

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

**THE WECK CORPORATION,
d/b/a Gracious Home, *et al.***¹

Debtors.

Chapter 11

Case No. 10-14349 (AJG)

Jointly Administered

**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER CONFIRMING FIRST
AMENDED JOINT CHAPTER 11 PLAN OF LIQUIDATION PROPOSED BY THE
DEBTORS AND OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

A hearing was held before this Court on August 24, 2011 (the “Confirmation Hearing”) to consider confirmation of the First Amended Joint Chapter 11 Plan of Liquidation Proposed by the Debtors and Official Committee of Unsecured Creditors (the “Plan”) filed by the above-captioned debtors (the “Debtors”). The Court has reviewed the Plan, the Disclosure Statement² and other matters submitted in support of the Plan.

The Court has considered the record compiled in the Chapter 11 Cases and has also considered, among other things, the Declaration of Jeffrey S. Stein of the Garden City Group, Inc. Certifying the Methodology for the Tabulation of Votes on and Results of Voting with Respect to the First Amended Joint Chapter 11 Plan of Liquidation Proposed by the Debtors and

¹ The Debtors in these cases, along with the last four digits of their federal tax identification numbers are The Weck Corporation (6057); West Weck, LLC (1934); West Chelsea, LLC (4754); and Gracioushome.com, LLC (3431).

² Capitalized terms used herein but not defined shall have the meanings ascribed to them in the Plan.

Official Committee of Unsecured Creditors [D.I. 408] (“Certification of Ballots”), the Declaration of Robert L. Pressman, Wind-Down Officer Through Triton Equity Partners, LLC, in Support of Confirmation of the First Amended Joint Chapter 11 Plan of Liquidation Proposed by the Debtors and Official Committee of Unsecured Creditors [D.I. 409] (the “Pressman Declaration”), and for the reasons stated orally and recorded in open court and for the representations of counsel at the Confirmation Hearing, and for the following reasons, all of which together shall constitute the decision, findings of fact, and conclusions of law of this Court; NOW THEREFORE,

IT IS HEREBY FOUND, DETERMINED, ORDERED, ADJUDGED AND DECREED, AS FOLLOWS:

Findings of Fact and Conclusions of Law

a. Findings and Conclusions. The findings and conclusions set forth herein and in the record of the confirmation hearing of the Plan constitute this Court’s findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

b. Jurisdiction and Venue. This Court has jurisdiction over these Chapter 11 Cases and confirmation of the Plan pursuant to 28 U.S.C. § 1334. Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (L) and (O) and this Court has jurisdiction to enter a final order with respect thereto. The Debtors are eligible to be debtors under Section 109 of the Bankruptcy Code. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

c. Judicial Notice. The Court takes judicial notice of the docket of the Debtors' Chapter 11 Cases, which is maintained by the Clerk of the Court, including, without limitation, all pleadings and other documents filed, all orders entered, and the transcripts of, and all evidence and arguments made, proffered or adduced at, the hearings held before the Court during the pendency of the Chapter 11 Cases.

d. Solicitation and Notice. On July 5, 2011, the Court entered the Order (I) Approving the Disclosure Statement, (II) Establishing Plan Solicitation and Voting Procedures, (III) Scheduling a Confirmation Hearing, and (IV) Establishing Notice and Objection Procedures for Confirmation of Joint Chapter 11 Plan of Liquidation [D.I. 399] (the "Solicitation Procedures Order"). The Solicitation Procedures Order, among other things, approved the First Amended Disclosure Statement for the Joint Chapter 11 Plan of Liquidation Proposed by the Debtors and the Official Committee of Unsecured Creditors [D.I. 372] as containing "adequate information" within the meaning of Section 1125 of the Bankruptcy Code.

Pursuant to the Solicitation Procedures Order, the Debtors distributed certain packages of information (the "Solicitation Packages") to all creditors and interest holders entitled to receive the Solicitation Packages. Each Solicitation Package contained: (a) the Confirmation Hearing Notice; (b) to Classes entitled to vote on the Plan; (1) the "Solicitation Procedures Order" (without attachments); (2) the Disclosure Statement, together with all attachments (including the Plan); (3) a cover letter from the Creditors' Committee setting forth the Creditors' Committee's support thereof; (4) a Ballot; and (5) a return envelope; and (c) to Classes not entitled to vote; a notice of non-voting status.

The Solicitation Packages were served in compliance with the Bankruptcy Code, the Bankruptcy Rules, and the Solicitation Procedures Order. As described in the Solicitation

Procedures Order, and as evidenced by the Certification of Ballots, (i) the service of the Solicitation Packages was adequate and sufficient under the circumstances of these Chapter 11 Cases and (ii) adequate and sufficient notice of the Confirmation Hearing and other requirements, deadlines, hearings and other matters described in the Solicitation Procedures Order was timely provided in compliance with the Bankruptcy Code and Bankruptcy Rules, and provided due process and an opportunity to be heard to all parties in interest.

e. Voting. The Solicitation Procedures Order fixed August 12, 2011, at 4:00 p.m. (prevailing Eastern Time) as the Voting Deadline. The Debtors, through their designated voting agent, tabulated the Ballots accepting and rejecting the Plan. As set forth in the Certification of Ballots, the Debtors have satisfied the ballot tabulation procedures set forth in the Solicitation Procedures Order and properly tabulated the Ballots received with respect to the Plan.

