IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	Chapter 11
	:	
ALSET OWNERS, LLC, *et al*.,[1]	:	Case No. 09-11960 (BLS)
	:	
	:	(Jointly Administered)
Debtors.	:	

MOTION OF DEBTORS PURSUANT TO SECTIONS 1125, 1126, 1128 AND 105 OF THE BANKRUPTCY CODE, BANKRUPTCY RULES 2002, 3017, 3018 AND 3020, AND LOCAL RULE 3017-1 FOR ORDER (A) APPROVING ADEQUACY OF DISCLOSURE STATEMENT, (B) ESTABLISHING PROCEDURES FOR SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT THE PLAN, (C) FIXING A RECORD DATE FOR DISTRIBUTION AND (D) FIXING DATE, TIME AND PLACE FOR CONFIRMATION HEARING

Alset Owners, LLC and its affiliates, debtors and debtors in possession (the "Debtors") in these Chapter 11 cases hereby file this motion (the "Motion") for entry of an order pursuant to sections 1125, 1126, 1128 and 105 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (the "Bankruptcy Code"), Rules 2002, 3017, 3018 and 3020 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 3017-1 of the Local Rules for the United States Bankruptcy Court for the District of Delaware (the "Local Rules") (a) approving the adequacy of the disclosure statement with respect to the Debtors' joint plan of liquidation, pursuant to section 1125 of the Bankruptcy Code, (b) establishing procedures for solicitation and tabulation of votes to accept or reject the proposed chapter 11 plan (as may be amended, the "Plan"), (c) fixing a record date for voting, and (d) fixing the date, time, and place to consider approval of the Plan, and respectfully state as follows:

[1] The Debtors and the last four digits of their respective tax identification numbers are: Alset Owners, LLC, a Delaware limited liability company (7520); Altes, LLC, a Delaware limited liability company (6927); Setla, LLC, a Delaware limited liability company (6752); and Checkers Michigan, LLC, a Delaware

PRELIMINARY STATEMENT[2]

1. The Debtors have sold substantially all of their assets to the Debtors' franchisor, Checkers Drive-In Restaurants, Inc., as assignee of Checkerco, Inc., an affiliate of the Debtors' franchisor (collectively, the "Buyer" or "Franchisor"), and other non-core assets on terms that have enabled the Debtors to propose a joint plan of liquidation (the "Plan"). The Debtors believe that this Plan not only comports with the requirements of the Bankruptcy Code, but is fair and reasonable to all constituents.

2. The Plan contemplates that the Debtors' estates should be substantively consolidated and that the Debtors' remaining assets will be transferred to a Liquidation Trust for liquidation and distribution. The proceeds of the sale of substantially all of the Debtors' assets to the Buyer, the proceeds of other non-core assets, along with certain causes of action, represent the remaining significant assets of the Debtors' estates. The Liquidation Trust will be overseen by a Liquidation Trustee. The Liquidation Trustee will, among other things, have the responsibility for objecting to and settling disputed claims, pursuing causes of action held by the Debtors and making distributions to creditors.

3. The purpose of this Motion is to, among other things, obtain approval of the Disclosure Statement, and the procedures for voting and tabulation and to set a timeline for voting on and confirming the Plan. The Debtors believe that the Disclosure Statement contains adequate information, and that the procedures and the proposed timeline are consistent with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules and are fair, reasonable, and sufficient.

JURISDICTION

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limited liability company (8016). The Debtors' service address is Altes, LLC/Setla, LLC, 1200 North Federal Highway, Boca Raton, FL 33432.

[2] Unless otherwise defined herein, capitalized terms shall have the meaning ascribed to them in the Plan.

4. This Court has jurisdiction over this case pursuant to 28 U.S.C. § 1334. This is a core proceeding under 28 U.S.C. § 157(b)(2)(A) and (0).

5. Venue of the Debtors' cases are proper in this district pursuant to 28 U.S.C. §§ 1408(1) and (2). The statutory predicates for the relief requested herein are §§ 105, 1125, 1126, and 1128 of the Bankruptcy Code, Bankruptcy Rules 2002, 3017, 3018, 3020, and Rule 3017-1 of the Local Rules.

Background

A. The Chapter 11 Filing

6. On June 5, 2009 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code

7. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

8. On July 31, 2009, each of the Debtors filed their schedules and statements of financial affairs (collectively, the "Schedules") with the Court.

9. The bar date for filing proofs of claim and motions for administrative expense claims is December 15, 2009 (the "Bar Date").

B. The Debtors And Debtors In Possession

10. Four separate Debtor entities filed for chapter 11 relief before this Court. Alset Owners, LLC ("Alset") is a holding company for the operating Debtors, Altes, LLC ("Altes") and Setla, LLC ("Setla"). Checkers Michigan, LLC ("Checkers Michigan") is a wholly owned subsidiary of Altes.

11. As of the Petition Date, Altes, a franchisee of the Rally's restaurant chain, operated several restaurants in various states, while Setla, also a franchisee of the Rally's restaurant chain, operated several restaurants in Ohio. Altes and Setla are wholly owned

subsidiaries of Alset. Checkers Michigan, a franchisee of the Checker's restaurant chain, operated several restaurants in Michigan but ceased operations at its locations prior to the Petition Date. None of the Debtors are publicly traded companies, nor have they issued any public debt.

C. Overview Of The Debtors' Business

12. Prior to the sale of substantially all of their assets, the Debtors were the largest franchisee of Checkers Drive-In Restaurants, Inc. the national Franchisor of the Rally's and Checkers' restaurant chains. Specifically, Debtors Altes and Setla operated Rally's restaurants in Arkansas, Missouri, Illinois, and Ohio. Checkers Michigan operated Checkers restaurants in Michigan but ceased operations there as of the Petition Date. Each of the Debtors' franchise locations was governed by the franchise agreements (the "Franchise Agreements") entered into between the Debtors and the Franchisor requiring, among other things, the Debtors to pay monthly royalties to the Franchisor.

13. Altes began operating on June 28, 2000 by purchasing 52 Rally's restaurant locations in Missouri, Illinois, Arkansas, and Virginia directly from the Franchisor. Six additional stores were opened by Altes from 2002 through 2006. Setla was formed approximately fifteen months later on October 15, 2001, when the owners of Altes decided to expand to the Ohio market. Setla acquired 64 Rally's locations from Snapp's Restaurants in October 2001. Three additional locations were opened by Setla from 2004 through 2006. Finally, in 2005, Checkers Michigan was formed to operate several stores in Michigan, a new market for the Debtor group. Initially, one Michigan restaurant with the Checkers brand was opened in December 2005, and later five additional Checkers restaurants were opened in 2006 and early 2007.

14. As a result of these various acquisitions and store openings, at their peak, in 2007, the Debtors collectively operated approximately 120 restaurants with the Rally's or Checkers brand in six states, and had over 2,500 employees.

15. The food service industry is highly competitive, with competitors varying in size from very small companies with limited resources to very large companies with significant financial, marketing, and product development resources. The competitive atmosphere, as well as the rise in food and labor costs, among other things, led the Debtors to restructure their operations starting in late 2007. As of the Petition Date, the Debtors operated 77 restaurants, down from their peak of about 120 restaurants in 2007.

D. Events Leading To Bankruptcy

16. The Debtors began exploring strategic alternatives for addressing their financial and operational challenges prior to the Petition Date as they were no longer able to operate at margins sufficient to cover expenses at many of their restaurants and struggled with liquidity and working capital demands. The Debtors embarked on a plan to evaluate the companies on a store by store basis and began to close down non-performing locations.

17. Commencing approximately four months prior to the Petition Date, the Debtors also explored several financing options with various lenders. However, in light of the Debtors' poor EBITDA numbers, none of the prospective lenders issued a commitment for financing.

18. In light of the continuing slowness in the economy together with increased costs, senior management realized that the Debtors could not sustain operations as a going concern without a substantial infusion of cash or a sale of the enterprise. Having exhausted efforts to raise money, the Debtors entered into serious discussions with the Franchisor and negotiated a sale of the assets as a going concern to preserve jobs, provide a source of recovery for creditors, and maintain the well-established reputation of the brands in the market place.

19. While sale discussions ensued, the parties entered into a Management Agreement dated March 5, 2009, which allowed the Franchisor to assist the Debtors in managing and stabilizing their operations. Ultimately, after several months of discussions and due diligence by the Franchisor, on June 5, 2009, the Debtors and the Buyer, an affiliate of the Franchisor, executed an asset purchase agreement pursuant to which the Buyer was to purchase substantially all of the Debtors' remaining stores in exchange for cash consideration and the assumption of various liabilities, including under the Franchise Agreement and various leases of real property.

E. The Sale Of The Debtor's Assets Pursuant To Section 363 Of The Bankruptcy Code

20. On June 19, 2009, the Debtors filed the Motion For Entry Of Orders Under 11 U.S.C. §§ 105(a), 363, And 365 And Federal Rules Of Bankruptcy Procedure 2002, 6004, 6006 And 9014 (I) (A) Approving Bidding And Auction Procedures, And Bidding Incentives For The Stalking Horse Bidder; (B) Approving Notice Procedures For The Solicitation Of Bids, An Auction, And The Assumption And Assignment Of Executory Contracts And Unexpired Leases; And (C) Scheduling An Auction And Sale Hearing For The Sale Of Substantially All Of Debtors' Assets; (II) Approving The Sale Of Substantially All Of The Debtors' Assets And Approving The Assumption And Assignment Of Executory Contracts And Unexpired Leases; And (III) Granting Related Relief (the "Sale Motion").

21. On July 7, 2009, the Court entered an order approving the Bidding Procedures Motion and scheduled an auction for August 24, 2009. The hearing to consider the Sale Motion was scheduled for August 26, 2009.

22. Praetorian Group, the Debtors sales advisor, marketed the Debtors' assets for sale to prospective purchasers. However, no qualified competing bids were received by the Debtors by the bid deadline and therefore no auction was held. The Committee filed an objection to the

sale and after discussions between the Debtors, the Committee, and the Buyer, the Buyer agreed to provide additional consideration to the Debtors' estates. On August 31, 2009, the Court entered an order authorizing the sale of assets to Buyer pursuant to the terms of the Asset Purchase Agreement.

23. The sale closed on August 31, 2009, under the following terms: (i) Buyer paid $1.8 million of Cash Consideration to the Debtors, and (ii) certain of the Debtors' real property leases and executory contracts were assumed and assigned to Buyer, with Buyer assuming all liabilities, including cure costs, with respect to assumed real property leases and executory contracts.

24. Also, the Debtors sold the Textron Collateral to the Buyer for $500,000 in full and final satisfaction of the Textron Loans. In addition, Textron agreed to waive their claims against the Debtors' estates. The purchase of the Textron Collateral was accomplished by a Stipulation between the parties which was approved on August 27, 2009. Similarly, the Debtors sold certain equipment of Leaf Funding to the Buyer pursuant to a letter agreement approved by the Sale Order.

