

UNITED STATES BANKRUPTCY COURT		District of Delaware	PROOF OF CLAIM
Name of Debtor: ALC OF COLORADO LLC		Case Number: 11-13858	<p style="text-align: center;">COURT USE ONLY</p> <input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.			
Name of Creditor (the person or other entity to whom the debtor owes money or property): EDWARD M. THOMAS, LLC			
Name and address where notices should be sent: Edward M. Thomas, LLC c/o Andrew Spiegel, PC 2727 Pine Street, Suite 3, Boulder, CO 80302		<div style="font-size: 2em; font-weight: bold; margin: 0;">RECEIVED</div> <div style="font-size: 1.5em; font-weight: bold; margin: 0;">JAN 30 2012</div> <div style="font-size: 1.5em; font-weight: bold; margin: 0;">BMC GROUP</div>	<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.
Telephone number: (303) 473-9103 email: andrewspiegelpc@gmail.com			Filed on: _____
Name and address where payment should be sent (if different from above):			
Telephone number: _____ email: _____			
1. Amount of Claim as of Date Case Filed: \$ <u>250,000.00</u> If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.			
2. Basis for Claim: <u>Default under Settlement Agreement-copy attached</u> (See instruction #2)			
3. Last four digits of any number by which creditor identifies debtor: _____		3a. Debtor may have scheduled account as: _____ (See instruction #3a)	3b. Uniform Claim Identifier (optional): _____ (See instruction #3b)
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____	
Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____		Basis for perfection: _____	
Value of Property: \$ _____		Amount of Secured Claim: \$ _____	
Annual Interest Rate _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		Amount Unsecured: \$ _____	
5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.			
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).		<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).	
<input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).		<input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).	
		<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).	
		<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)(____).	
		Amount entitled to priority: \$ _____	
*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.			
6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)			



7. Documents: Attached are **redacted** copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and **redacted** copies of documents providing evidence of perfection of a security interest are attached. *(See instruction #7, and the definition of "redacted".)*

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

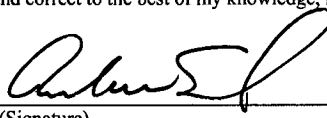
8. Signature: (See instruction #8)

Check the appropriate box.

- I am the creditor.
 I am the creditor's authorized agent.
 I am the trustee, or the debtor,
 I am a guarantor, surety, indorser, or other codebtor.
 (Attach copy of power of attorney, if any.)
 or their authorized agent.
 (See Bankruptcy Rule 3005.)
 (See Bankruptcy Rule 3004.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Andrew Spiegel
 Title: Attorney
 Company: Andrew Spiegel, P.C.
 Address and telephone number (if different from notice address above): _____


 (Signature) _____ (Date) 01/25/2012

Telephone number: _____ email: _____

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:
 Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

Creditor's Name and Address:
 Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:
 State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:
 State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:
 State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:
 Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:
 If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:
 Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a):
 If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:
 An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:
 Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

8. Date and Signature:
 The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, attach a complete copy of any power of attorney, and provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

<p>DISTRICT COURT, COUNTY OF BOULDER, COLORADO</p> <p>P.O. Box 4249, Boulder CO 80306 1777 6th Street, Boulder, CO 80302</p>	<p>▲ COURT USE ONLY ▲</p>
<p>Plaintiff: EDWARD M. THOMAS, LLC</p> <p>v.</p> <p>Defendant(s): ALC-BOULDER, LLC k/n/a PS-BOULDER, LLC, Delinquent December 1, 2008, and, ALC-PARTNER, INC. a/k/a ALC-PARTNER II, LLC, a/k/a ALC-PARTNER, LLC</p>	
<p><u>Attorneys for Plaintiff</u> Andrew Spiegel, Reg. No. 18305 Andrew Spiegel, P.C. 2727 Pine Street, Suite 3 Boulder, CO 80302 Phone: 303-473-9103 E-Mail: andrewspiegelpc@gmail.com</p> <p><u>Attorneys for Defendants ALC of Colorado, LLC and ALC-Partner, LLC</u> Jeffrey R. Pilkington, Reg. No. #019149 Jordan Lipp, #034672 DAVIS GRAHAM & STUBBS LLP 1550 Seventeenth Street, Suite 500 Denver, Colorado 80202 Phone: 303.892.9400 Fax: 303.893.1379 E-mail: jeff.pilkington@dgsllaw.com jordan.lipp@dgsllaw.com</p>	<p>Case No. 2010cv1086</p> <p>Div.:</p> <p>Ctrm.:</p>