As set forth in the Certification of Ballots, the Plan has been accepted within the meaning of Section 1126(a) of the Bankruptcy Code by Class 2 Claims, the only Class of Claims which was entitled to vote on the Plan and that actually voted on the Plan. The holders of Class 2 Claims are impaired under the Plan. The holders of Class 1 Claims are unimpaired under the Plan, are conclusively deemed to have accepted the Plan pursuant to Section 1126(f) of the Bankruptcy Code, and therefore are not entitled to vote on the Plan. The holders of Class 3 Interests shall not receive any distribution under the Plan, are deemed to have rejected the Plan pursuant to Section 1126(g) of the Bankruptcy Code, and therefore are not entitled to vote on the Plan.

f. Burden of Proof. The Debtors have met their burden of proving the elements of Section 1129 of the Bankruptcy Code by a preponderance of the evidence, which is the applicable standard.

Compliance with the Requirements of Section 1129 of the Bankruptcy Code

g. Plan Compliance – Section 1129(a)(1). The Plan complies with all applicable provisions of the Bankruptcy Code. The Plan designates three (3) Classes of Claims and/or Interests. The Plan adequately and properly classifies all Claims and Interests required to be classified and thus satisfies the requirements of Sections 1122 and 1123(a)(1) of the Bankruptcy Code. Under the Plan, one Class of Claims (i.e., Class 2) is impaired and entitled to vote. Class 3, consisting of Interests, is impaired, but shall not receive any distributions under the Plan and is therefore deemed to reject the Plan. The Plan adequately specifies the treatment of each impaired Class of Claims and Class of Interests and thus satisfies the requirements of Section 1123(a)(3) of the Bankruptcy Code. The Plan provides the same treatment for each Claim in a particular Class, unless the holder of a particular Claim agrees to less favorable treatment of such Claim. The Plan thus satisfies the requirements of Section 1123(a)(4) of the Bankruptcy Code. No election for application of Section 1111(b)(2) of the Bankruptcy Code by any Class of secured creditors was made under Bankruptcy Rule 3014. Article 5 of the Plan, along with the other provisions of the Plan, provides adequate means for implementation of the Plan. Pursuant to Article 5.1 of the Plan, upon the Effective Date, each of the Debtors will be deemed merged and substantially consolidated into the Post-Confirmation Debtor. Pursuant to Article 9.1 of the Plan, upon the Effective Date, all Property of the Debtors will vest in the Post-Confirmation Debtor free and clear of all Claims, liens, encumbrances, charges and other interests, except as provided in the Plan. The Plan thus satisfies Section 1123(a)(5) of the Bankruptcy Code.

Section 1123(a)(6) of the Bankruptcy Code is inapplicable because all Interests will be canceled pursuant to the provisions of the Plan, the Debtors are liquidating, and neither the Debtors nor the Post-Confirmation Debtor will issue equity securities.

The Plan contains other provisions for implementation that are reasonable and otherwise consistent with Sections 1123(a)(7) and 1123(b) of the Bankruptcy Code.

h. Proponent Compliance – Section 1129(a)(2). The Debtors and the Committee, as co-proponents of the Plan, have complied with the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules. The Debtors solicited acceptances of the Plan in accordance with the requirements of the Solicitation Procedures Order. The Ballots of holders of Claims entitled to vote on the Plan were properly solicited and tabulated. The Debtors have further complied with all the provisions of the Bankruptcy Code and the Bankruptcy Rules governing notice of the Confirmation Hearing, approval of the Disclosure Statement and all other matters considered by the Court in these Chapter 11 Cases. The record in these Chapter 11 Cases further discloses that the Debtors have attempted in good faith to comply with the orders of the Court entered during the pendency of these Cases and that the Debtors have not violated any such orders.

i. Good Faith - Section 1129(a)(3). The Plan has been proposed in good faith by the Debtors, with the support of the Committee, and not by any means forbidden by law. The Court has examined the totality of the circumstances surrounding the formulation of the Plan and the evidence submitted in connection with the Confirmation Hearing. The Plan has been accepted by the requisite holders of Claims, in the requisite amounts, in Class 2 of Claims, and such acceptance evidences the informed judgment of Creditors that the Plan is in their best interests. The Plan was proposed with the legitimate and honest purpose of maximizing the value of the Debtors' estates and to effectuate a distribution of such value to Creditors. The Plan was negotiated in good faith and at arms' length among representatives of the Debtors and the Committee during these Chapter 11 Cases. Therefore, the Plan has been proposed in good faith, as such term is used in Section 1129(a)(3) of the Bankruptcy Code.

j. Payments for Services - Section 1129(a)(4). Any payment made or to be made by the Debtors or by a person acquiring property under the Plan for services or for costs and expenses in connection with these Chapter 11 Cases (including all administrative expenses under Section 503 of the Bankruptcy Code) or in connection with the Plan and incident to these Chapter 11 Cases has been approved or is subject to the approval of the Court as reasonable, satisfying Section 1129(a)(4) of the Bankruptcy Code.

k. Officer Affiliations - Section 1129(a)(5). The Debtors have complied with Section 1129(a)(5) of the Bankruptcy Code by disclosing the identities of all individuals proposed to serve after the confirmation of the Plan as directors and officers of the Post-Confirmation Debtor.