RELIEF REQUESTED

25. By this Motion, the Debtors seek entry of an order substantially in the form attached hereto (the "Disclosure Statement Order") that:

(a) approves the Debtors' proposed disclosure statement under section 1125 of the Bankruptcy Code (the "Proposed Disclosure Statement"), the form of which is annexed to this Motion as Exhibit A, for the Debtors' Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, dated as of December 2, 2009, and annexed as an exhibit to the Proposed Disclosure Statement (as the same may be amended or modified, the "Plan");

(b) approves the form of notice of the disclosure statement hearing (the "Disclosure Statement Notice") that was transmitted to parties in interest in the form annexed to this Motion as Exhibit B;

(c) fixes a voting record date (the "Voting Record Date") for purposes of determining the holders of claims against, and interests in, the Debtors;

(d) approves the form of notice and objection procedures in respect of confirmation of the Plan (the "Confirmation Hearing Notice") in the form annexed to this Motion as Exhibit C, and sets the date for the hearing on confirmation of the Plan;

(e) approves the Solicitation Packages (as defined below) and procedures for distribution thereof;

(f) approves the forms of notices to non-voting classes under the Plan, annexed as Exhibit D to this Motion;

(g) approves the form of ballot, annexed as Exhibit E to this Motion, and establishes procedures for voting on the Plan;

(h) fixes the voting deadline for creditors to accept or reject the Plan (the "Voting Deadline"); and

(i) approves voting procedures and procedures for tabulating creditor votes.

BASIS FOR RELIEF REQUESTED

I. THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION AND SHOULD BE APPROVED

26. Pursuant to section 1125 of the Bankruptcy Code, a plan proponent must provide holders of impaired claims with "adequate information" regarding a debtor's proposed plan of reorganization. Section 1125(a)(1) of the Bankruptcy Code provides:

> "[A]dequate information" means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such hypothetical investor of the relevant class to make an informed judgment about the plan . . . .

11 U.S.C. § 1125(a)(1). Thus, a debtor's disclosure statement must provide information that is "reasonably practicable" to permit an "informed judgment" by impaired creditors entitled to vote on the plan. *See In re Zenith Electronics Corp.*, 241 B.R. 92, 99-100 (Bankr. D. Del. 1999); *See*

In re Dakota Rail, Inc., 104 B.R. 138, 142 (Bankr. D. Minn. 1989). A disclosure statement "must clearly and succinctly inform the average unsecured creditor what it is going to get, when it is going to get it, and what contingencies there are to getting its distribution." *In re Ferretti*, 128 B.R. 16, 19 (Bankr. D.N.H. 1991).

27. The bankruptcy court has broad discretion to determine the adequacy of the information contained in a disclosure statement. *See Mabey v. Southwestern Elec. Power Co. (In re Cajun Elec. Power Corp.),* 150 F.3d 503, 518 (5th Cir. 1998), *cert. denied,* 119 S. Ct. 2019 (1999); *In re Oxford Homes*, 204 B.R. 264 (Bankr. D. Me. 1997). Congress granted the courts discretion in order to facilitate effective reorganization of a debtor in the broad range of businesses in which chapter 11 debtors engage and the broad range of circumstances that accompany chapter 11 cases. *See* H.R. Rep. No. 595, 95th Cong., 1st Sess. 408-09 (1977); *see also In re Copy Crafters Quickprint Inc.*, 92 B.R. 973, 979 (Bankr. N.D.N.Y. 1988) (adequacy of disclosure statement "is to be determined on a case-specific basis under a flexible standard that can promote the policy of chapter 11 towards fair settlement through a negotiation process between informed interested parties"). As such, the determination of whether a disclosure statement contains adequate information is to be made on a case-by-case basis, focusing on the unique facts and circumstances of each case. *See In re Phoenix Petroleum Co.*, 278 B.R. 385, 393 (Bankr. E.D. Pa. 2001).

28. The Proposed Disclosure Statement annexed to this Motion as Exhibit A contains adequate information with respect to various topics, including, among other things, information with respect to: (a) the terms of the Plan; (b) certain events preceding the Debtors' cases; (c) the operation of the Debtors' business during the course of the cases; (d) estimates of the claims asserted or to be asserted against the Debtors' estates and the value of distributions to be received

by holders of such claims; (e) the risk factors affecting the Plan, (f) the method and timing of distributions under the Plan; (g) financial information that would be relevant to creditors' determinations of whether to accept or reject the Plan; (h) a liquidation analysis identifying the estimated return that creditors would receive if the Debtors' bankruptcy cases were cases under chapter 7 of the Bankruptcy Code; (i) the federal tax consequences of the Plan; and (j) appropriate disclaimers regarding the Court's approval of information only as contained in the Proposed Disclosure Statement.

29. Accordingly, the Debtors believe that the Proposed Disclosure Statement contains all or substantially all of the information typically considered by bankruptcy courts in order to meet the "adequacy requirements" and respectfully requests that the Court approve the Proposed Disclosure Statement as meeting the requirements of section 1125 of the Bankruptcy Code.

II. THE NOTICE OF THE HEARING TO CONSIDER THE PROPOSED DISCLOSURE STATEMENT SHOULD BE DEEMED ADEQUATE

A. Approval of the Notice of Disclosure Statement Hearing

30. Rule 3017(a) of the Bankruptcy Rules provides that:

> [A]fter a disclosure statement is filed in accordance with Rule 3016(b), the court shall hold a hearing on at least 25 days' notice to the Debtors, creditors, equity security holders and other parties in interest as provided in Rule 2002 to consider the disclosure statement and any objections or modifications thereto. The plan and the disclosure statement shall be mailed with the notice of the hearing only to the Debtors, any trustee or committee appointed under the Code, the Securities and Exchange Commission and any party in interest who requests in writing a copy of the statement or plan.

Fed. R. Bank. P. 3017(a).

31. Bankruptcy Rules 2002(b) and (d) require notice to all creditors, indenture trustees, and shareholders of the time set for filing objections to, and the hearing to consider the approval of, a disclosure statement. On or before December 4, 2009, the Debtors shall serve the

Disclosure Statement Notice, annexed to the Motion as Exhibit B and incorporated herein by reference, by electronic and/or first class mail to: (i) the United States Trustee for the District of Delaware (the "U.S. Trustee"), (ii) counsel to the Committee, (iii) the Internal Revenue Service, (iv) all persons or entities listed in the Schedules, (v) any other known holders of claims against or equity interests in the Debtors, and (vi) all parties that have requested notice in these cases pursuant to Bankruptcy Rule 2002.

32. The Disclosure Statement Notice provided that objections to the Proposed Disclosure Statement, if any, must (a) be in writing; (b) be in the English language; (c) state the name and address of the objecting party and the amount and nature of the claim or interest of such party; (d) state with particularity the basis and nature of any objection to the Disclosure Statement; and (e) be filed, together with proof of service, with the Court and served so that they are actually received by the following parties no later than January 6, 2010 at 4:00 p.m. (prevailing Eastern time): (i) counsel for the Debtors, Blank Rome LLP, The Chrysler Building, 405 Lexington Avenue, New York, New York, 10174-0208 (Attn: Michael Z. Brownstein and Rocco A. Cavaliere) and 1201 Market Street, Suite 800, Wilmington, Delaware 19801 (Attn: David W. Carickhoff), (ii) Klehr, Harrison, Harvey, Branzburg & Ellers, 919 Market Street, Suite 1000, Wilmington, Delaware 19801 (Attn: Joanne B. Wills), and (iii) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Jane M. Leamy).

33. The Debtors submit that they provided adequate notice of the Disclosure Statement Hearing and provided sufficient time for objections to the adequacy of the Disclosure Statement, and accordingly, the Debtors request that the Court find that the Disclosure Statement Notice was adequate.

III. ESTABLISHING NOTICE AND OBJECTION PROCEDURES IN RESPECT OF CONFIRMATION OF THE PLAN

A. Setting the Confirmation Hearing

34. Bankruptcy Rule 3017(c) provides:

> On or before approval of the disclosure statement, the court shall fix a time within which the holders of claims and interests may accept or reject the plan and may fix a date for the hearing on confirmation.

Fed. R. Bankr. P. 3017(c). In accordance with Bankruptcy Rules 2002(b) and 3017(c), and in view of the Debtors' proposed solicitation schedule outlined herein, the Debtors request that a hearing on confirmation of the Plan (the "Confirmation Hearing") be scheduled for February 22, 2010, which is 40 days after the Disclosure Statement Hearing. The Debtors also request that the Court order that the Confirmation Hearing may be adjourned or continued from time to time by the Court or the Debtors without further notice other than adjournments announced in open Court or as indicated in any notice of agenda of matters scheduled for hearing filed with the Court. The proposed date for the Confirmation Hearing is in compliance with the Bankruptcy Rules and the Local Rules and will enable the Debtors to pursue confirmation of the Plan in an efficient manner.

B. Establishing Procedures for Notice of the Confirmation Hearing and Filing Objections to Confirmation of the Plan

35. Bankruptcy Rules 2002(b) and (d) require not less than 25 days' notice to all creditors and equity security holders of the time fixed for filing objections and the hearing to consider confirmation of a chapter 11 plan. Pursuant to Bankruptcy Rule 3020(b)(1), objections to confirmation of a plan must be filed and served "within a time fixed by the court." Fed. R. Bank. P. 3020(b)(1).

36. In accordance with these rules, by January 16, 2010, the Debtors propose to provide a notice of the Confirmation Hearing (the "Confirmation Hearing Notice") annexed to this Motion as Exhibit C to all parties requesting notice under Bankruptcy Rule 2002, and all creditors and parties in interest listed in the Schedules and claims register.

37. The Confirmation Hearing Notice provides, and the Debtors request that the Court direct that, objections to confirmation of the Plan or proposed modifications to the Plan, if any, must (a) be in writing; (b) be in the English language; (c) state the name and address of the objecting party and the amount and nature of the claim or interest of such party; (d) state with particularity the basis and nature of any objection or proposed modification to the Plan; and (e) be filed, together with proof of service, with the Court and served so that they are actually received by the following parties no later than February 15, 2010 at 4:00 p.m. (Prevailing Eastern Time) (the "Confirmation Objection Deadline"): (i) counsel for the Debtors, Blank Rome LLP, The Chrysler Building, 405 Lexington Avenue, New York, New York, 10174-0208 (Attn: Michael Z. Brownstein and Rocco A. Cavaliere) and 1201 Market Street, Suite 800, Wilmington, Delaware 19801 (Attn: David W. Carickhoff), (ii) Klehr, Harrison, Harvey, Branzburg & Ellers, 919 Market Street, Suite 1000, Wilmington, Delaware 19801 (Attn: Joanne B. Wills), and (iii) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Jane M. Leamy).

38. Setting February 15, 2010, as the Confirmation Objection Deadline will provide parties in interest with over 30 days' notice of the Confirmation Objection Deadline and will afford the Debtors and other parties in interest sufficient time to consider the objections and proposed modifications and file any replies, while leaving the Court sufficient time to consider any such objections and replies before the Confirmation Hearing.