**CONFIDENTIAL FULL, FINAL, AND COMPLETE
MUTUAL RELEASE OF ALL CLAIMS AND
SETTLEMENT AGREEMENT**

Plaintiff Edward M. Thomas, LLC (hereinafter "Thomas") and ALC of Colorado LLC on

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behalf of itself and ALC-Boulder, LLC, and ALC-Partner, Inc., hereby enter into this Confidential Full, Final, and Complete Mutual Release of All Claims and Settlement Agreement [hereinafter "Agreement"].

WHEREAS, ALC-Boulder, LLC, executed a lease for commercial retail space located at 2995 Baseline Road, Suite 102, Boulder, Colorado 80303 (hereinafter the "Lease"); and

WHEREAS, ALC-Boulder, LLC, vacated the premises and no longer occupies the same; and

WHEREAS, Thomas filed a lawsuit against ALC-Boulder, LLC, and ALC-Partner, Inc. [hereinafter the "Action"], alleging various breaches of contract against ALC-Boulder, LLC, and ALC-Partner, Inc.; and

WHEREAS, ALC-Boulder, LLC, and ALC-Partner, Inc., denied liability to Thomas, or any other person or entity arising out of or relating to the Lease or any other contract; and

WHEREAS, the parties engaged in court ordered mediation with Judge Borchers of the Legal Resolution Center on October 4, 2011 and reached a settlement and prepared and executed a Settlement Memorandum dated October 4, 2011 ("Settlement"), a copy of which is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the Settlement provided that the parties will execute a formal, mutual release that incorporates the terms of the Settlement and releases all claims against the ALC entities and any of their affiliated or related entities; and

WHEREAS, ALC of Colorado LLC, pursuant to the parties' Settlement, has accepted liabilities under this Lease and for purposes of this Lease only; and

WHEREAS, ALC of Colorado LLC has entered this Agreement on behalf of ALC-Boulder, LLC, and ALC-Partner, Inc., solely to prevent any further litigation relating to this

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Lease; and

WHEREAS, Thomas and ALC of Colorado LLC desire to compromise, settle, and extinguish all claims arising out of the Lease, without costs to or admissions of fault by any party to this Agreement.

NOW, THEREFORE, Thomas and ALC of Colorado LLC execute this Agreement in mutual consideration of and for all of its terms, conditions, warranties, and representations.

1. Mutual Release and Discharge

a. In consideration for the payment of the sum of \$97,500.00 through installment payments described in paragraph 4 of this Agreement and for other good and valuable consideration, Thomas and ALC of Colorado LLC hereby mutually release and forever discharge one another and their dependents, insurers, beneficiaries, heirs, predecessors and successors in interest, executors, administrators, agents, representatives, guardians, successors, assigns, past, present, and future officers, directors, attorneys, principals, agents, servants, trustees, representatives, employees, insurers, dealers, distributors, suppliers, shareholders, subsidiaries, affiliates, parent and sister corporations, partners, and all other persons, firms, corporations, governmental entities and other entities of and from any and all past, present, and future claims, demands, obligations, liabilities, lawsuits, verdicts, judgments, actions, or causes of action in any way arising out of or related to any alleged breach of the Lease or any other contract by any party [hereinafter collectively referred to as "claims"], including without limitation any claims known or unknown to any party to this agreement, but expressly excluding any and all performance due pursuant to the parties' settlement.

b. Thomas and ALC of Colorado LLC specifically understand and agree

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that this Agreement contemplates and effectuates the mutual release and discharge of all claims for any alleged breach of contract alleged in the Action.

c. Thomas and ALC of Colorado LLC specifically understand and agree that ALC of Colorado LLC is not responsible for any payments to or on behalf of Thomas or any other person or entity other than as specified in paragraph 4 of this Agreement. Specifically, ALC of Colorado LLC is not responsible for payment of any fees and expenses, liens, and costs of any kind incurred by or on behalf of Thomas as a result of or in connection with the Lease or this Action, including any attorney and expert fees and litigation costs of any kind.