l. Rates - Section 1129(a)(6). There are no rates applicable to the Debtors over which any governmental regulatory commission will have jurisdiction after confirmation of the Plan.

m. Best Interests - Section 1129(a)(7). Each holder of an Allowed Claim will receive under the Plan property of a value not less than the amount such holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. The provisions of the Plan provide adequate means of funding for the Plan. Confirmation of the Plan provides a superior recovery to Creditors than conversion of the Chapter 11 Cases from chapter 11 to chapter 7. Accordingly, confirmation of the Plan is in the best interests of creditors under Section 1129(a)(7) of the Bankruptcy Code.

n. Acceptance / Cramdown - Sections 1129(a)(8) and 1129(b). All holders of impaired Claims under the Plan that are entitled to vote on the Plan have been given adequate opportunity to vote to accept or reject the Plan. As set forth above, and in detail in the

Certification of Ballots, the Plan has been accepted by Class 2 Claims, which Class constitutes the only impaired Class eligible to vote on the Plan. Notwithstanding the deemed rejection of the Plan by Class 3 Interests, the Plan satisfies the “cramdown” requirements of Section 1129(b) of the Bankruptcy Code since the Plan does not discriminate unfairly and is fair and equitable as to Class 3. There is insufficient value in the Debtors’ estates to satisfy the Classes of Claims that are senior to Class 3 Interests and no senior Creditor is being paid more than in full.

o. Administrative Expense/Priority Claims - Section 1129(a)(9). The Plan complies with Section 1129(a)(9) of the Bankruptcy Code because it provides that each holder of an Allowed Administrative Claim will be paid (i) the full amount thereof, without interest, in Cash, as soon as practicable after the later of (a) the Effective Date, (b) the date on which such Claim becomes an Allowed Claim, or (c) such other date as the holder of an Allowed Administrative Claim and the Debtors might otherwise agree, or (ii) such lesser amount as the holder of an Allowed Administrative Claim and the Debtors might otherwise agree on such date as the holder of an Allowed Administrative Claim and the Debtors might otherwise agree. The Plan also provides that each holder of an Allowed Priority Claim will be paid (i) the full amount thereof, without post-petition interest or penalty, in Cash, as soon as practicable after the later of (a) the Effective Date, (b) the date on which such Claim becomes an Allowed Claim, or (c) such other date as the holder of an Allowed Administrative Claim and the Debtors might otherwise agree, or (ii) such lesser amount as the holder of an Allowed Priority Claim and the Debtors might otherwise agree on such date as the holder of an Allowed Administrative Claim and the Debtors might otherwise agree.

p. Acceptance By At Least One Impaired Class - Section 1129(a)(10). Class 2 Claims, which is Impaired pursuant to the Plan and entitled to vote, voted overwhelmingly to

accept the Plan, as reflected in the Certification of Ballots, by the requisite majorities, determined without including any acceptance of the Plan by any insider, in accordance with Section 1126 of the Bankruptcy Code. Specifically, as set forth in the Certification of Ballots, Class 2 voted 91.60% in number and 99.41% in total dollar amount to accept the Plan. Class 2 thereby qualifies as an Impaired accepting Class, thereby satisfying the requirements of Section 1129(a)(10) of the Bankruptcy Code.

q. Feasibility - Section 1129(a)(11). The information contained in the Plan and the Disclosure Statement, together with the testimony proffered and other testimony adduced at the Confirmation Hearing, establish that the Plan is feasible and that the Plan Administrator will have sufficient resources to timely meet all of the Post-Confirmation Debtor's obligations under the Plan. The feasibility standard of Section 1129(a)(11) of the Bankruptcy Code is therefore satisfied.

r. Fees Payable Under 28 U.S.C. § 1930 - Section 1129(a)(12). All fees payable under 28 U.S.C. § 1930(a)(6), as determined by the court at the Confirmation Hearing, have been paid, or will be paid when due or otherwise pursuant to an agreement between the Plan Administrator and the United States Department of Justice Office of the United States Trustee, until the entry of a final decree or an order converting or dismissing the Chapter 11 Cases. The Plan therefore satisfies Section 1129(a)(12) of the Bankruptcy Code.

s. Retiree Benefits - Section 1129(a)(13). The Plan complies with Section 1129(a)(13) of the Bankruptcy Code because it provides for payment of all retiree benefits (as defined in Section 1114(a) of the Bankruptcy Code), if any, from and after the Effective Date.

t. No Domestic Support Obligations - Section 1129(a)(14). The Debtors are not required by a judicial or administrative order, or by statute, to pay domestic support obligations.