IV. FIXING THE VOTING RECORD DATE

39. Bankruptcy Rule 3017(d) provides that, for the purposes of soliciting votes in connection with the confirmation of a plan of reorganization, "creditors and equity security holders shall include holders of stock, bonds, debentures, notes and other securities of record on the date the order approving the disclosure statement is entered or another date fixed by the court, for cause, after notice and a hearing." Fed. R. Bankr. P. 3017(d). Bankruptcy Rule 3018(a) contains a similar provision regarding determination of the record date for voting purposes.

40. In accordance with these rules, the Debtors request that this Court set January 13, 2010, which is the date of the Disclosure Statement Hearing, as the "Record Date" for purposes of determining which creditors are entitled to vote on the Plan. In addition, the Debtors request that the Court establish the "Record Date" as the date for determining which creditors and equity interest holders in non-voting classes are entitled to receive an appropriate Notice of Non-Voting Status (as defined below).[3]

41. The Debtors believe that the Record Date (*i.e.*, January 13, 2010) is appropriate as such date exists in the determination of which creditors are entitled to vote on the Plan or, in the case of non-voting classes of creditors and equity interest holders, to receive the Notice of Non-Voting Status.

V. APPROVING SOLICITATION PACKAGES AND NOTICES OF NON-VOTING CLASSES AND PROCEDURES FOR DISTRIBUTION THEREOF

A. Distribution Of The Disclosure Statement And Solicitation Materials

[3] For purposes of Bankruptcy Rule 3002(e)(2), any transferor of a claim shall be deemed the holder of a transferred claim unless the 20 day period referenced in said Rule has expired by the Record Date with no timely objection having been filed.

42. Bankruptcy Rule 3017(d) sets forth the materials that must be provided to holders of claims and equity interests for the purpose of soliciting their votes and providing adequate notice of the hearing on confirmation of a plan of reorganization:

> Upon approval of a disclosure statement, — except to the extent that the court orders otherwise with respect to one or more unimpaired classes of creditors or equity security holders — the debtors in possession, trustee, proponent of the plan, or clerk as the court orders shall mail to all creditors and equity security holders, and in a chapter 11 reorganization case shall transmit to the United States trustee,
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> > (1) the plan or a court-approved summary of the plan;
> >
> > (2) the disclosure statement approved by the court;
> >
> > (3) notice of the time within which acceptances and rejections of the plan may be filed; and
> >
> > (4) any other information as the court may direct, including any court opinion approving the disclosure statement or a court-approved summary of the opinion.
>
> In addition, notice of the time fixed for filing objections and the hearing on confirmation shall be mailed to all creditors and equity security holders in accordance with Rule 2002(b), and a form of ballot conforming to the appropriate Official Form shall be mailed to creditors and equity security holders entitled to vote on the plan.

Fed. R. Bankr. P. 3017(d).

43. After the Court has approved the Proposed Disclosure Statement (as approved, the "Disclosure Statement") as containing adequate information under section 1125 of the Bankruptcy Code, the Debtors propose to mail or cause to be mailed solicitation packages (the "Solicitation Packages") by no later than January 16, 2010 (the "Solicitation Date") to (i) the U.S. Trustee, (ii) counsel for the Committee, (iii) all parties requesting notice pursuant to Bankruptcy Rule 2002, and (iv) the Internal Revenue Service. In addition, the Debtors propose to distribute the Solicitation Packages to the holders of all unsecured claims in Class 2 provided

that such holders' claims (a) are listed in the Debtor's Schedules as not contingent, unliquidated or disputed (excluding scheduled claims that have been superseded by filed claims) or (b) are the subject of a filed proof of claim that has not been objected to prior to the Record Date and that is not the subject of a pending objection on the Record Date, provided further that with respect to a holder of claims that has timely filed multiple proofs of claim on account of a single claim, the Debtor will provide such holder with only one set of Solicitation Packages.

44. The Solicitation Packages will contain a copy of (i) the Disclosure Statement Order (excluding the exhibits thereto); (ii) the Confirmation Hearing Notice; (iii) the form of ballot to accept or reject the Plan, in substantially the form set forth in Exhibit E to this Motion (the "Ballot"), with instructions and with a return envelope; (iv) the Disclosure Statement (together with the Plan annexed thereto as Exhibit A); and (v) such other materials as the Court may direct.

45. The Debtors propose not to send Solicitation Packages to creditors that have claims that have already been paid in full; provided, however, that if, and to the extent that, any such creditor would be entitled to receive a Solicitation Package for any reason other than by virtue of the fact that such claim had been paid by the Debtors, then such creditor will be sent a Solicitation Package in accordance with the procedures set forth above.

46. It is possible that some Solicitation Packages may be returned as undeliverable by the United States Postal Service. The Debtors believe that it would be uneconomical to mail Solicitation Packages to the same addresses to which undeliverable Disclosure Statement Notices were mailed. Therefore, the Debtors seek the Court's approval for a departure from the strict notice rule, excusing the Debtors from mailing Solicitation Packages to those entities listed at

such addresses unless the Debtors are provided with accurate addresses for such entities before the Solicitation Date.

47. Further, although the Debtors have made, and will make, every effort to ensure that the Solicitation Packages described herein are in final form, the Debtors nonetheless request that they be authorized to make nonsubstantive/non-material changes to the Disclosure Statement, the Plan, and related documents without further order of the Court, including ministerial changes to correct typographical and grammatical errors, and to make conforming changes among the Disclosure Statement, the Plan and any other materials in the Solicitation Packages prior to mailing.

48. The proposed notice of the Solicitation Packages comport with due process and the requirements of Bankruptcy Rule 3017 and section 1125 of the Bankruptcy Code. The Debtors submit that they have shown good cause for implementing the proposed notice and service procedures set forth herein.

B. Notice of Non-Voting Status to Holders of Claims Deemed to Accept the Plan

49. Bankruptcy Rule 3017(d) further provides, in relevant part, as follows:

> If the court orders that the disclosure statement and the plan or a summary of the plan shall not be mailed to any unimpaired class, notice that the class is designated in the plan as unimpaired and notice of the name and address of the person from whom the plan or summary of the plan and disclosure statement may be obtained upon request and at the plan proponent's expense, shall be mailed to members of the unimpaired class together with the notice of the time fixed for filing objections to and the hearing on confirmation.

Fed. R. Bankr. P. 3017(d).

50. Claims in Class 1 (Secured Claims) (the "Unimpaired Class") under the Plan are unimpaired, and therefore, the holders of claims and interests in such class is conclusively presumed to accept the Plan. *See* 11 U.S.C. § 1126(f).

51. The Debtors propose to send to holders of claims in the Unimpaired Class a notice of non-voting status, substantially in the form annexed to this Motion in Exhibit D (the "Notice of Non-Voting Status -Unimpaired Class"). The proposed Notice of Non-Voting Status - Unimpaired Class identifies the unimpaired class in the Plan. The Debtors will also serve such parties the Confirmation Hearing Notice. Further, the Debtors will provide such parties with copies of the Plan and Disclosure Statement upon request.

C. Notice of Non-Voting Status to Holders of Claims or Interests Deemed to Reject the Plan

52. The holder of interests in Class 3 (Equity Interests) (the "Non-Voting Impaired Class") is not receiving distributions under the Plan; thus, the holders of such interests is deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code. *See* 11 U.S.C. § 1126(g); *see also In re Walnut Equip. Leasing*, No. 97-19699, 1999 WL 1068448, at *2 (Bankr. E.D. Pa. 1999) ("A class that is to receive nothing under a plan is deemed to reject the plan and is not entitled to vote.") (citation omitted); *Zenith Elec. Corp.*, 241 B.R. at 99 (a class that would receive nothing under the Debtors' proposed plan did not have the right to vote as it was conclusively presumed to have rejected the plan pursuant to 11 U.S.C. § 1126(g)).

53. The Debtors propose to mail to the holders of equity interests in the Non-Voting Impaired Class a notice of non-voting status ("Notice of Non-Voting Status - Impaired Class"), substantially in the form annexed to this Motion in Exhibit D, which informs the holder of interests in such Non-Voting Impaired Class that it will receive no recovery under the Plan, is not entitled to vote, and therefore, is deemed to have rejected the Plan. The Debtors will also serve the Confirmation Hearing Notice on such parties. Further, the Debtors will provide such parties with copies of the Plan and Disclosure Statement upon request.

VI. APPROVING FORM OF BALLOT AND VOTING DEADLINE

54. Bankruptcy Rule 3018(c) requires that "an acceptance or rejection shall be in writing, identify the plan or plans accepted or rejected, be signed by the creditor or equity security holder or an authorized agent, and conform to the appropriate official form." Further, Bankruptcy Rule 3017(d) requires the Debtors to mail a form of ballot, which substantially conforms to Official Form No. 14, only to "creditors and equity security holders entitled to vote on the plan." Fed. R. Bankr. P. 3017(d).

55. The Debtors propose to distribute the Ballot, substantially in the form[4] annexed to this Motion as Exhibit E, to holders of claims classified in the Plan as Class 2 (General Unsecured Claims), which claims are impaired and the holders of which claims are entitled to vote on the Plan as of the Record Date (collectively, the "Voting Class"). All other classes under the Plan are either unimpaired and conclusively presumed to accept the Plan, or will receive no distribution under the Plan and are therefore deemed to reject the Plan. The Debtors respectfully request approval of the Ballot and the authority to distribute such Ballot to all holders of impaired unsecured claims in Class 2. By this Motion, the Debtors seek approval of the form of the Ballot.

[4] The form for the Ballot is based on Official Form No. 14 but has been modified to address particular issues of these chapter 11 cases and include certain additional information that the Debtors believe are relevant and appropriate for the Voting Class.

56. Bankruptcy Rule 3017(c) provides that, on or before approval of a disclosure statement, "the court shall fix a time within which the holders of claims or equity security interests may accept or reject the plan". As stated hereinabove, the Debtors anticipate completing mailing of the Solicitation Packages, including the form of Ballot, by January 16, 2010. Based on such schedule, the Debtors propose that in order to be counted as a vote to accept or reject the Plan, each Ballot must be properly executed, completed, and delivered to BMC Group, Inc. (the "Voting Agent" or "BMC") (i) by first-class mail, in the return envelope provided with each Ballot, (ii) by overnight courier, or (iii) by hand delivery, so that it is actually received by BMC Group, Inc. no later than 4:00 p.m. (prevailing Eastern time) on February 15, 2010 (the "Voting Deadline"), which is more than 25 days after the Solicitation Date. The Debtors submit that such solicitation period is a sufficient period within which creditors can make an informed decision whether to accept or reject the Plan.