2. **Warranties and Representations**

a. Thomas and ALC of Colorado LLC warrant and represent that they have investigated to their complete satisfaction all claims and all facts, circumstances, and allegations arising out of the Lease, and that they have knowingly and voluntarily agreed to enter into this Agreement despite the possibility that their decision may have been materially affected by claims or by facts, circumstances, or allegations which they erroneously believe to be true or which they do not know or have reason to know for any reason, including without limitation the ignorance, mistake, inadvertence, neglect or negligence of any party or non-party or any attorney, expert, consultant, representative, or agent of any party or non-party.

b. Thomas and ALC of Colorado LLC warrant and represent that they have fully read this Agreement, that they have fully discussed all the terms, conditions, and consequences of this Agreement with their attorneys and that they completely understand and voluntarily accept all the terms, conditions, and consequences of this Agreement.

c. Thomas and ALC of Colorado LLC warrant and represent that no promise or inducement has been offered, made, or accepted by anyone in connection with this

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Agreement except for the mutual covenants expressly set forth herein, and that they have accepted and executed this Agreement without reliance upon any statements, claims, or representations made by the released parties or their attorneys, consultants, representatives, or agents.

d. Thomas and ALC of Colorado LLC warrant and represent that they understand and accept that this Agreement is a compromise of disputed claims, and that neither the fact of this Agreement nor the payments specified in paragraph 4 shall constitute or shall be construed as an admission of fault or as a determination of liability on the part of any party to the Action or to this Agreement, which have at all times denied and continue to deny any liability.

e. Thomas and ALC of Colorado LLC warrant and represent that they have the sole right and exclusive authority to execute this Agreement.

f. Thomas and ALC of Colorado LLC warrant and represent that all expenses arising to date out of the Lease have been or will be paid out of the proceeds of this settlement without further cost, obligation, or liability to the parties.

3. Confidentiality

a. Thomas and ALC of Colorado LLC understand and agree that the amount of the payments specified in paragraph 4 of this Agreement shall be kept strictly confidential by and between the parties hereto, so long as the terms set forth in paragraph 4 are met, and that neither of the parties to this Agreement nor their attorneys, representatives, or agents shall disclose or discuss those amounts with any person or entity not a party to this Agreement without the prior written consent of the released parties, and then only in a manner so as to best preserve confidentiality.

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b. Notwithstanding subparagraph 3(a) of this Agreement, Thomas and ALC of Colorado LLC may disclose the terms of this Agreement in response to compulsory process (such as a subpoena or otherwise) issued from a court of competent jurisdiction, provided that the parties shall give written notice of the anticipated disclosure within forty eight (48) hours of service upon the party of compulsory process and before disclosure is made so as to give any of the released parties an opportunity to challenge or object to the disclosure. Any written notice sent in accordance with this paragraph to Thomas shall be given to Thomas's counsel of record in this case, and any written notice sent in accordance with this paragraph to ALC of Colorado LLC shall be sent to Brian J. Pousson, Bowman and Brooke LLP, 150 South Fifth Street, Suite 3000, Minneapolis, MN 55402.

c. Notwithstanding subparagraph 3(a) of this Agreement, Thomas and ALC of Colorado LLC agree that should ALC of Colorado LLC fail to meet the requirements set forth in paragraph 4, Thomas may then file this Agreement with the Court for purposes of enforcing the terms of this Agreement, thereby disclosing the terms set forth herein. Such process is governed by the terms fully set forth in paragraph 4.

d. Notwithstanding subparagraph 3(a) of this Agreement, Thomas and ALC of Colorado LLC may disclose the amount of the settlement to their accountant/tax preparer and/or financial consultant for the purpose of reporting income or taxes or other confidential financial planning purpose.