Accordingly, Section 1129(a)(14) of the Bankruptcy Code is inapplicable to these Chapter 11 Cases.

u. Debtors are Not Individuals - Section 1129(a)(15). The Debtors are not individuals, and accordingly, Section 1129(a)(15) of the Bankruptcy Code is inapplicable to these Chapter 11 Cases.

v. No Applicable Nonbankruptcy Law Regarding Transfers - Section 1129(a)(16). Any transfers under the Plan comply with applicable nonbankruptcy law, and the Plan therefore satisfies the requirements of Section 1129(a)(16).

w. Only One Plan - Section 1129(c). The Plan is the only plan filed in these Chapter 11 Cases, and, accordingly, Section 1129(c) of the Bankruptcy Code is inapplicable to these Chapter 11 Cases.

x. Principal Purpose of the Plan - Section 1129(d). The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act of 1933, thereby satisfying the requirements of Section 1129(d) of the Bankruptcy Code.

y. Not Small Business Cases - Section 1129(e). None of the Chapter 11 Cases is a “small business case” as that term is defined in the Bankruptcy Code, and accordingly, Section 1129(e) of the Bankruptcy Code is inapplicable.

z. Good Faith Solicitation - Section 1125(e). Based on the record before the Court in these Chapter 11 Cases, (a) the Debtors have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including, without limitation, Sections 1125(c) and (e) of the Bankruptcy Code, and any applicable nonbankruptcy law, rule or regulation governing the adequacy of disclosure in connection with such solicitation

and (b) the Debtors, the Committee, and all of their respective officers, members, directors, managers, employees, agents, advisers, accountants, attorneys, and representatives shall be deemed to have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the solicitation of the Plan and are entitled to the protections afforded by Section 1125(e) of the Bankruptcy Code and Article 11.6 of the Plan. The Debtors and the Committee and all of the parties' respective professionals will be acting in good faith if they proceed to (i) consummate the Plan and (ii) take the actions authorized and directed by this Order.

aa. Satisfaction of Confirmation Requirements. Based upon the foregoing, the Plan satisfies the requirements for confirmation set forth in Section 1129 of the Bankruptcy Code.

bb. Substantive Consolidation. Based on, among other things, the Disclosure Statement and the record of the Confirmation Hearing, no Class of Creditors is disadvantaged in any manner by the substantive consolidation of the Debtors for Plan purposes only.

cc. Releases, Exculpation, and Injunction. The Court has jurisdiction under Sections 1334(a) and (b) of title 28 of the United States Code and Sections 105, 524, and 1141 of the Bankruptcy Code to approve the releases, the exculpation, and the injunction set forth in Sections 11.6 and 11.7 of the Plan. Section 105(a) of the Bankruptcy Code permits issuance of the injunction and approval of the limited releases set forth in Sections 11.6 and 11.7 of the Plan if, as has been established here based upon the record in these Chapter 11 Cases and the evidence proffered at the Confirmation Hearing, such provisions (i) were integral to the agreement amongst the various parties in interest and are essential to the implementation of the Plan, as provided in Section 1123 of the Bankruptcy Code, (ii) are fair, equitable, and reasonable, and (iii) are in the best interests of the Debtors, their estates, and the parties in interest. The

exculpation provision in the Plan does not relieve any party of liability for an act or omission to the extent such act or omission is determined by a Final Order to have constituted gross negligence or willful misconduct, including, without limitation, fraud and criminal misconduct. Based upon the record of these Chapter 11 Cases and the evidence proffered, adduced, and/or presented at the Confirmation Hearing, this Court finds that the releases, the exculpation, and the injunction set forth in Sections 11.6 and 11.7 of the Plan are consistent with the Bankruptcy Code and applicable law.

Order Confirming Plan

Based upon the record of the Confirmation Hearing, all the proceedings held before this Court in these Chapter 11 Cases, and the foregoing findings of fact and conclusions of law, **IT IS HEREBY ORDERED THAT**

1. Confirmation. The Plan, annexed hereto as Exhibit A, is CONFIRMED in its entirety. The Debtors and the Post-Confirmation Debtor after the Effective Date, are authorized to (a) take such actions as may be necessary or appropriate to carry out the Plan, and (b) execute such documents and instruments as may be required to implement the Plan.

2. Modification to Article 1.40 of the Plan. Article 1.40 of the Plan shall be modified by deleting the following language:

“Plan Administrator” shall mean Robert L. Pressman or such successor designated by the Proponents as the representative of the estate for purposes of administering the Plan.

and replacing it with the following:

“Plan Administrator” shall mean Triton Equity Partners, LLC, with Robert L. Pressman acting on behalf thereof, or such successor designated by the Proponents as the representative of the estate for purposes of administering the Plan.

3. Modification to Article 5, Section 5.2 of the Plan. Article 5, Section 5.2 shall be modified by deleting the following language:

The Post-Effective Date Committee shall consist of three (3) members, shall be selected jointly by the existing Committee and the Debtors and shall come into existence on the Effective Date for the purpose of overseeing the activities of the Plan Administrator.

and replacing it with the following:

The Post-Effective Date Committee shall consist of three (3) members, shall be selected by the existing Committee, in consultation with the Debtors, and shall come into existence on the Effective Date for the purpose of overseeing the activities of the Plan Administrator.

4. Objections. All parties have had a full and fair opportunity to litigate all issues raised by any objections to the Plan, or which might have been raised in objection to the Plan. Except as otherwise set forth herein, all formal and informal objections, responses, statements, and comments in opposition to the Plan are overruled, unless such objections were resolved on the record during the Confirmation Hearing.

5. Omission of Reference to Particular Plan Provisions. The failure to specifically describe or include any particular provision of the Plan in this Order shall not diminish or impair the effectiveness of such provision, as the Plan is approved and confirmed in its entirety. Each provision of the Plan shall be deemed authorized and approved by this Order and shall have the same binding effect of every other provision of the Plan, whether or not mentioned in this Order. In the event of any inconsistencies between the Plan and this Order, this Order shall govern. Any claims, demands, rights and causes of action that the Debtors or their estates hold are expressly retained and reserved for enforcement by the Post-Confirmation Debtor in conjunction with the Plan Administrator, and therefore no preclusion doctrine, including, without limitation,

the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel or laches shall apply to the claims, demands, rights and causes of action held by the Debtors or their estates upon or after confirmation or consummation of the Plan.