VII. APPROVAL OF VOTING PROCEDURES AND TABULATION PROCEDURES

A. Voting Procedures

57. As mentioned above, only holders of claims in the Voting Class are impaired and entitled to vote on the Plan. For voting purposes only, the Debtors propose the following voting procedures: each voter in the Voting Class shall have an allowed claim, solely for the purpose of voting on the Plan, in an amount equal to the greater of (i) the amount of such claim as set forth in the Debtors' Schedules, and (ii) the amount of such claim as set forth in a timely filed proof of claim, provided, however, that the assignee of a transferred and assigned scheduled or filed claim shall be permitted to vote such claim only if the transfer and assignment has been reflected on the Court's docket as of the close of business on the Record Date, and provided, further, that

(a) if a claim is not listed in the Debtors' Schedules but is the subject of a timely filed proof of claim, such claim shall be allowed for voting

purposes only and not for the purpose of allowance or distribution in the amount set forth in such proof of claim;

(b) if a claim for which a proof of claim has been timely filed is listed on the Debtors' Schedules as contingent, unliquidated or disputed, such claim shall be allowed for voting purposes only and not for the purpose of allowance or distribution, in an amount equal to $1.00;

(c) if a claim in a Voting Class is listed in the Debtors' Schedules as contingent, unliquidated, or disputed and a proof of such claim was not timely filed, such claim shall have no voting rights;

(d) if a claim has been estimated or otherwise allowed for voting purposes by order of the Court, such claim shall be allowed for voting purposes only in the amount estimated or allowed by the Court, unless, prior to the Voting Deadline, the Court enters an order disallowing such claim;

(e) if a claim is deemed allowed pursuant to the Plan and the holder of the claim is entitled to vote on the Plan, the claim shall be allowed for voting purposes in the amount deemed allowed pursuant to the Plan;

(f) if a holder of claims has timely filed multiple proofs of claims on account of a single claim, such holder shall have only one allowed claim for voting purposes; and

(g) each holder of any claim shall be entitled to vote all of the non-duplicative claims it holds, but may only vote a single ballot as to all claims within a particular class.

58. The Debtors also propose that if an objection to a claim in the Voting Class has been filed at least five (5) days prior to the Voting Deadline, such claim shall be disallowed for voting purposes only and, pending final resolution of such objection, not for the purpose of allowance or distribution; provided that any undisputed portions of such claim shall be allowed for voting purposes.

B. Tabulation Procedures

59. Pursuant to section 105 and 1126 of the Bankruptcy Code, the Debtors request that the Court adopt the following procedures:

(a) only original Ballots returned to the Voting Agent bearing original signatures will be counted;

(b) any unsigned Ballot shall not be counted;

(c) any Ballot that is illegible or contains insufficient information to permit the identification of the holder shall not be counted;

(d) any Ballot cast by a person or entity that does not hold a claim in the Voting Class shall not be counted;

(e) any Ballot that is properly completed, executed and timely returned to the Voting Agent that does not indicate an acceptance or rejection of the Plan shall not be counted;

(f) any Ballot that is properly completed, executed and timely returned to the Voting Agent that indicates both acceptance and rejection of the Plan shall not be counted;

(g) whenever a holder in the Voting Class returns more than one Ballot voting the same claim prior to the Voting Deadline, only the last Ballot timely returned to the Voting Agent shall be counted;

(h) each holder of a claim in the Voting Class shall be deemed to have voted the full amount of its claim;

(i) holders of claims in the Voting Class shall not split their vote within a claim, but shall vote their entire claim within a particular class either to accept or reject the Plan;

(j) any Ballot received by the Voting Agent by telecopier, facsimile or other electronic communication shall not be counted; and

(k) any Ballot received after the Voting Deadline shall not be counted, unless the Debtors shall have granted an extension of the Voting Deadline in writing with respect to such Ballot.

60. None of the Debtors, the Voting Agent or any other person or entity will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots, nor will any of them incur any liability for failure to provide such notification. Rather, the Debtors and the Voting Agent (after consultation with the Committee) may either disregard, with no further notice, defective Ballots, or it may attempt to have defective Ballots cured.

61. The Debtors submit that establishing the voting and tabulation procedures set forth above is necessary to avert any confusion resulting from incomplete Ballots, will simplify

the voting and tabulation process, and is in the best interests of the Debtors, their estates, creditors, and other parties in interest.

Notice

62. Notice of this Motion has been provided as set forth in paragraph 31 hereof.

63. No previous request for the relief sought herein has been made to this or any other Court.

WHEREFORE the Debtors respectfully request entry of an order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: Wilmington, Delaware
December 2, 2009

BLANK ROME LLP

By: */s/ Victoria Guilfoyle*
Bonnie Glantz Fatell (No. 3809)
David W. Carickhoff (No. 3715)
Victoria Guilfoyle (No. 5183)
1201 North Market Street, Suite 800
Wilmington, DE 19801
Telephone: (302) 425-6400
Facsimile: (302) 425-6464

-and-

Michael Z. Brownstein
Rocco A. Cavaliere
The Chrysler Building
405 Lexington Avenue
New York, NY 10174
Telephone: (212) 885-5000
Facsimile: (212) 885-5001

Attorneys for Debtors and
Debtors in Possession

EXHIBIT A

DISCLOSURE STATEMENT

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	Chapter 11
	:	
ALSET OWNERS, LLC, *et al.*,[1]	:	Case No. 09-11960 (BLS)
	:	
	:	(Jointly Administered)
Debtors.	:	

DISCLOSURE STATEMENT IN SUPPORT OF JOINT PLAN OF LIQUIDATION OF THE DEBTORS AND DEBTORS IN POSSESSION

BLANK ROME LLP
Michael Z. Brownstein
Rocco A. Cavaliere
The Chrysler Building
405 Lexington Avenue
New York, NY 10174
Telephone: (212) 885-5000
Facsimile: (212) 885-5001

-and-

Bonnie Glantz Fatell (3809)
David W. Carickhoff (No. 3715)
Victoria Guilfoyle (No. 5183)
1201 North Market Street, Suite 800
Wilmington, DE 19801
Telephone: (302) 425-6400
Facsimile: (302) 425-6464

Counsel for Alset Owners, LLC, *et al.*,
Debtors and Debtors in Possession

Dated: December 2, 2009

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1 The Debtors and the last four digits of their respective tax identification numbers are: Alset Owners, LLC, a Delaware limited liability company (7520); Altes, LLC, a Delaware limited liability company (6927); Setla, LLC, a Delaware limited liability company (6752); and Checkers Michigan, LLC, a Delaware limited liability company (8016). The Debtors' service address is Altes, LLC/Setla, LLC, 1200 North Federal Highway, Boca Raton, FL 33432.

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INTRODUCTORY STATEMENT

THIS DISCLOSURE STATEMENT UNDER SECTION 1125 OF THE BANKRUPTCY CODE (THE "DISCLOSURE STATEMENT") WITH RESPECT TO THE JOINT PLAN OF LIQUIDATION OF THE DEBTORS AND DEBTORS IN POSSESSION (AS MAY BE AMENDED, THE "PLAN") CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN AND OTHER DOCUMENTS RELATING TO THE PLAN. WHILE THE DEBTORS BELIEVE THESE SUMMARIES PROVIDE ADEQUATE INFORMATION WITH RESPECT TO THE DOCUMENTS SUMMARIZED, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS. IF ANY INCONSISTENCIES EXIST BETWEEN THE TERMS AND PROVISIONS OF THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR OTHER DOCUMENTS DESCRIBED THEREIN, THE TERMS AND PROVISIONS OF THE PLAN AND OTHER DOCUMENTS ARE CONTROLLING. EACH HOLDER OF AN IMPAIRED CLAIM OR AN IMPAIRED EQUITY INTEREST SHOULD REVIEW THE ENTIRE PLAN AND ALL RELATED DOCUMENTS AND SEEK THE ADVICE OF ITS OWN COUNSEL BEFORE VOTING WHETHER TO ACCEPT OR REJECT THE PLAN.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON BY ANY PERSON OR ENTITY FOR ANY PURPOSE OTHER THAN BY HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO VOTE ON THE PLAN IN DETERMINING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. THE DEBTORS ASSERT THAT NOTHING CONTAINED HEREIN WILL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PARTY. NOTHING CONTAINED HEREIN SHALL BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE LIQUIDATION OF ANY OF THE DEBTORS' ASSETS OR ON HOLDERS OF CLAIMS OR EQUITY INTERESTS.

IRS CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS, PLEASE BE ADVISED THAT ANY WRITTEN U.S. TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENT) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF (1) AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE OR (2) PROMOTING, MARKETING OR RECOMMENDING TO ANOTHER PARTY ANY TRANSACTION OR MATTER ADDRESSED HEREIN.

NO PARTY IS AUTHORIZED BY THE DEBTORS TO PROVIDE ANY INFORMATION WITH RESPECT TO THE DEBTORS, OR THE VALUE OF THE DEBTORS' BUSINESS AND PROPERTIES OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. GENERALLY, EXCEPT AS OTHERWISE PROVIDED, TO THE EXTENT INFORMATION IN THIS DISCLOSURE STATEMENT RELATES TO THE DEBTORS, THE DEBTORS HAVE PROVIDED THE INFORMATION IN THIS DISCLOSURE STATEMENT.

NOTHING CONTAINED IN THIS DISCLOSURE STATEMENT, EXPRESS OR IMPLIED, IS INTENDED TO GIVE RISE TO ANY COMMITMENT OR OBLIGATION OF THE DEBTORS OR WILL CONFER UPON ANY PERSON ANY RIGHTS, BENEFITS OR REMEDIES OF ANY NATURE WHATSOEVER.

EXCEPT AS OTHERWISE NOTED HEREIN, THE INFORMATION CONTAINED HEREIN IS GENERALLY INTENDED TO DESCRIBE FACTS AND CIRCUMSTANCES ONLY AS OF THE DATE OF THIS DISCLOSURE STATEMENT, AND NEITHER THE DELIVERY OF THIS DISCLOSURE STATEMENT NOR THE CONFIRMATION OF THE PLAN WILL CREATE ANY IMPLICATION, UNDER ANY CIRCUMSTANCES, THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS CORRECT AT ANY TIME AFTER THE DATE OF THIS DISCLOSURE STATEMENT OR THAT THE DEBTOR WILL BE UNDER ANY OBLIGATION TO UPDATE SUCH INFORMATION IN THE FUTURE.

I. INTRODUCTION[2]

The Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101 - 1532 (as amended, the "**Bankruptcy Code**") on June 5, 2009 (the "**Petition Date**"). No trustee or examiner has been appointed in the Debtors' chapter 11 cases (the "**Chapter 11 Cases**"), and the Debtors act as debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

The Debtors have filed this Disclosure Statement with the Bankruptcy Court for approval in connection with the solicitation of acceptances and rejections with respect to the Plan. By order dated January __, 2010, the Bankruptcy Court approved this Disclosure Statement as containing adequate information to enable holders of Claims against the Debtors whose votes are being solicited to make an informed judgment whether to accept or reject the Plan.

II. NOTICE TO HOLDERS OF CLAIMS

A. General

The purpose of this Disclosure Statement is to enable the holders of Claims against the Debtors authorized to vote on the Plan to make informed decisions in voting whether to accept or reject the Plan. All holders of Claims should read this Disclosure Statement in its entirety. No solicitation of votes on the Plan may be made except pursuant to this Disclosure Statement and Section 1125 of the Bankruptcy Code. In considering how to vote, no holder of a Claim or any other party should rely on any information relating to the Debtors and their business and properties, other than that contained in this Disclosure Statement and the Plan, except as otherwise approved by the Bankruptcy Court.

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2 Unless otherwise defined herein, capitalized terms used herein will have the same meanings ascribed to them in the Plan.