4. Payment

a. In consideration of the release, indemnity, warranties, promises, conditions, and other provisions in this Agreement, ALC of Colorado LLC will pay to Thomas the sum of \$97,500.00 by check to Thomas as follows:

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(i) On or about January 5, 2012, ALC of Colorado LLC shall pay Thomas SEVENTEEN THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$17,500.00);

(ii) On or before February 2, 2012, ALC of Colorado LLC shall pay Thomas TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00);

(iii) On or before March 1, 2012, ALC of Colorado LLC shall pay Thomas TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00);

(iv) On or before April 5, 2012 ALC of Colorado LLC shall pay Thomas TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00);

(v) On or before May 3, 2012, ALC of Colorado LLC shall pay Thomas TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00);

(vi) On or before June 7, 2012, ALC of Colorado LLC shall pay Thomas TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00);

(vii) On or before July 5, 2012, ALC of Colorado LLC shall pay Thomas TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00);

(viii) On or before August 6, 2012, ALC of Colorado LLC shall pay Thomas TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00); and

(ix) On or before September 6, 2012, ALC of Colorado LLC shall pay Thomas TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00).

b. Said payments shall be made payable to Edward M. Thomas, LLC, and forwarded to the offices of Andrew Spiegel, Andrew Spiegel, P.C., 2727 Pine Street, Suite 3, Boulder, CO 80302.

c. In the event ALC of Colorado LLC fails to timely make any of the

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payments set forth in paragraph 4(a) of this Agreement, Thomas shall give ten (10) days written notice to ALC of Colorado LLC at the following address: Brian J. Pousson, Bowman and Brooke LLP, 150 South Fifth Street, Suite 3000, Minneapolis, Minnesota 55402. Upon receipt of such notice, ALC of Colorado LLC shall have ten (10) days to cure such a default. ALC of Colorado LLC is entitled to cure no more than two defaults. If ALC has previously cured two untimely payments, and thereafter fails to make a timely payment in accordance with the schedule of payments set forth in paragraph 4(a) of this Agreement, Thomas may, without further notice to ALC of Colorado, LLC, re-open this Action and seek entry of default judgment to enforce the terms of this Agreement in the amount of TWO HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$250,000.00), less any amounts already paid in accordance with the terms of paragraph 4(a) of this Agreement. ALC of Colorado LLC agrees not to contest liability in such amount in such an action to enforce this Agreement.

d. If ALC of Colorado LLC fails to cure a default within ten (10) days of receiving the notice provided for in paragraph 4(c) of this Agreement, Thomas may seek to re-open this action and seek entry of default judgment to enforce the terms of this Agreement in the amount of TWO HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$250,000.00), less any amounts already paid in accordance with the terms of paragraph 4 of this Agreement. ALC of Colorado LLC agrees not to contest liability in such amount in such an action to enforce this Agreement.

e. Within fourteen days of completion of the payments set forth in paragraph 4(a) of this Agreement, Thomas shall dismiss the Action with prejudice.

5. Other Provisions

a. This Agreement and the exhibits contain the entire agreement between



the parties, and no part of this Agreement shall be modified, amended, or waived in any respect, except by a written instrument executed by all the parties. In the event of a conflict between the terms of this Agreement and Exhibit 1, the terms of Exhibit 1 shall control.

b. This Agreement shall bind and inure to the benefit of the released and releasing parties, including without limitation the executors, administrators, personal representatives, heirs, successors, and assigns of each party.

c. This Agreement shall be construed and interpreted in accordance with the laws of the State of Colorado in effect on the date of this Agreement.

d. Each party shall bear its own respective costs, including but not limited to court costs and discretionary costs; attorney and other fees; and expenses associated with this Action.

e. Prior to or at the time this Agreement is executed, Thomas, agrees to provide ALC of Colorado LLC with a copy of W-9 forms for Edward M. Thomas, LLC, to facilitate prompt payment of the amounts reflected in paragraph 4 of this Agreement.

f. Prior to or at the time this Agreement is executed, Thomas and ALC of Colorado LLC agree to execute the Notice of Settlement and Stipulation to Vacate All Deadlines attached hereto as Exhibit B.