6. Appointment of Plan Administrator. In accordance with the Plan, the Debtors and the Committee, as co-proponents of the Plan, shall appoint Robert L. Pressman as Plan Administrator, who shall be deemed the sole shareholder, officer and director of the Post-Confirmation Debtor. The Plan will be administered by the Plan Administrator and all actions taken thereunder in the name of the Post-Confirmation Debtor shall be taken through the Plan Administrator. On the Effective Date, the Plan Administrator shall begin acting for the Post-Confirmation Debtor in the same fiduciary capacity as applicable to a board of directors, subject to the provisions of the Plan. Without the need for further approval of this or any court, the initial Plan Administrator shall be entitled to compensation and reimbursement for his actual and necessary expenses incurred in connection with the performance of his duties in accordance with the Plan. The Plan Administrator shall not be liable for any action he takes or omits to take that he believes in good faith to be authorized or within his rights or powers. All distributions to be made to Creditors under the Plan shall be made by the Plan Administrator, who shall deposit and hold all Cash in trust for the benefit of Creditors (including Professionals) receiving distributions under the Plan. The duties and powers of the Plan Administrator include such duties as provided for under Section 5.2 of the Plan, and shall be undertaken in consultation with the Post-Effective Date Committee. The Plan Administrator may be removed (i) by the Post-Effective Date Committee; or (ii) or by the Bankruptcy Court, upon application for good cause shown. In the event of the resignation or removal, death or incapacity of the Plan Administrator, the Post-Effective Date Committee shall designate another Person to become Plan Administrator, and

thereupon the successor Plan Administrator, without any further act, shall become fully vested with all of the rights, powers, duties and obligations of his or her predecessor.

7. Appointment of Post-Effective Date Committee. The Post-Effective Date Committee shall consist of three (3) members, shall be selected by the existing Committee, in consultation with the Debtors, and shall come into existence on the Effective Date for the purpose of overseeing the activities of the Plan Administrator. The Post-Effective Date Committee shall be entitled to consult with Professionals retained and/or engaged by the Plan Administrator, provided, however that if a conflict should arise between the Post-Effective Date Committee and the Plan Administrator, the Post-Effective Date Committee shall be entitled to retain its own Professionals and the Plan Administrator shall pay all fees and expenses incurred by such Professionals consistent with Article 5.7(b) of the Plan.

8. Dissolution of the Committee. The Committee shall dissolve upon the Effective Date and its members shall be released and discharged from all further authority, duties, responsibilities and obligations relating to or arising from the Chapter 11 Cases.

9. Professional Fees and Expenses Incurred Prior to the Effective Date. Each Professional Person retained or requesting a compensation in these Chapter 11 Cases, pursuant to Section 327, 328, 330, 331 or 503(b) of the Bankruptcy Code, in connection with fees incurred prior to the Effective Date, shall file an application for allowance of final compensation and reimbursement of expenses in the Chapter 11 Case before the sixtieth (60th) day after the Effective Date. Objections to such applications, if appropriate, must be filed on or before the twentieth (20th) day after the date such application is filed.

10. Professional Fees and Expenses Incurred Subsequent to the Effective Date. Professionals that perform post-Effective Date services for the Plan Administrator and/or the

Post-Effective Date Committee shall provide monthly invoices to the Plan Administrator, the Post-Effective Date Committee and counsel to the Debtors describing the services rendered, and the fees and expenses incurred in connection therewith, on or before the 20th day following the end of the calendar month during which such services were performed. Professionals who timely tender such invoices shall be paid by the Plan Administrator for such services from the Plan Expense Reserve Fund not less than fifteen (15) days after the submission of said monthly invoices, unless, within said fifteen (15) day period, a written objection to such payment is made by the Plan Administrator, the Post-Effective Date Committee, or counsel to the Debtors. To the extent a written objection to a Professional's monthly invoice cannot be resolved by the parties, payment of such invoice, shall be made only upon Final Order of the Bankruptcy Court.

11. Preservation of Rights of Action. On the Effective Date, any right, Claim or cause of action, belonging to the Debtors or their estate against any Person or Entity, including without limitation, any claim to avoid a transfer under Section 544, 547, 548, 549 or 553(b) of the Bankruptcy Code that was not previously released by the Debtors shall be retained by the Post-Confirmation Debtor, to the extent not previously adjudicated, assigned and/or released. The Plan Administrator shall pursue, settle or release all reserved rights of action, as appropriate, in accordance with the best interests of and for the benefit of the Creditors entitled to receive distributions under the Plan. The Plan Administrator, after consultation with the Post-Effective Date Committee, shall be entitled to settle any such rights of action without further order of the Bankruptcy Court, but shall be entitled to seek such authorization in his or her discretion.