All persons receiving this Disclosure Statement and the Plan are urged to fully review the provisions of the Plan and all exhibits attached hereto, in addition to reviewing the text of this Disclosure Statement. This Disclosure Statement is not intended to replace careful review and analysis of the Plan. Rather, it is submitted as an aid in your review of the Plan and in an effort to explain the terms and implications of the Plan. Every effort has been made to explain fully the various aspects of the Plan as it affects all holders of Claims and Equity Interests. However, to the extent any questions arise, the Debtor urges you to seek independent legal advice.

In reviewing this Disclosure Statement, please keep in mind the following:

1. The approval by the Bankruptcy Court of this Disclosure Statement does not constitute an endorsement by the Bankruptcy Court of the Plan or a guarantee of the accuracy and completeness of the information contained herein.

2. There has been no independent audit of the financial information contained in this Disclosure Statement and the exhibits thereto and no fairness opinion has been obtained regarding the value of the assets and the amount of the liabilities. The factual information regarding the Debtors and their assets and liabilities has generally been derived from the Debtors' internal documents and available public records. While every effort has been made by the Debtors to provide accurate information herein, the Debtors and their legal advisors cannot and do not warrant or represent that the information contained in this Disclosure Statement is without any inaccuracy.

3. Certain of the statements contained in this Disclosure Statement or in exhibits attached hereto are based on certain estimates and assumptions. There can be no assurance that such statements will reflect actual outcomes. You should carefully review and consider Section XVI below, entitled "Certain Factors to Be Considered", before voting to accept or reject the Plan.

4. The Disclosure Statement has not been approved or disapproved by the Securities and Exchange Commission or any securities regulatory authority of any state, nor has the Securities and Exchange Commission or any securities regulatory authority of any state passed upon the accuracy or adequacy of the statements contained herein.

5. The description herein of the Plan is a summary only. Holders of Claims authorized to vote on the Plan are urged to review the entire Plan and any exhibits thereto before casting their votes. In the event that any inconsistency or conflict exists between this Disclosure Statement and the Plan, the terms of the Plan will control.

6. Except as set forth in this Disclosure Statement, the Plan and the exhibits, no representations concerning the Debtors, their assets and business operations, or the Plan are authorized, nor are any such representations to be relied upon in arriving at a decision with respect to the Plan. Any representations made to secure acceptance or rejection of the Plan other than as contained in this Disclosure Statement should be reported to counsel for the Debtors or the Committee.

B. **Voting**

Pursuant to the provisions of the Bankruptcy Code, generally only those classes of claims or interests that are (i) "impaired" by a chapter 11 plan and (ii) entitled to receive a distribution under such a plan are entitled to vote on a chapter 11 plan. In these Chapter 11 Cases, claims in Class 2 are impaired by the Plan and holders of such claims are therefore entitled to vote on the Plan.

C. **Voting Record Date**

The record date for determining the holders of Claims that may vote on the Plan is January 13, 2010 (the "**Voting Record Date**").

D. **Ballots**

In certain instances, accompanying this Disclosure Statement is a ballot ("**Ballot**") for casting your vote(s) on the Plan. A pre-addressed envelope for the return of the Ballot may also be enclosed. As noted above, Ballots for acceptance or rejection of the Plan are being provided only to holders of claims in Class 2. If you are the holder of a Class 2 Claim and did not receive a Ballot, received a damaged or illegible Ballot, or lost your Ballot, or if you have any questions regarding the voting procedures in respect of the Plan, please contact:

Alset Owners, LLC
c/o BMC Group Inc.
P.O. Box 3020
Chanhassen, MN 55317-3010
Attn: Ms. Anne Carter
(888) 909-0100

After carefully reviewing this Disclosure Statement and the exhibits attached hereto, including the Plan, please indicate your vote with respect to the Plan on the enclosed Ballot and return it pursuant to the instructions provided on the Ballot.

E. **Voting Deadline**

In order to be counted, Ballots must be **received** by the Balloting Agent by **4:00 p.m. Eastern Time on February 15, 2010** (the "**Voting Deadline**"). Any executed Ballots that are received timely but do not indicate either an acceptance or rejection of the Plan will not be counted.

F. **Confirmation Hearing and Objection Deadline**

By order dated January __, 2010, the Bankruptcy Court fixed **February 15, 2010, at 10:00 a.m.** Eastern Time, in the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 6th Floor, Wilmington, DE 19801, as the date, time and place of the hearing to consider confirmation of the Plan, and **February 22, 2010, at 4:00 p.m. Eastern Time**, as the deadline for filing objections to confirmation of the Plan. The hearing on confirmation of the Plan may be adjourned from time to time without further notice except for the announcement of

the adjourned date and time at the hearing on confirmation or any adjournment thereof. Any objections to confirmation of the Plan must be served upon:

Counsel for the Debtor:

Blank Rome LLP
Michael Z. Brownstein
Rocco A. Cavaliere
The Chrysler Building
405 Lexington Avenue
New York, NY 10174
Telephone: (212) 885-5000
Facsimile: (212) 885-5001

Blank Rome LLP
Bonnie Glantz Fatell (3809)
David W. Carickhoff (No. 3715)
1201 North Market Street, Suite 800
Wilmington, DE 19801
Telephone: (302) 425-6400
Facsimile: (302) 425-6464

Counsel for the Official Committee
of Unsecured Creditors:

Klehr, Harrison, Harvey, Branzburg & Ellers LLP
Joanne B. Wills
Richard M. Beck
919 Market Street, Suite 1000
Wilmington, Delaware 19801
Telephone: (302) 426-1189
Facsimile: (302) 426-9193

Office of the United States Trustee:

Jane Leamy
Office of the United States Trustee
844 N. King Street, Suite 2207
Lockbox #35
Wilmington, DE 19801

III. UNCLASSIFIED CLAIMS AND CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

THE SUMMARY OF THE PLAN SET FORTH HEREIN IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT OF THE PLAN. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE PROVISIONS OF THE PLAN AND THE SUMMARY CONTAINED HEREIN, AND REGARDLESS OF WHETHER ANY SUCH INCONSISTENCY IS A STATEMENT OR OMISSION, THE TERMS OF THE PLAN WILL GOVERN. ALL CAPITALIZED TERMS USED HEREIN HAVE THE MEANINGS ASCRIBED TO THEM IN THE PLAN.

A. Summary of Classification and Treatment of Claims and Interests

The Plan proposes to satisfy creditor claims to the extent possible from the disposition of the Debtors' assets which include (i) proceeds of the sale of substantially all of the Debtors' assets to Buyer, (the "**Cash Consideration**"), (ii) other non-core assets not transferred to the Buyer, and (iii) the proceeds of Causes of Action prosecuted by a Liquidation Trustee appointed to prosecute such Causes of Action The Sale closed on August 31, 2009. The proceeds from the liquidation of the Debtors' assets will be applied to satisfy, (i) Administrative Claims, (ii) Priority Unsecured Claims, (iii) secured claims in Class 1, and (iv) the general unsecured claims in Class 2. Equity Interests in Class 3 are not expected to receive a distribution under this Plan.

The Plan also contemplates the formation of a Liquidation Trust established for the primary purpose of liquidating its assets, in accordance with Treas. Reg. §301.7701-4(d). The Liquidation Trust will be assigned and take possession of the Liquidation Trust Assets defined to include the Cash Consideration, as well as the Causes of Action and all rights of setoff and recoupment and other defenses that the Debtors and the Estates may have with respect to Allowed Claims. The Liquidation Trust will have the responsibility (i) to investigate, defend or pursue the Causes of Action, (ii) object to the allowance of Claims and Equity Interests Filed with the Bankruptcy Court, and (iii) make the distributions to Beneficiaries required under the Plan in accordance with the Liquidation Trust Agreement.

The following table summarizes the classification and treatment of Claims and Equity Interests under the Plan. This summary is qualified in its entirety by reference to the provisions of the Plan, and the provisions of the Plan will control in the event of any inconsistency (whether by statement or omission) between the summary herein and the Plan.

Class	**Claim**	**Status**	**Voting Right**	**Estimated Recovery Percentage**
	Administrative Claims	Unimpaired	Deemed to Accept	100%
	Professional Fee Claims	Unimpaired	Deemed to Accept	100%
	United States Trustee Fees	Unimpaired	Deemed to Accept	100%
	Priority Claims	Unimpaired	Deemed to Accept	100%
1	Secured Claims	Unimpaired	Deemed to Accept	100%
2	General Unsecured Claims	Impaired	Entitled to Vote	__% to __%
3	Equity Interests	Impaired	Deemed to Reject	0%

B. **Unclassified Claims Against The Debtors**

1. **Administrative Claims**

(i) Administrative Claims Bar Dates

(a) Any request for allowance of an Administrative Claim that is subject to the Bar Date Order is required to be filed on or before December 15, 2009 as provided in the Bar

Date Order. Any Administrative Claims subject to the Bar Date Order that are filed after December 15, 2009 are invalid and shall not receive any distribution in this case. Any request for allowance of an Administrative Claim that is not subject to the Bar Date Order, including, without limitation, Professional Fee Claims, and Administrative Claims accruing between December 15, 2009 and the Effective Date, shall be Filed no later than thirty (30) days after the Effective Date (the "Administrative Claims Bar Date"). Any holder of an Administrative Claim who fails to file a timely request for the allowance of an Administrative Claim: (i) shall be forever barred, estopped and enjoined from asserting such Administrative Claim against the Debtors, the Liquidation Trust, or the Liquidation Trust Assets (or filing a request for the allowance thereof); and (ii) such holder shall not be permitted to participate in any distribution under the Plan on account of such Administrative Claim. The Liquidation Trustee, or any other person with standing, shall have thirty (30) days from the Administrative Claims Bar Date to object to any timely filed and served Administrative Claim, unless such date is further extended by the Court. Notwithstanding the foregoing, all fees and charges under 28 U.S.C. §1930 will be paid without the need for the filing of a request or claim.

(b) Except as otherwise set forth in this Plan and the Liquidation Trust Agreement, subject to the provisions of Sections 328, 330(a) and 331 of the Bankruptcy Code, each Holder of an Allowed Administrative Claim, who has not been paid prior to the Effective Date, or on such other day as agreed to by the Liquidation Trustee and such Creditor, shall be paid in Cash, as soon as is practicable after the Effective Date, from the proceeds of the Liquidation Trust Assets.

(ii) Final Fee Application Bar Date

Except as otherwise provided herein, in order to receive a distribution on account of a Professional Fee Claim, a holder of a Professional Fee Claim, at a minimum, must file and serve a final fee application requesting payment of such Professional Fee Claim by the Administrative Claim Bar Date. The Liquidation Trust, or any other person with standing, shall have thirty (30) days from the Administrative Claim Bar Date to object to any timely filed and served Professional Fee Claim, unless such date is further extended by the Court.

(iii) Professional Fee Claims

Subject to the additional provisions of this Plan, as soon as practicable after the later of (a) the date a Professional Fee Claim becomes an Allowed Professional Fee Claim or (b) the Professional Fee Claim becomes otherwise payable, an Allowed Professional Fee Claimholder shall receive, in full satisfaction, settlement, release and discharge of and in exchange for such Professional Fee Claim, (x) Cash equal to the unpaid portion of such Allowed Professional Fee Claim or (y) such other treatment as to which the Debtors and such Claimholder prior to the Effective Date, or the Liquidation Trustee and Claimholder subsequent to the Effective Date, shall have agreed upon in writing.

