court denied the Debtor’s
20 motion on November 22, 2016 because of several unresolved issues—most of which have now
21 been resolved.

22 For further information about the Debtor and this Case, please see the Debtor’s
23 previously-filed Disclosure Statement, ECF No. 500.

24 **C. CURRENT FINANCIAL CONDITION**

25 As of December 5, 2018, the Debtor holds approximately \$2,230,000 in cash on hand, the
26 bulk of which is on deposit with Wells Fargo, and the remaining \$25,000 is currently being held

1 in trust by Debtor's counsel. The Debtor's cash on hand will be the exclusive source of
2 distributable funds, subject to the continuing expenditures for the fees of Mr. Orse, his
3 professionals, out of pocket costs, the quarterly fees of the United States Trustee, the Noteholder
4 Claim, and any other allowed disbursements.

5 **IV. PLAN SUMMARY**

6 The following Plan Summary is intended to provide you with a context for understanding
7 the remainder of this Disclosure Statement.

8 **A. CLASSIFICATION OF CLAIMS AND INTERESTS**

9 A chapter 11 plan of reorganization sets forth the manner in which a debtor will repay
10 creditors' claims. Generally, a plan places similarly-situated claims into classes, proposes how
11 the classes will be repaid, and the timeframe for doing so.

12 Under 11 U.S.C. § 1123(b)(1), a plan of reorganization may impair classes of claims or
13 interests. Among other things, 11 U.S.C. § 1123(a)(5) permits a plan of reorganization to extend
14 due dates, modify indentures (agreements that protect certain creditors), and to modify any lien.
15 Section 1123(b)(5) explicitly authorizes a plan to modify a secured or unsecured claimant's
16 rights. The Code, however, balances this broad discretion granted to plan proponents by
17 empowering impaired classes with some control over plan confirmation. For example, in order
18 to be confirmed, at least one class that is "impaired" must vote in favor of the Plan.

19 Here, the Plan proposes a single class of claims, and all claims within the class are
20 impaired; meaning, all claimants who hold allowed claims against the Estate are entitled to vote
21 on whether to accept or reject the Plan.

22 **1. Class 1: Allowed Unsecured Claims.** This is the sole class of claims proposed
23 by the Plan. Claimants in this Class hold allowed unsecured claims against the Estate. Each
24 claimant in this Class and the percentage of total distributions each claimant will receive are
25 listed in Subsection B below. The Plan proposes to distribute funds to claimants in this Class as
26 detailed below in Subsection C.

1 This Class is impaired and may vote on the Plan.

2 **2. Unclassified Claims: Administrative Expense Claims.** The Plan proposes to
3 pay holders of allowed administrative expense claims under 11 U.S.C. § 507(a)(2) on the
4 Effective Date from the Estate's distributable funds. Allowed administrative expense claims are:
5 (a) Pierce County Budget & Finance's \$241.24 claim for postpetition personal property tax, (b)
6 the Noteholder Claim, and (c) the incurred fees and reimbursable costs of the Debtor's
7 management representative and court-approved attorneys. Mr. Orse will withdraw his indemnity
8 claim against the Debtor's bankruptcy estate simultaneously with Plan confirmation.

9 **B. CLAIMS PARTICIPATING IN THE PLAN**

10 As mentioned above, the claims reconciliation process is complete. The following table
11 shows the allowed unsecured claims in this Case, and each allowed claimant's percentage of
12 distributable funds:

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<u>Claimant</u>	<u>Allowed Amount</u>	<u>Percentage of Total Distribution (Pro Rata Share)</u>
Robert L. Christie	\$226,804.42	0.10498%
Sherwin Williams Company	\$85,226.55	0.03945%
Mueller & Patin	\$21,167.61	0.00980%
WF Capital, Inc.	\$24,408,939.35	11.29790%
Centrum Financial Services, Inc.	\$60,000,000.00	27.77155%
Umpqua Bank Successor-in-Interest to Intervest	\$1,862,000.00	0.86184%
Robert Malden Hughes	\$10,332.48	0.00129%
Onyx Resolution LLC	\$3,153,717.69	1.45973%
Doty, Beardsley, Rosengren & Co., P.S.	\$59,489.47	0.02754%
Spokane Rock I, LLC	\$16,172,363.55	7.48553%
MUFG Union Bank, N.A.	\$1,428,000.00	0.66096%
Queen High Full House LLC	\$18,374,542.20	8.50482%
Kenneth Eiler in his capacity as Receiver for Velocity Capital Partners, LLC	\$14,160,376.08	6.55426%
William Stegeman	\$10.00	0.00000%
Sharon Graham Bingham 2007 Trust	\$60,000,000.00	27.77155%
Bader Martin P.S.	\$33,305.98	0.01542%

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Lorraine A. Olson Rev. Trust	\$138,000.00	0.06387%
Mendi Sakamoto	\$38,610.00	0.01787%
Naegeli Deposition and Trial	\$675.63	0.00031%
Orlandini & Waldron	\$14,385.00	0.00666%
Shillito & Giske	\$12,130.00	0.00561%
Starkovich Reporting Services	\$2,163.80	0.00100%
Sterling Bank	\$1,860,000.00	0.86092%
Teris - Seattle, LLC	\$15,196.68	0.00703%
Terrametric Inc.	\$14,599.71	0.00676%
Upside Management LLC	<u>\$13,956,425.01</u>	6.45986%
\$216,048,461.21		

C. SINGLE DISTRIBUTION

The Plan Administrator, on the Debtor's behalf, shall make a single distribution based on each Class 1 Claimant's pro rata share, as listed above, within thirty (30) days of the Plan's Effective Date.¹

D. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

At this time, the Debtor is unaware of any executory contracts or unexpired leases, but to the extent there are any, all shall be rejected as of the Plan's Effective Date.

E. EXCULPATORY AND RELEASE CLAUSES

The Plan includes provisions (1) exculpating the Debtor's professionals from liability for acts or omissions in this Case only; and (2) releasing the Debtor's professionals from liability with respect to creditor's claims.

1. Exculpatory Clause. The Plan Administrator and any professionals employed by the Debtor or Plan Administrator shall have no liability for the outcome of any decision or course of action by the Plan Administrator in this Case, except for any damages caused by fraud, breach of fiduciary duty, willful misconduct or gross negligence.

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¹ If the Court directs the release and distribution of CDC Sale Proceeds to Prium's creditors, then the Debtor would distribute the CDC Sale Proceeds to Class 1 Claimants pro rata, less the professional fees and reimbursable costs required to make such distribution.

1 **2. Release Clauses.**

2 **(a)** The Plan Administrator, and any professional employed by the Debtor or
3 Plan Administrator in this Case, including attorneys and accountants, shall be deemed released
4 from all claims, actions, claims for relief, causes of action, suits, debts, covenants, agreements
5 and demands of any nature whatsoever, in law or equity, in connection with this Case that any
6 creditor may have had, has, or may have.

7 **(b)** The Debtor releases its court-approved professionals, including Eric Orse,
8 its management representative and proposed Plan Administrator, from any and all claims known
9 or unknown, existing now or arising hereafter.

10 **V. AVOIDANCE ACTIONS**

11 There are two types of Avoidance Actions: Preferential Transfers and Fraudulent
12 Transfers. Preferential Transfers: Under 11 U.S.C. § 547(b), a debtor-in-possession or trustee
13 may avoid any transfer that the debtor made to a creditor within ninety days of the Petition
14 Date—or within one year, if the creditor was an insider—to the extent that the transfer would
15 allow the creditor to receive more through the transfer than if the transfer had not been made and
16 the case were to proceed under chapter 7.