12. Plan Classification Controlling. The classification of Claims and Interests for purposes of distributions to be made under the Plan shall be governed solely by the terms of the Plan. The classifications set forth on the Ballots tendered to or returned by the holders of Claims

in connection with voting on the Plan (a) were set forth on the Ballots solely for the purpose of voting to accept or reject the Plan, (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims under the Plan for distribution purposes, (c) may not be relied upon by any Creditors as representing the actual classification of such Claims under the Plan for distribution purposes, and (d) shall not be binding on the Debtors and, after the Effective Date, the Plan Administrator or the Post-Confirmation Debtor for purposes other than voting on the Plan. Any proposed reclassification of a Claim shall be subject to notice and a hearing.

13. Distributions and Disputed Claims. The provisions in the Plan governing Distributions (including, without limitation, Article 6 of the Plan) and the resolution of any disputed claims are found to be fair and reasonable and are approved. All distributions under the Plan shall be made in accordance with the terms of the Plan.

14. Treatment Is in Full Satisfaction. The treatment of and consideration to be received by holders of Allowed Claims and Interests pursuant to the Plan shall be in full and complete satisfaction, settlement, release and discharge of such Claims and Interests, but shall not impact the ability of the holder of such claim or interest to assert such claim or interest against any non-Debtor. The Debtors' obligations in respect of such Claims and Interests shall be satisfied in accordance with the terms of the Plan.

15. Unclaimed Property. If any distribution remains unclaimed for a period of ninety (90) days after it has been delivered (or attempted to be delivered) in accordance with the Plan to the holder entitled thereto, such unclaimed property shall be deemed forfeited by such holder, whereupon all right, title and interest in and to the unclaimed property as well as any further

distribution to such Creditor shall be forfeited by the Creditor and held by the Plan Administrator to be distributed to other Creditors in accordance with this Plan.

16. Extinguishment of Claims and Interests. Except as provided in the Plan, the rights afforded in and the payments and distributions to be made under the Plan shall terminate all Interests and discharge all existing debts and Claims of any kind, nature or description whatsoever against or in the Debtors or any of their assets or properties to the fullest extent permitted by Section 1141 of the Bankruptcy Code. Except as provided in the Plan, upon the Effective Date, all existing Claims against the Debtors and Interests shall be, and shall be deemed to be, discharged and terminated, and all holders of such Claims and Interests shall be precluded and enjoined from asserting against the Post-Confirmation Debtor, its successors or assignees, or any of its assets or properties, any other or further Claim or Interest based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder has filed a proof of claim or proof of interest and whether or not the facts or legal bases therefor were known or existed prior to the Effective Date.

17. Rejection of Executory Contracts and Leases Pursuant to Confirmation Order and Plan. Any and all pre-Petition Date leases or executory contracts not previously rejected by the Debtor, unless specifically assumed pursuant to order(s) of the Bankruptcy Court prior to the Confirmation Date; or the subject of a pending motion on the Confirmation Date to either assume, or assume and assign, such lease or executory contact shall be deemed rejected by the Debtor on the Confirmation Date. Pursuant to Article 7.2 of the Plan, all proofs of claim with respect to claims arising from the rejection of executory contracts or leases shall, unless another order of the this Court provides for an earlier date, be filed with this Court within thirty (30) days after the entry of this Order. Any proof of claim that is not timely filed shall be released,

discharged and forever barred from assertion against the Debtors, their estate or property, or the Post-Confirmation Debtor.

18. Binding Effect of Plan. Subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Plan shall bind the Debtors, the Post-Confirmation Debtor and any holder of a Claim against, or Interest in, the Debtors and such holder's respective successors and assigns, whether or not the Claim or Interest of such holder is Impaired under the Plan and whether or not such holder has accepted the Plan. This Order and the Plan shall also bind any taxing authority, recorder of deeds or similar official for any county, state, or governmental unit in which any instrument related to the Plan or related to any transaction contemplated under the Plan is to be recorded with respect to any taxes of the kind specified in Section 1146(a) of the Bankruptcy Code.

19. Substantive Consolidation. On the Effective Date and automatically and without further action, (a) each of the Debtors shall be deemed merged and substantially consolidated into the Post-Confirmation Debtor, and (b) the Plan Administrator shall be deemed the sole shareholder, officer and director of the Post-Confirmation Debtor. The Plan will be administered by the Plan Administrator and all actions taken thereunder in the name of the Post-Confirmation Debtor shall be taken through the Plan Administrator.

20. Vesting of Assets Free and Clear. Upon the Effective Date, pursuant to section 1141(b) and (c) of the Bankruptcy Code, all Property of the Debtors, including, but not limited to, the rights of the Debtors pursuant to the APA and the TSA, shall vest in the Post-Confirmation Debtor free and clear of all Claims, liens, encumbrances, charges and other interests, except as provided in the Plan. From and after the Effective Date, the Post-Confirmation Debtor may use, acquire and dispose of property free of any restrictions of the

Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending case under any chapter or provision of the Bankruptcy Code.

21. Release of Liens. Except as otherwise provided in the Plan or in any contract, instrument or other agreement or document created in connection with the Plan, on the Effective Date, all mortgages, deeds of trust, liens or other security interests against the property of the Debtors' estate shall be released, and all the right, title and interest of any holder of such mortgages, deeds of trust, liens or other security interests shall revert to the Post-Confirmation Debtor and its successors and assigns.