(iv) U.S. Trustee Fees

All fees payable to the Office of the United States Trustee in accordance with 28 U.S.C. §1930 shall be paid on the Effective Date, or as soon thereafter as may be practicable, and will continue to be paid through the date of entry of a Final Decree.

(v) Priority Claims

Except as otherwise set forth in the Plan and the Liquidation Trust Agreement, each Holder of an Allowed Priority Tax Claim and Other Priority Claim, who has not been paid prior to the Initial Distribution Date in the ordinary course of business or by order of the Bankruptcy Court, shall be paid, in full, in Cash, by the Liquidation Trust, on the later of (i) the Initial Distribution Date, (ii) the last Business Day of the month following the month in which such Claim becomes an Allowed Claim, or (iii) such other date as agreed to by the Liquidation Trustee and such Creditor, or otherwise ordered by the Bankruptcy Court.

C. **Summary of Classification and Treatment of Claims and Equity Interests**

The categories of Claims and Equity Interests listed below classify Claims against and Equity Interests in the Debtor for all purposes, including voting, confirmation and distribution pursuant hereto and pursuant to Sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or Equity Interest shall be deemed classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that such Claim or Equity Interest is Allowed in that Class and has not been paid or otherwise satisfied prior to the Effective Date. The Classes of Claims and Equity Interests in the Debtors are as follows:

Class	Claim	Status	Voting Right
1	Secured Claims	Unimpaired	Deemed to Accept
2	General Unsecured Claims	Impaired	Entitled to Vote
3	Equity Interests	Impaired	Deemed to Reject

D. **Classification and Treatment of Classified Claims and Equity Interests:**

1. Class 1—Secured Claims

(a) *Classification*: Class 1 comprises the Secured Claims.

(b) *Treatment*: The Plan will not alter any of the legal, equitable and contractual rights of the Holders of Class 1 Claims. Unless otherwise agreed to by the Holder of an Allowed Class 1 Claim and the Liquidation Trustee, each Holder of an Allowed Class 1 Claim shall receive, in full and final satisfaction of such Allowed Class 1 Claim, one of the following treatments, as soon as practicable after the Effective Date in the sole discretion of the Liquidation Trustee:

(i) the return of such Holder's collateral;

(ii) the payment in cash equal to the amount of such Allowed Secured Claim; or

(iii) treatment in any other manner so as to render the Allowed Class 1 Claim otherwise Unimpaired.

(c) *Voting*: Class 1 is Unimpaired and the Holders of Class 1 Claims are conclusively deemed to have accepted the Plan pursuant to Section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 1 are not entitled to vote to accept or reject the Plan.

2. Class 2—General Unsecured Claims

(a) *Classification*: Class 2 comprises the General Unsecured Non-Priority Claims against the Debtors.

(b) *Treatment*: Holders of Allowed Class 2 Claims shall receive, in full and final satisfaction of their Allowed Class 2 Claims, through one or more distributions, their respective Pro Rata share of funds on deposit in the Operating Account maintained by the Liquidation Trust, after (i) the payment of all Allowed Class 1 Claims (ii) the payment of all Allowed Administrative Claims (including, without limitation, all Professional Fee Claims incurred prior to and after the Effective Date); (iii) the payment of all Allowed Priority Tax Claims, (iv) the payment of Allowed Other Priority Claims; (v) creation and funding of the Claims Reserve as provided in Paragraph B of Article VIII of the Plan, and (vi) the payment of post-Confirmation expenses and fees incurred by the Liquidation Trust, or the Liquidation Trustee in the performance of his duties under the Liquidation Trust Agreement. Further, in accordance with the Pentland Settlement described in Section VIII hereof, Pentland, a holder of a Class 2 Claim, has agreed to receive a distribution of no more than $50,000 on account of the Unsecured Pentland Loans and will defer any additional distributions until holders of other unsecured creditors in Class 2 have been paid in full. The total amount of Class 2 Claims is anticipated to be in the range of $800,000 to $1,800,000, without consideration of the Pentland Unsecured Claim that will be settled under the Plan.

(c) *Voting*: Class 2 is Impaired and the Holders of Class 2 Claims are entitled to vote to accept or reject the Plan.

3. Class 3—Equity Interests

(a) *Classification*: Class 3 comprises the Equity Interests in the Debtor.

(b) *Treatment*: On the Effective Date, Class 3 Equity Interests will be cancelled and, unless Holders of Allowed Claims in Classes a through 2 are paid in full with interest, where relevant, the Holders thereof will receive no distribution on account of their Equity Interests. If the Holders of Interests are entitled to receive distributions, any such distributions shall be made on a pro rata basis. Upon termination of the Liquidation Trust, the Class 3 Equity Interests will be cancelled.

(c) *Voting*: Class 3 is Impaired and the Holders of Class 3 Equity Interests are conclusively deemed to have rejected the Plan. Holders of Class 3 Equity Interests shall not be entitled to vote to accept or reject the Plan.

Acceptance Or Rejection Of The Plan

A. Voting Classes

Holders of Claims in each Impaired Class of Claims are entitled to vote as a class to accept or reject the Plan. Therefore, each Holder of an Allowed Class 2 Claim shall be entitled to vote to accept or reject the Plan.

B. Acceptance by Impaired Classes

An Impaired Class of Claims shall be deemed to have accepted the Plan if (a) the Holders (other than any Holder designated under Section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (b) the Holders (other than any Holder designated under Section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan.

C. Presumed Acceptance of the Plan

Class 1 is Unimpaired under the Plan, and, therefore, is presumed to have accepted the Plan pursuant to Section 1126(f) of the Bankruptcy Code.

D. Presumed Rejection of the Plan

Class 3 is deemed to reject the Plan.

E. Non-Consensual Confirmation

To the extent that any Impaired Class rejects this Plan or is deemed to have rejected this Plan, the Proponents will request confirmation of this Plan as it may be modified from time to time, under Section 1129(b) of the Bankruptcy Code. The Proponents reserve the right to alter, amend, modify, revoke or withdraw this Plan, including to amend or modify it to satisfy the requirements of Section 1129(b) of the Bankruptcy Code, if necessary.

F. Effective Date

The Plan may not be consummated, and the Effective Date shall not occur, unless and until the Confirmation Order has been entered by the Bankruptcy Court, and all other actions and documents necessary to implement the Plan shall have been effected or executed, including the Liquidation Trust Agreement.

G. Acceptance of the Plan

An Impaired Class of Claims shall be deemed to have accepted the Plan if (a) the Holders (other than any Holder designated under Section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (b) the Holders (other than any Holder designated under Section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan.

The votes of insiders are not counted in determining whether at least one class of impaired creditors has accepted the Plan for purposes of Section 1129(a)(10) of the Bankruptcy Code. The requirements for Confirmation of the Plan are discussed in Section XVII of this Disclosure Statement.

IV. VOTING PROCEDURES AND REQUIREMENTS

A. Classes Entitled to Vote Under the Plan

Only holders of Claims in Class 2 as of the Record Date are authorized to vote on the Plan.

B. Voting Requirements

IT IS IMPORTANT THAT HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN EXERCISE THEIR RIGHT TO VOTE TO ACCEPT OR REJECT THE PLAN. All known holders of Claims entitled to vote on the Plan have been sent a Ballot together with this Disclosure Statement. Such holders should read the Ballot carefully and follow the instructions contained therein. Please use only the Ballot that accompanies this Disclosure Statement.

As set forth above, BMC will be acting as the Balloting Agent to assist in the transmission of voting materials and the tabulation of votes with respect to the Plan. **FOR YOUR VOTE TO COUNT, YOUR BALLOT MUST BE RECEIVED BY THE BALLOTING AGENT NO LATER THAN 4:00 P.M. EASTERN TIME, ON FEBRUARY 15, 2010.**

Any Ballot executed and received timely but which does not indicate an acceptance or rejection of the Plan will not be counted. If you have any questions concerning voting procedures, if your Ballot is damaged or lost, or if you need an additional copy of the Disclosure Statement, you may contact Alset Owners, LLC, c/o BMC Group Inc., P.O. Box 3020, Chanhassen, MI 55317-3020, Attn: Anne Carter, (888) 909-0100.

A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

V. DESCRIPTION OF THE DEBTORS

A. The Debtors And Debtors In Possession

Four separate Debtor entities filed for chapter 11 relief before this Court. Alset Owners, LLC ("**Alset**") is a holding company for the operating Debtors, Altes, LLC ("**Altes**") and Setla, LLC ("**Setla**"). Checkers Michigan LLC ("**Checkers Michigan**") is a subsidiary of Altes.

As of the Petition Date, Altes, a franchisee of the Rally's restaurant chain, operated several restaurants in various states, while Setla, also a franchisee of the Rally's restaurant chain, operates several restaurants in Ohio. Checkers Michigan, a franchisee of the Checker's restaurant chain, operated several restaurants in Michigan but ceased operations at its locations prior to the Petition Date. None of the Debtors are publicly traded companies, nor have they issued any public debt.

B. Overview Of The Debtors' Business

Prior to the sale of substantially all of their assets, the Debtors were the largest franchisee of Checkers Drive-In Restaurants, Inc. (the "**Franchisor**"), the national franchisor of the Rally's and Checkers' restaurant chains. Specifically, Debtors Altes and Setla operated Rally's restaurants in Arkansas, Missouri, Illinois, and Ohio. Checkers Michigan operated Checkers restaurants in Michigan but ceased operations there as of the Petition Date. Each of the Debtors' franchise locations was governed by the franchise agreements (the "**Franchise Agreements**") entered into between the Debtors and the Franchisor requiring, among other things, the Debtors to pay monthly royalties to the Franchisor.

Altes began operating on June 28, 2000 by purchasing 52 Rally's restaurant locations in Missouri, Illinois, Arkansas, and Virginia directly from the Franchisor. Six additional stores were opened by Altes from 2002 through 2006. Setla was formed approximately fifteen months later on October 15, 2001, when the owners of Altes decided to expand to the Ohio market. Setla acquired 64 Rally's locations from Snapp's Restaurants in October 2001. Three additional locations were opened by Setla from 2004 through 2006. Finally, in 2005, Checkers Michigan was formed to operate several stores in Michigan, a new market for the Debtor group. Initially, one Michigan restaurant with the Checkers brand was opened in December 2005, and later five additional Checkers restaurants were opened in 2006 and early 2007.

As a result of these various acquisitions and store openings, at their peak, in 2007, the Debtors collectively operated approximately 120 restaurants with the Rally's or Checkers brand in six states, and had over 2,500 employees.

The food service industry is highly competitive, with competitors varying in size from very small companies with limited resources to very large companies with significant financial, marketing, and product development resources. The competitive atmosphere, as well as the rise in food and labor costs, among other things, led the Debtors to restructure their operations starting in late 2007. As of the Petition Date, the Debtors operated 77 restaurants, down from their peak of about 120 restaurants in 2007.