THE REMAINDER OF THIS PAGE WAS LEFT INTENTIONALLY BLANK:
SIGNATURES TO FOLLOW

AS

Edward M. Thomas LLC

By: 

Name: Edward M Thomas

Title: Owner

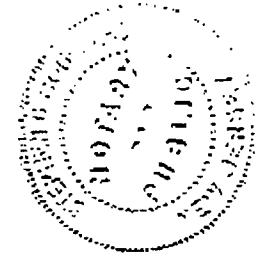
STATE OF ^{New Jersey} ~~COLORADO~~)
) ss.
COUNTY OF Somerset)

On this 14th day of November, 2011, before me, the undersigned Notary Public, personally appeared Edward M Thomas, to me personally known to be the person who executed the Agreement, and acknowledged that he has the authority to execute this Agreement and that he executed this Agreement as his free act and deed for the consideration set forth herein.


Notary Public

My commission expires:

STEPHEN D BOUFFARD
Notary Public
State of New Jersey
My Commission Expires Aug 17, 2018



ALC of Colorado LLC

By: Jessica Dadas Schulze

Name: Jessica Dadas Schulze

Title: Staff Attorney

STATE OF MICHIGAN)
) ss.
COUNTY OF OAKLAND)

On this 18th day of NOVEMBER, 2011, before me, the undersigned Notary Public, personally appeared Jessica Dadas Schulze, to me personally known to be the person who executed this Agreement, and acknowledged that she has the authority to execute this Agreement and that she executed this Agreement as her free act and deed for the consideration set forth therein.

[Signature]
Notary Public

My commission expires:



CHERYL J UPINA
Notary Public, State of Michigan
County of Macomb
My Commission Expires Aug 22, 2017
Acting in the County of OAKLAND

EXHIBIT A

SETTLEMENT MEMORANDUM

Edward M. Thomas, LLC (Plaintiff) and ALC of Colorado LLC (Defendants) on behalf of itself and named defendants are involved in litigation in Civil Action # 2010 CV 1086 in the Boulder District Court. The parties desire to settle the claims between them.

1. Defendants will pay to Plaintiff the sum of \$97,500.00 as full settlement of all claims. Payment will be made as follows:

First Installment: January 5, 2012 \$17,500.00

Subsequent Installments: 1st Thursday in February through September, 2012 \$10,000.00

If Defendants fail to pay, Defendants will be entitled to a notice to cure and ten calendar days in which to pay the installment. If a payment is not cured, Plaintiff may seek entry of default judgment in the amount of \$250,000.00. Defendants will be entitled to cure no more than two defaults.

2. Plaintiff will dismiss its lawsuit with prejudice when payments are completed.

3. Each side shall pay its own attorney fees and costs.

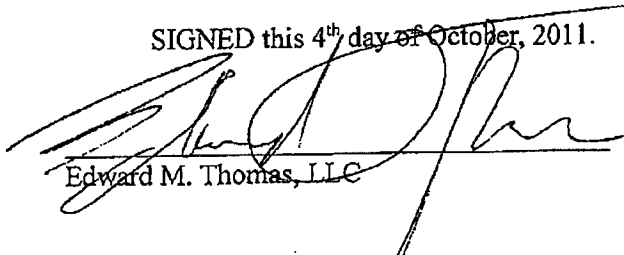
4. The terms of this settlement are confidential.

5. Each side will pay its share of the mediation costs.

6. This settlement is conditioned upon the parties executing a formal, mutual release that incorporates this settlement and releases all claims against the ALC entities and any of their affiliated or related entities. Counsel for Defendants will draft the mutual release by October 14, 2011.

7. Parties shall file a stipulation that the case has settled, requests for vacation of the trial date, and will request that the case be closed subject to re-opening for enforcement of settlement.

SIGNED this 4th day of October, 2011.