22. Tax Exemption. Pursuant to Section 1146 of the Bankruptcy Code, the issuance, transfer or exchange of any security under the Plan or the making or delivery of any instrument of transfer pursuant to, in implementation of, or as contemplated by, the Plan or the revesting, transfer or sale of any real or personal property of the Debtors pursuant to, in implementation of, or as contemplated by, the Plan shall not be taxed under any state or local law imposing a stamp tax, transfer tax or similar tax or fee.

23. Setoffs and Recoupment. The Plan Administrator may, but shall not be required to, set off against any Claim and the payments to be made pursuant to this Plan in respect of such Claim, Claims of any nature whatsoever that the Debtors or their estate may have against the Creditor, but neither the failure to do so nor the allowance of a Claim hereunder shall constitute a waiver or release by the Debtors or their estate of any Claim it may have against the Creditor.

24. Cancelation of Securities, Instruments, and Any Other Agreements Evidencing Claims and Interests. Upon the occurrence of the Effective Date, except as otherwise provided in the Plan or this Order, all promissory notes, shares, certificates, instruments, indentures, stock or agreements evidencing, giving rise to or governing any Claim or Interest shall be deemed

canceled and annulled without further act or action under any applicable agreement, law, regulation, order or rule; the obligations of the Debtors under such promissory notes, share certificates, instruments, indentures or agreements shall be discharged and the holders thereof shall have no rights against the Debtors, the estates, the Plan Administrator, the Post-Effective Date Committee, and/or the Post-Confirmation Debtor; and such promissory notes, share certificates, instruments, indentures or agreements shall evidence no such rights, except the right to receive the distributions provided for in the Plan.

25. Effectuating Documents; Further Transactions. The Debtors, the Plan Administrator and/or the Post-Confirmation Debtor are authorized and directed to execute, deliver, file or record any documents, contracts, instruments, releases and/or other agreements and take such other action as may be necessary to effectuate and further evidence the terms and conditions of the Plan.

26. Retention of Jurisdiction. Following the Confirmation Date and until such time as all payments and distributions required to be made and all other obligations required to be performed under this Plan have been made and performed by the Plan Administrator, the Bankruptcy Court shall retain jurisdiction as is legally permissible, including, without limitation, for the following purposes, in each case to the greatest extent permitted by applicable law:

(a) Claims. To determine the allowability, classification or priority of Claims against the Debtors upon objection by the Plan Administrator or any other party in interest.

(b) Injunctions, etc. To issue injunctions or take such other actions or make such other orders as may be necessary or appropriate to restrain interference with the Plan or its execution or implementation by any Person, to construe and to take any other action to enforce and execute the Plan, the Confirmation Order, or any other order of the Bankruptcy Court, to issue such orders as may be necessary for the implementation, execution, performance and consummation of the Plan and all matters referred to herein, and to determine all matters that may be pending before the Bankruptcy Court in the Chapter 11 Cases on or before the Effective Date with respect to any Entity.

(c) Professional Fees. To determine any and all applications for allowance of compensation and expense reimbursement of Professionals (including Professionals retained by the Plan Administrator or Post-Effective Date Committee) for periods before or after the Effective Date, as provided for in the Plan.

(d) Certain Priority Claims. To determine any Priority Claims, Administrative Claims, or any request for payment of Administrative Claims.

(e) Adversary Proceedings. To adjudicate any and all adversary proceedings, applications and contested matters that may be commenced or maintained pursuant to the Bankruptcy Code or this Plan.

(f) Dispute Resolution. To resolve any dispute arising under or related to (i) the implementation, execution, consummation or interpretation of the Plan and the making of distributions thereunder, including, without limitation, any dispute concerning payment of professional fees and expenses of the Plan Administrator and (ii) the APA, TSA or the collection of the Note.

(g) Leases and Executory Contracts. To determine any and all motions for the rejection, assumption or assignment of executory contracts or unexpired leases, and to determine the allowance of any Claims resulting from the rejection of executory contracts and unexpired leases.

(h) Actions. To determine all applications, motions, adversary proceedings, contested matters, actions, and any other litigated matters instituted prior to the closing of the Chapter 11 Cases, including any remands.

(i) General Matters. To determine such other matters, and for such other purposes, as may be provided in the Confirmation Order or as may be authorized under provisions of the Bankruptcy Code.

(j) Plan Modification. To modify the Plan under Section 1127 of the Bankruptcy Code, remedy any defect, cure any omission, or reconcile any inconsistency in the Plan or the Confirmation Order so as to carry out its intent and purposes.

(k) Aid Consummation. To issue such orders in aid of consummation of the Plan and the Confirmation Order notwithstanding any otherwise applicable non-bankruptcy law, with respect to any Entity, to the full extent authorized by the Bankruptcy Code.

(l) Implementation of Confirmation Order. To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated.

(m) Final Order. To enter a Final Order closing the Chapter 11 Case.

27. United States Trustee Fees. All outstanding amounts due under 28 U.S.C. § 1930 shall be paid by the Debtors on or before the Effective Date. Thereafter, the Post-Confirmation Debtor shall pay any statutory fees due pursuant to, *inter alia*, 28 U.S.C. § 1930(a)(6) when due or otherwise pursuant to an agreement between the Plan Administrator and the United States Department of Justice Office of the United States Trustee and such fees shall be paid until entry of a Final Decree or an order converting or dismissing the Chapter 11 Cases.

28. No Interference. No Person will be permitted to commence or continue any action or proceeding or perform any act to interfere with the implementation and consummation of the Plan or the payments or other distributions required to be made thereunder.