C. Debt Structure

As previously described, Altes began operating in June 2000 to operate approximately 52 Rally's stores. The stores were purchased directly from the Franchisor for approximately $17.2

million. In October 2001, Setla entered into a transaction to purchase 64 stores from Snapp's Restaurants for approximately $5.6 million. The transactions were funded as follows:

In connection with the June 2000 transaction involving Altes, Altes borrowed funds from Textron Financial Corporation ("**Textron**") in the form of secured loans of $15,200,000 (the "**Textron Loans**"). As security, Textron was granted a lien on certain of the Debtors' equipment at approximately fifty restaurants and certain leasehold interests (the "**Textron Collateral**"), and a mortgage on nine real estate properties owned by Altes. The mortgage on the nine real estate properties was satisfied when Altes subsequently entered into sale and leaseback transactions concerning the nine real estate properties. Approximately $6 million from such transactions was paid to Textron in satisfaction of its mortgage. As of the Petition Date, approximately $1.5 million in principal was due to Textron on account of the Textron Loans. During the Chapter 11 cases, as will be explained more fully below, the Debtors sold the Textron Collateral to the Buyer for $500,000 pursuant to a stipulation approved by the Court. Textron waived its claims against the Debtors' estates in connection with the stipulation.

In connection with the June 2000 transaction involving Altes, Altes also received $2,375,000 from Pentland USA, Inc. (**"Pentland"**) in exchange for promissory notes in favor of Pentland (the "**Pentland-Altes Notes**"). In connection with the October 2001 transaction involving Setla, Setla received $2,484,585 from Pentland in exchange for promissory notes in favor of Pentland (the "**Pentland-Setla Notes**").

After the transactions involving Altes and Setla were consummated, Pentland extended additional loans to Altes and Setla at various times in the total amount of approximately $2 million (the "**Pentland Operating Loans**", together with the Pentland-Altes Notes, and the Pentland-Setla Notes, the "**Unsecured Pentland Loans**"). Pentland has filed an unsecured claim asserting that $5,153,365.46, including interest (the **"Pentland Unsecured Claim"**) remained outstanding on the Unsecured Pentland Loans on the Petition Date, which amounts are not secured by any assets of the Debtors, except for the pledge of the membership interests of Alset. See Section VIII for a description of the Debtors' settlement with Pentland.

D. Events Leading To Bankruptcy

The Debtors began exploring strategic alternatives for addressing their financial and operational challenges prior to the Petition Date as they were no longer able to operate at margins sufficient to cover expenses at many of their restaurants and struggled with liquidity and working capital demands. The Debtors embarked on a plan to evaluate the companies on a store by store basis and began to close down non-performing locations.

Commencing approximately four months prior to the Petition Date, the Debtors also explored several financing options with various lenders. However, in light of the Debtors' poor EBITDA numbers, none of the prospective lenders issued a commitment for financing.

In light of the continuing slowness in the economy together with increased costs, senior management realized that the Debtors could not sustain operations as a going concern without a substantial infusion of cash or a sale of the enterprise. Having exhausted efforts to raise money and obtain additional investors, the Debtors determined to enter into serious discussions with the

Franchisor and negotiated a sale of the assets as a going concern to preserve jobs, provide a source of recovery for creditors, and maintain the well-established reputation of the brands in the market place.

While sale discussions ensued, the parties entered into a Management Agreement dated March 5, 2009, which allowed the Franchisor to assist the Debtors in managing and stabilizing their operations. Ultimately, after several months of discussions and due diligence by the Franchisor, on June 5, 2009, the Debtors and an affiliate of the Franchisor executed an Asset Purchase Agreement pursuant to which the affiliate of the Franchisor was to purchase substantially all of the Debtors' remaining stores in exchange for cash consideration and the assumption of various liabilities, including under the Franchise Agreement and various leases.

E. The Sale of the Debtor's Assets Pursuant to Section 363 of the Bankruptcy Code

On June 19, 2009, the Debtors filed the Motion For Entry Of Orders Under 11 U.S.C. §§ 105(a), 363, And 365 And Federal Rules Of Bankruptcy Procedure 2002, 6004, 6006 And 9014 (I) (A) Approving Bidding And Auction Procedures, And Bidding Incentives For The Stalking Horse Bidder; (B) Approving Notice Procedures For The Solicitation Of Bids, An Auction, And The Assumption And Assignment Of Executory Contracts And Unexpired Leases; And (C) Scheduling An Auction And Sale Hearing For The Sale Of Substantially All Of Debtors' Assets; (II) Approving The Sale Of Substantially All Of The Debtors' Assets And Approving The Assumption And Assignment Of Executory Contracts And Unexpired Leases; And (III) Granting Related Relief (the "**Sale Motion**").

On July 7, 2009, the Court entered an order approving the Bidding Procedures Motion and scheduled an auction for August 24, 2009. The hearing to consider the Sale Motion was scheduled for August 26, 2009.

Praetorian Group, the Debtors sales advisor, marketed the Debtors' assets for sale to prospective purchasers. However, no qualified competing bids were received by the Debtors by the bid deadline and therefore no auction was held. The Committee filed an objection to the sale and after discussions between the Debtors, the Committee, and the Buyer, the Buyer agreed to provide additional consideration to the Debtors' estates. On August 31, 2009, the Court entered an order authorizing the sale of assets to Buyer pursuant to the terms of the Asset Purchase Agreement. The sale closed on August 31, 2009, under the following terms: (a) Buyer paid $1.8 million of Cash Consideration to the Debtors, and (b) certain of the Debtors' real property leases and executory contracts were assigned to Buyer, with Buyer assuming all liabilities, including cure costs, with respect to assumed real property leases and executory contracts.

The Debtors sold the Textron Collateral to the Buyer for $500,000 in full and final satisfaction of the Textron Loans. In addition, Textron agreed to waive their claims against the Debtors' estates. The purchase of the Textron Collateral was accomplished by a Stipulation between the parties which was approved on August 27, 2009. Similarly, the Debtors sold certain equipment of Leaf Funding to the Buyer pursuant to a letter agreement approved by the Sale Order.

On September 11, 2009, the Debtors filed a motion to reject those contracts and leases which were not assumed and assigned to Buyer pursuant to the Sale Motion. On September 29, 2009, the Court entered an order approving the Rejection Motion. By these motions to reject, all executory contracts and real property leases not assumed and assigned to Buyer pursuant to the sale were rejected.

VI. THE CHAPTER 11 CASES

A. Summary of First-Day Motions

The Debtors filed their voluntary petitions commencing the Chapter 11 Cases on June 5, 2009 (the "**Petition Date**"). Simultaneously with their petitions, the Debtors filed various "first day motions" seeking authority to, among other things: (i) consolidate the Debtors' cases for joint administration purposes; (ii) pay certain pre-petition employee wages and benefits and honor other employee obligations in the ordinary course of the Debtors' business; (iii) pay pre-petition sales and use tax obligations up to certain limits; (iv) continue the use of their existing cash management system; (v) establish procedures for determining adequate assurance requests from utility companies; and (vi) pay in their discretion, certain critical vendors. A brief description of each motion follows:

1. Employee Wages, Benefits and Other Obligations

On the Petition Date, the Debtors filed a motion (the "**Employee Obligations Motion**") seeking authority to pay: (a) certain prepetition claims of current employees, including, but not limited to, claims for wages, salaries, commissions, vacation, sick leave, and unpaid reimbursable expenses subject to the limits of the $10,950 statutory cap set forth in 11 U.S.C. § 507(a)(4) for each employee and (b) prepetition federal and state withholding obligations. The Debtors also sought an order directing all banks to honor the Debtors' prepetition checks or electronic transfers for payment of any of the foregoing, and prohibiting banks from placing any holds on, or attempting to reverse, any automatic transfers on account of the foregoing.

As of the Petition Date, the Debtors' aggregate workforce consisted of 1,712 employees. Of these employees, approximately 112 were full time salaried employees and the remaining were full time and part time hourly employees. The Court entered an order approving the Employee Wage Motion on June 9, 2009 which allowed payment of all Employee Obligations covered by the Employee Obligations Motion.

2. Sales and Use Tax Obligations

On the Petition Date, the Debtor filed a motion (the "**Tax Motion**") seeking authority to pay prepetition sales and use, and other trust fund taxes in the ordinary course of business and authorizing banks and financial institutions to honor and process checks and transfers related to such payments. The Debtor estimated that the aggregate prepetition sales taxes unpaid as of the Petition Date was approximately $275,000. The Court entered an order approving the Tax Motion on June 9, 2009 thereby authorizing the payment of all tax obligations referred to in the Tax Motion.

3. Existing Cash Management System

On the Petition Date, the Debtor filed a motion (the "**Cash Management Motion**") seeking authority to (a) continue using its (i) existing bank accounts, (ii) business forms and (iii) cash management system and (b) waiving investment guidelines under Section 345 of the Bankruptcy Code. Prior to the Petition Date, in the ordinary course of its business, each Debtor maintained several bank accounts for its respective operations. The Court entered an order approving the Cash Management Motion on June 9, 2009.

4. Adequate Assurance to Utility Providers

On the Petition Date, the Debtor filed a motion (the "**Utility Motion**") seeking entry of an order (i) prohibiting their utility providers from altering, refusing or discontinuing services on account of prepetition amounts outstanding or on account of any perceived inadequacy of the Debtor's proposed adequate assurance; (ii) deeming the utility providers adequately assured of future performance, and (iii) establishing procedures for resolving requests for additional adequate assurance of future payment to the utility providers. As adequate assurance, the Debtors proposed a deposit equal to two weeks usage.

In the ordinary course of business, the Debtors regularly incurred utility expenses for water, electricity, gas, telephone service and internet service. The Debtors' aggregate average monthly cost for utility services was approximately $210,000. On June 9, 2009, and July 7, 2009, the Court entered interim and final orders, respectively, approving the Utility Motion.

5. Critical Vendors

On the Petition Date, the Debtors filed a motion (the **"Critical Vendor Motion"**) seeking entry of an order (i) authorizing the Debtors to pay, in their discretion, certain prepetition claims of Critical Vendors (as defined in the Critical Vendor Motion), and (ii) authorizing banks and other financial institutions to receive, process, honor, and pay any and all checks and transfer requests evidencing amounts paid by the Debtors under the Motion. The Critical Vendor Motion authorized the payment in the amount of $1.05 million to certain Critical Vendors who provided essential goods and services to the Debtors who were not easily replaceable. On June 9, 2009, the Court entered an order approving the Critical Vendor Motion.

6. Rejection of Real Property Leases

On the Petition Date, the Debtors filed a motion (the **"Lease Rejection Motion"**) seeking to reject certain non-residential real property leases for 27 store locations which had closed as of the Petition Date. On July 28, 2009, the Court entered an order approving the Lease Rejection Motion as it pertained to all non-objecting landlords, effective as of the Petition Date. On September 29, 2009, the Court entered a second order authorizing the rejection of leases of the landlords that had filed objections or who had submitted informal responses to the Lease Rejection Motion.