Edward M. Thomas, LLC


ALC of Colorado LLC

EXHIBIT B

<p>DISTRICT COURT, COUNTY OF BOULDER, COLORADO</p> <p>P.O. Box 4249, Boulder CO 80306 1777 6th Street, Boulder, CO 80302</p>	<p>▲ COURT USE ONLY ▲</p>
<p>Plaintiff: EDWARD M. THOMAS, LLC</p> <p>v.</p> <p>Defendant(s): ALC-BOULDER, LLC k/n/a PS-BOULDER, LLC, Delinquent December 1, 2008, and, ALC-PARTNER, INC. a/k/a ALC-PARTNER II, LLC, a/k/a ALC-PARTNER, LLC</p>	
<p><u>Attorneys for Plaintiff</u> Andrew Spiegel, Reg. No. 18305 Andrew Spiegel, P.C. 2727 Pine Street, Suite 3 Boulder, CO 80302 Phone: 303-473-9103 E-Mail: andrewspiegelpc@gmail.com</p> <p><u>Attorneys for Defendants ALC of Colorado, LLC and ALC-Partner, LLC</u> Jeffrey R. Pilkington, Reg. No. #019149 Jordan Lipp, #034672 DAVIS GRAHAM & STUBBS LLP 1550 Seventeenth Street, Suite 500 Denver, Colorado 80202 Phone: 303.892.9400 Fax: 303.893.1379 E-mail: jeff.pilkington@dgsllaw.com jordan.lipp@dgsllaw.com</p>	<p>Case No. 2010cv1086</p> <p>Div.:</p> <p>Ctrm.:</p>
<p>NOTICE OF SETTLEMENT AND STIPULATION TO VACATE ALL DEADLINES</p>	

Plaintiff Edward M. Thomas, LLC, and Defendants ALC-Boulder, LLC, and ALC-Partner, Inc., hereinafter collectively referred to as "the Parties," by and through their undersigned counsel, hereby notify the Court that the parties have reached an agreement to

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resolve this matter without further litigation.

1. The Parties have entered into a Confidential Settlement Agreement pursuant to the settlement reached in mediation.

2. It is the intent of the Parties that the terms and conditions of said Confidential Settlement Agreement shall be complied with by the end of September, 2012.

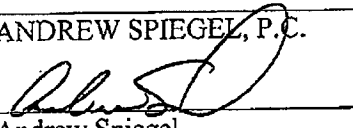
3. In light of the settlement and the expected payments, the parties hereby request that the Court (i) vacate all current deadlines including the trial date (set for December 12, 2011), and (ii) administratively close the case, subject to being reopened.

4. The parties will either (i) file a stipulation of dismissal with prejudice with the Court no later than October 1, 2012, or (ii) if the terms of the Confidential Settlement Agreement are not complied with, file a motion to enforce the settlement agreement.

WHEREFORE, the Parties respectfully request that the Court vacate all current deadlines and administratively close this case.

Stipulated as to form and content:

Dated: ^{NOVEMBER} ~~October~~ 15, 2011

ANDREW SPIEGEL, P.C.  Andrew Spiegel Attorney for Plaintiff	DAVIS GRAHAM & STUBBS, LLP Jeffrey R. Pilkington Jordan Lipp Attorneys for ALC of Colorado, LLC and ALC-Partner, LLC
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ANDREW SPIEGEL, P.C.
Attorney at Law
2727 Pine Street, Suite 3
Boulder, CO 80302
Tel: (303) 473-9103
Fax: (303) 473-9106
Email: andrewspiegelpc@gmail.com

TRANSMITTAL MEMO

TO: BMC Group, Inc.
FROM: Andrew Spiegel
DATE: January 25, 2012
RE: ALC of Colorado, LLC District of Delaware; Chapter 11 Case No. 11-12858

Enclosed, please find the following: Proof of Claim for Edward M. Thomas, LLC with attachment

Transmitted herewith:

- For your information and files
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Remarks: Please return the enclosed copy of the Proof of Claim with a file stamp in the self addressed stamped envelope provided. Should you have any questions, please contact me.

Best Regards.

ANDREW SPIEGEL P.C.
Attorney at Law
2727 Pine St. Ste 3
Boulder, CO 80302

ANDREW SPIEGEL, P.C.
ATTORNEY AT LAW
2727 PINE STREET, SUITE 3
BOULDER, CO 80302

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