17 Fraudulent Transfers: Section 548 of the Bankruptcy Code defines and governs the
18 treatment of fraudulent conveyances in bankruptcy cases. Section 548 coexists and operates in
19 conjunction with state law; typically, iterations of the Uniform Voidable Transactions Act.
20 Under § 548(a)(1), a debtor-in-possession may avoid transfers made within two years of the date
21 the bankruptcy petition was filed if such transfer was (A) made with actual intent to hinder, delay
22 or defraud creditors, or (B) in exchange for less than reasonably equivalent value and the debtor
23 (1) was insolvent at the time of the transfer or became insolvent as a result thereof, (2) was left
24 with unreasonably small capital, (3) intended to or believed it would incur debt beyond its ability
25 to pay as such debt matured, or (4) made such transfer for the benefit of an insider.

1 At this time, the Debtor is unaware of any Avoidance Action and does not intend to assert
2 same. The Debtor will not be requesting that the Plan reserve any rights in the Debtor to assert
3 any Avoidance Action.

4 VI. CLAIMS RESOLUTION

5 The Debtor is not aware of any claim other than those listed herein, all of which have
6 been resolved.

7 VII. LIQUIDATION ANALYSIS

8 If less than all claimants within each impaired class vote to accept the Plan, then the Plan
9 must satisfy the requirement set forth in 11 U.S.C. § 1129(a)(7)(A)(ii). In other words, at the
10 Plan confirmation hearing, the Court must find that the Estate's creditors would receive or retain
11 under the Plan—as of the Effective Date—property of a value not less than the amount they
12 would receive or retain if the Debtor were liquidated under title 11, chapter 7.²

13 Here, the Debtor proposes a liquidating plan. All Estate assets have been monetized,
14 leaving the Estate with one asset—distributable funds. If the Estate were liquidated in a chapter
15 7 proceeding, creditors would receive the same *percentage* of distributable funds as they would
16 under the Plan. In a chapter 7 liquidation, distributable funds would not increase in size as there
17 would be no more assets to monetize; however, the amount of distributable funds could
18 potentially *decrease* due to, among other things, the chapter 7 trustee's costs, professional fees
19 and compensation. Accordingly, the Debtor believes that all creditors would receive under the
20 Plan on account of their claims, property having a value that is not less than the amount that such
21 creditors would receive if the Debtor were liquidated under chapter 7.

22 VIII. RISK

23 The successful implementation of the Plan is contingent upon assumptions, some or all of
24 which could fail to meet expectations and preclude the Plan from being confirmed or producing
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² In a chapter 7 liquidation, a trustee is appointed to liquidate assets of a debtor's estate.

1 the anticipated results. While the Debtor views its liquidating Plan as conservative, some of the
2 more significant risks include:

- 3 1. There is no guarantee that the Plan will be confirmed. Delay in confirmation—
4 and delay in creditor distributions, generally—may result in decreased recoveries
5 for creditors.
- 6 2. The Debtor has not done any investigation as to the tax consequences for
7 creditors under the Plan. There may be adverse tax consequences for creditors.
8 Creditors with such concerns should consult their tax advisor.

9 IX. CONFIRMATION

10 A. VOTING PROCEDURES

11 Under the Bankruptcy Code, impaired classes of claims are eligible to vote whether to
12 accept or reject a plan. A class of claims is impaired when a plan proposes to alter the legal or
13 equitable rights of the claimants. Here, the Plan proposes only one class of claims. Because the
14 Plan proposes to pay claimants a fraction of what they are owed on account of their claims, that
15 single class of claims is impaired. Accordingly, all claimants listed in Section IV.B above are
16 entitled to vote.

17 A ballot to be used for voting on the Plan accompanies this Disclosure Statement.
18 Holders of claims should read the instructions carefully, complete, date and sign the ballot, and
19 send it to the indicated address. To be counted, your ballot must be received at the indicated
20 address no later than the deadline set forth in this Disclosure Statement. Failure to vote or a vote
21 to reject the Plan will not affect the treatment to be accorded a claim if the Plan is nevertheless
22 confirmed.