29. Conditions Precedent to Effectiveness of the Plan. The Plan shall not become effective unless and until the conditions set forth in Section 8.1 of the Plan are satisfied or waived pursuant to Section 8.2 of the Plan.

30. Exculpation. Except as otherwise provided by the Plan or this Confirmation Order, on the Effective Date to the extent permitted by applicable law, the Debtors, their directors, officers, members, employees and agents, the Committee and its members, and the Proponents' attorneys, financial advisors except Meridian (including such attorneys and financial advisors successors or assigns, and any direct or indirect members, managing members, owners, employees, officers, shareholders or directors), and Triton Equity Partners LLC, (including its successors or assigns, and any direct or indirect members, managing members, owners, employees, officers, shareholders or directors, including specifically Robert Pressman and Elizabeth Obloy), as court appointed Administrator and Wind Down Officers of the Debtors, shall be deemed released by each of them against the other, and by all holders of Claims or Interests, of and from any claims, obligations, rights, causes of action and liabilities for any act

or omission in connection with, or arising out of, the Chapter 11 Cases, including, without limiting the generality of the foregoing, all retentions, motions and applications, sales of assets, the Disclosure Statement, the pursuit of approval of the Disclosure Statement, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan provided, however, no such parties shall be discharged from obligations under the Plan or of any claim or cause of action arising from or related to acts or omissions which constitute willful misconduct, gross negligence, fraud or criminal conduct under the laws of the United States or any state or local authority. All such Persons, in all respects, shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan and under the Bankruptcy Code. Nothing in this Section 28 shall release or otherwise impair any claims against Meridian or claims against non-debtors on account of guarantees of the Debtor's obligations.

31. Injunction. Except as otherwise provided in the Plan, on and after the Confirmation Date, all Entities who have held, hold or may hold Claims against the Debtors or Interests in the Debtors are, with respect to any such Claims or Interests, permanently enjoined from and after the Confirmation Date from: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtors, the Post-Confirmation Debtor, any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Entities, or any property of any such transferee or successor; (b) enforcing, levying, attaching (including, without limitation, any pre-judgment attachment), collecting or otherwise recovering by any manner or means whether directly or indirectly, of any judgment, award,

decree or order against the Debtors, the Post-Confirmation Debtor, any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to any of the foregoing Entities; (c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtors, the Post-Confirmation Debtor, any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to any of the foregoing Entities and (d) taking any actions in any place and in any manner whatsoever that do not conform to or comply with the provisions of the Plan. Nothing in this Section 29 shall release or otherwise impair any claims against Meridian or claims against nondebtors on account of guarantees of the Debtor's obligations.

32. Notice of Entry of Confirmation Order. As soon as practicable after the Effective Date, the Debtors shall mail notice of the entry of this Order and of the occurrence of the Effective Date to all Creditors that received the Solicitation Package, all Professionals retained in this case, and any known party affected by the rejection of executory contracts and unexpired leases addressed herein who had not previously had their executory contract and unexpired lease rejected by the Debtors. The notice shall set forth the Final Administrative Claims Bar Date, the deadlines for filing Professional Fee Claims and claims for rejection damages, identify the date that is the Effective Date, and provide such other information as may be appropriate to implement the Plan, and such notice shall constitute adequate and sufficient notice of the post-Confirmation filing deadlines set forth herein.

33. Post-Confirmation Modifications of the Plan. The Proponents, or following the Effective Date, the Plan Administrator, with the consent of the Post-Effective Date Committee, may, subject to approval of the Bankruptcy Court without notice to holders of Claims and Interests, insofar as it does not materially and adversely affect the interest of holders of Claims,

alter, amend or modify the Plan in such a manner and to such extent as may be necessary to expedite consummation of this Plan. The Plan may be altered or amended after the Confirmation Date by the Plan Administrator, with the consent of the Post-Effective Date Committee, in a manner which, in the opinion of the Bankruptcy Court, materially and adversely affects holders of Claims, provided that such alteration or modification is made after a hearing as provided in Section 1127 of the Bankruptcy Code.

34. Withdrawal or Revocation of the Plan. The Proponents shall each have the right to revoke or withdraw the Plan prior to the Effective Date. If the Proponents revoke or withdraw the Plan, then the result shall be the same as if this Order had not been entered and the Effective Date had not occurred.

35. Modification of Confirmation Order. If any or all of the provisions of this Order are hereafter modified, vacated, or reversed by subsequent order of this or any other court, such reversal, modification, or vacation shall not affect the validity of the obligations incurred or undertaken under or in connection with the Plan prior to the Debtors' and the Plan Administrator's receipt of written notice of any such order; nor shall such reversal, modification or vacation of this Order affect the validity or enforceability of such obligations. Notwithstanding any reversal, modification or vacation of this Order, any such obligation incurred or undertaken pursuant to and in reliance on this Order prior to the effective date of such reversal, modification or vacation shall be governed in all respects by the provisions of this Order, the Plan and all documents, instruments and agreements related thereto or any amendments or modifications thereto.

36. Final Order. This Order is a Final Order and the period in which an appeal must be filed shall commence upon the entry hereof.

Dated: August 24, 2011
New York, New York

s/Arthur J. Gonzalez
CHIEF UNITED STATES BANKRUPTCY JUDGE