23 If more than one-half (1/2) the number of claimants voting and at least two-thirds (2/3) in
24 amount of the allowed claims of such claimants in each impaired class accept the Plan, such
25 classes will be deemed to have accepted the Plan. For purposes of determining whether a class
26 has accepted or rejected the Plan, only the votes of those who have timely returned their ballots

1 will be considered. If a voting class does not accept the Plan, the Debtor will seek confirmation
2 under 11 U.S.C. § 1129(b). Section 1129(b) generally requires the Plan not to discriminate
3 unfairly, and to provide fair and equitable treatment, with respect to each class of claims or
4 interests that is impaired under, and has not accepted, the Plan.

5 **B. HEARING ON CONFIRMATION**

6 The hearing on Plan confirmation has been set for January 9, 2019 at 10:00 a.m. before
7 the Honorable Brian D. Lynch, United States Bankruptcy Judge, United States Courthouse,
8 Courtroom I, 1717 Pacific Avenue S., Tacoma, Washington 98402. The Court shall confirm the
9 Plan at the hearing only if the requirements of 11 U.S.C. § 1129 are satisfied.

10 **C. CHAPTER 7**

11 To satisfy one of the requirements of 11 U.S.C. § 1129, the Debtor must establish that
12 with respect to each class, each holder of a claim or interest in that class has accepted the Plan or
13 will receive or retain under the Plan, on account of such claim or interest, property of a value that
14 is not less than the amount that such holder would receive if the Debtor was liquidated under title
15 11, chapter 7. As discussed in Section VII above, the Debtor believes that the Plan satisfies this
16 test. The Debtor anticipates the Court will make this determination at the confirmation hearing.

17 **D. FEASIBILITY**

18 The Debtor believes its liquidating Plan is reasonable and can be achieved; accordingly,
19 the Debtor believes the Plan is feasible as defined by the Bankruptcy Code.

20 **E. DISSENT**

21 The Bankruptcy Code requires the Court to find that the Plan does not discriminate
22 unfairly, and is fair and equitable, with respect to each class of claims or interests that is
23 impaired under, and has not accepted, the Plan. Upon such a finding, the Court may confirm the
24 Plan despite the objections of a dissenting class.

25 **F. CONFIRMATION BINDING**

26 The Plan shall bind the Debtor and all other parties-in-interest, including any creditor,

1 whether such creditor is impaired under the Plan and whether such creditor has accepted the
2 Plan.

3 **G. FAILURE TO CONFIRM**

4 If the requirements for confirmation are not met, the Debtor intends to amend the Plan in
5 a manner which would make confirmation possible. If the Plan as amended cannot be
6 confirmed, it would likely be necessary to convert the Case to chapter 7 or dismiss the Case.

7 **H. REQUIRED DISCLOSURES**

8 The Bankruptcy Code requires disclosure of certain information:

- 9 1. There is no prepetition payment or promise of any kind specified in 11 U.S.C. §
10 1129(a)(4), including payments to attorneys or accountants, that will not be
11 subject to approval by the bankruptcy court.
- 12 2. Management of the Debtor would remain the general responsibility of Eric Orse,
13 the court-appointed management representative, who, upon the Plan's Effective
14 Date, would become the "**Plan Administrator**" in this Case. This is consistent
15 with creditors' interests and with public policy as required by 11 U.S.C. §
16 1129(a)(5).
- 17 3. No insider of the Debtor will be retained under the Plan.
- 18 4. Upon the Plan's Effective Date, estate assets will not re-vest in the Debtor; rather,
19 the bankruptcy estate will continue to exist until the Debtor is dissolved. Subject
20 to the Plan's terms and conditions, the Plan Administrator may take all actions
21 necessary to dissolve the Debtor and its subsidiaries and wind up their affairs.
- 22 5. The Plan Administrator may draw from estate funds to pay professionals, whose
23 employment was approved by the Court prior to confirmation, for post-
24 confirmation services without further order of the Court.

1 DATED this 5th day of December 2018.

2 CAIRNCROSS & HEMPELMANN, P.S.

3
4 /s/ John Rizzardi

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12 PRIUM COMPANIES, LLC

13 s/ Eric Orse

14 Eric Orse, Management Representative
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