7. Retention of the Debtors' Professionals

Prior to the commencement of these Chapter 11 Cases, the Debtors retained the law firm Blank Rome LLP ("**Blank Rome**") as bankruptcy counsel for the purpose of advising the Debtors during these Chapter 11 Cases. The Debtors' application to approve the retention of Blank Rome was approved on July 7, 2009, *nunc pro tunc* to June 5, 2009. The Debtors have also retained BMC Group Inc. ("**BMC**") as the claims, balloting and noticing agent. The Court entered an order approving the retention of BMC on June 9, 2009, effective as of June 5, 2009. Also, by orders entered on July 22, 2009 and July 7, 2009 respectively, the Debtors retained CRG Partners Group LLC as their Financial Advisors and Franchise Resale Consultants, LLC d/b/a Praetorian Group as their Sales Advisors.

B. The Official Committee of Unsecured Creditors

On June 24, 2009, the United States Trustee appointed an Official Committee of Unsecured Creditors (the "**Committee**") in these Chapter 11 Cases. The Committee consisted of three (3) members: Musky Checkers LLC, John J. Charleston Trust of 1998, and Marian Patricia Sellers Trust. The Committee retained Klehr Harrison Harvey Branzburg & Ellers, LLP ("**Klehr Harrison**") as counsel, and the Court entered an order approving the retention of Klehr Harrison on July 29, 2009. The Committee also retained Executive Sounding Board Associates Inc. ("**ESBA**") as its financial advisor and the Court entered an order approving the retention of ESBA on August 26, 2009.

C. The Bar Date Order

On September 29, 2009, the Bankruptcy Court entered the Bar Date Order. Pursuant to the Bar Date Order, (i) all proofs of claim not otherwise excluded by the Bar Date Order are required to be filed on or before December 15, 2009; (ii) all proofs of claims filed by governmental units are required to be filed by December 15, 2009; and (iii) all requests for payment of administrative expenses based upon Bankruptcy Code section 503(b)(9) are required to be filed by December 15, 2009. Any request for allowance of an Administrative Claim that is not subject to the Bar Date Order, including, without limitation, Professional Fee Claims and Administrative Claims accruing between December 15, 2009 and the Effective Date, shall be filed no later than thirty (30) days after the Effective Date.

D. The Debtors' Exclusive Right to File a Plan of Reorganization

Pursuant to Section 1121 of the Bankruptcy Code, the Debtors had an exclusive right to file a plan of reorganization for 120 days from the Petition Date, or until October 3, 2009. In light of the extensive efforts expended by the Debtors and their professionals in stabilizing the Debtors' operations and facilitating a sale of their operations and assets to the Franchisor, the Debtors requested additional time to formulate a plan. As such, on October 2, 2009, the Debtors filed a motion seeking an extension of the Debtors' exclusive rights to file and solicit acceptances of the plan. The exclusive period for filing a plan was further extended by Court order dated October 28, 2009 until December 2, 2009. In addition, the exclusive period for solicitation of a plan was extended through January 31, 2010.

VII. DESCRIPTION OF THE PLAN

THE DESCRIPTION OF THE PLAN SET FORTH HEREIN IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT OF THE PLAN. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE PROVISIONS OF THE PLAN AND THE DESCRIPTION CONTAINED HEREIN, AND REGARDLESS OF WHETHER ANY SUCH INCONSISTENCY IS A STATEMENT OR OMISSION, THE TERMS OF THE PLAN WILL GOVERN. ALL CAPITALIZED TERMS USED HEREIN HAVE THE MEANINGS ASCRIBED TO THEM IN THE PLAN.

Means For The Implementation Of The Plan

A. Liquidation of Debtors' Assets

The Debtors previously determined, in the discharge of their statutory duties under the Bankruptcy Code, that it was in the best interests of the Debtors, Creditors and Equity Interests that the Debtors' business and substantially all of their assets be liquidated in an orderly fashion, with the net proceeds of such disposition being distributed in accordance with the Bankruptcy Code, prior Orders of the Court and the terms and provisions of this Plan. Accordingly, the Debtors, with Court approval documented by the Sale Order, sold substantially all of their assets, and assumed and assigned or rejected substantially all of their unexpired leases, licenses and other executory contracts pursuant to the terms of the Asset Purchase Agreement. As of the Effective Date, it is anticipated that only a few assets will remain that have not been converted to Cash, including (i) the Causes of Action, (ii) all rights of setoff and recoupment and other defenses that the Debtors and the Estate may have with respect to Allowed Claims, (iii) all of the Debtors' rights under contracts that were not assigned to Buyer pursuant to the Asset Purchase Agreement and the Sale Order or rejected by prior order of the Court, (iv) any and all assets of the Debtors not transferred to the Buyer including but not limited to the Excluded Assets (as defined in the Asset Purchase Agreement), (v) all rights to claims, refunds or adjustments, all other refunds or adjustments with respect to assets not sold to the Buyer pursuant to the Asset Purchase Agreement and Sale Order, (vi) all losses, loss carry forwards and rights to receive refunds, credit and loss carry forwards with respect to any and all taxes of the Debtors, including interest receivable with respect thereto, (vii) all rights of the Debtors arising under the Asset Purchase Agreement and under any other agreement between the Debtors and Buyer entered into in connection with the Asset Purchase Agreement, (viii) all rights of the Debtors under their insurance policies, including, without limitation, to insurance proceeds or other insurance recoveries to the extent they do not relate to damaged goods that have not been fully repaired or replaced, (ix) all of the Debtors' rights to utility deposits paid after the commencement of these Chapter 11 Cases, and (x) only to the extent subject to capitalized leases and similar instruments not constituting contracts assigned to the Buyer, the Debtors' owned equipment, security devices, furniture, fixtures, tools and other personal property and assets that were not transferred to the Buyer. As of the Effective Date, these assets, along with any other Liquidation Trust Assets, shall be transferred to the Liquidation Trust.

As soon as practicable after the Liquidation Trustee has liquidated all of the Liquidation Trust Assets and completed all distributions provided in the Plan, but no later than the 5th anniversary of the Effective Date, the Liquidation Trustee will effectuate the dissolution of the Liquidation Trust.

B. **Substantive Consolidation**

Solely in connection with voting and distributions to be made to the holders of Allowed Claims, the Plan is predicated upon, and it is a condition precedent to Confirmation of the Plan, that the Bankruptcy Court enter the Confirmation Order which shall provide for the substantive consolidation of the Chapter 11 Cases into a single case for purposes of this Plan and distributions hereunder. Pursuant to such Confirmation Order (i) all assets and liabilities of the Debtors will be deemed to be merged solely for purposes of this Plan and distributions to be made hereunder, (ii) the obligations of each Debtor will be deemed to be obligations of all Debtors solely for purposes of this Plan and distributions hereunder, (iii) any Claims Filed or to be Filed in connection with any such obligations will be deemed Claims against all Debtors, as substantively consolidated, (iv) all transfers, disbursements and distributions made by any Debtor will be deemed to be made by all of the Debtors, (v) any Debtor's guarantees of the obligations of another Debtor shall be deemed eliminated so that any Claim against a Debtor and any guarantee thereof executed by another Debtor shall be deemed to be one obligation of all Debtors; and (vi) intercompany claims between the Debtors will be eliminated. Holders of Allowed Claims in each Class shall be entitled to their share of assets available for distribution of such Class without regard to which Debtor was originally liable for such Claim. The Plan shall serve as, and shall be deemed to be, a motion for entry of an order substantively consolidating the Chapter 11 Cases. If any such objection(s) is timely Filed and served, a hearing with respect to the substantive consolidation of the Estates and the objections thereto shall be scheduled by the Bankruptcy Court, which hearing shall coincide with the Confirmation Hearing.

C. **Formation of Liquidation Trust**

On or before the Effective Date, the Debtors and the Liquidation Trustee shall execute the Liquidation Trust Agreement and shall take all other steps necessary to establish the Liquidation Trust in accordance with this Plan, thereby allowing the Liquidation Trust to stand in the shoes of the Debtors with respect to all of the Debtors' rights and interest. Notwithstanding any prohibition of assignability under applicable non-bankruptcy law, on the Effective Date and periodically thereafter if additional Liquidation Trust Assets become available, the Debtors shall be deemed to have automatically transferred to the Liquidation Trust all of their right, title, and interest in and to all of the Liquidation Trust Assets, and in accordance with Section 1141 of the Bankruptcy Code, all such assets shall automatically vest in the Liquidation Trust free and clear of all Claims and Liens, subject only to the Allowed Claims of the Beneficiaries and the Allowed Equity Interests of Holders as set forth in the Plan and the expenses of the Liquidation Trust as provided in the Liquidation Trust Agreement.

The Liquidation Trustee shall succeed to the rights of the Debtors under the Asset Purchase Agreement in all respects, including the retrieval of copies of all necessary books and records purchased by the Buyer under the Asset Purchase Agreement, to the extent necessary to administer the Chapter 11 Cases and implement the Plan.

Except as otherwise provided in the Plan or the Liquidation Trust Agreement, the Liquidation Trustee may compromise or settle any Claims, without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules and may pay the charges that it incurs on or after the Effective Date for professionals' fees,

disbursements, expenses or related support services (including fees relating to the preparation of Professional fee applications) without application to the Bankruptcy Court.

To effectively investigate, defend or pursue the Causes of Action, the Debtors and the Liquidation Trust, and all counsel thereto, must be able to exchange information with each other on a confidential basis and cooperate in common interest efforts without waiving any applicable privilege. Given the common interests of the parties and the Liquidation Trust's position as successor to the Causes of Action, sharing such information between the Debtors, and the Liquidation Trust or their counsel shall not waive or limit any applicable privilege or exemption from disclosure or discovery related to such information.

D. **Treatment of Liquidation Trust for Federal Income Tax Purposes; No Successor-in-Interest**

The Liquidation Trust shall be established for the primary purpose of liquidating its assets, in accordance with Treas. Reg. § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidation Trust. Accordingly, the Liquidation Trustee shall, in an expeditious but orderly manner, liquidate and convert to Cash the Liquidation Trust Assets, make timely distributions to the Beneficiaries and not unduly prolong its duration. The Liquidation Trust shall not be deemed a successor-in-interest of the Debtors for any purpose other than as specifically set forth herein or in the Liquidation Trust Agreement.

The Liquidation Trust is intended to qualify as a "grantor trust" for federal income tax purposes with the Beneficiaries treated as grantors and owners of the Liquidation Trust. For all federal income tax purposes, all parties (including, without limitation, the Debtors, the Liquidation Trustee, and the Beneficiaries) shall treat the transfer of the Liquidation Trust Assets by the Debtors to the Liquidation Trust, as set forth in the Liquidation Trust Agreement, as a transfer of such assets by the Debtors to the Holders of Allowed Claims of Beneficiaries entitled to distributions from the Liquidation Trust Assets, followed by a transfer by such Holders to the Liquidation Trust. Thus, the Beneficiaries shall be treated as the grantors and owners of a grantor trust for federal income tax purposes.

The right and power of the Liquidation Trustee to invest the Liquidation Trust Assets transferred to the Liquidation Trust, the proceeds thereof, or any income earned by the Liquidation Trust, shall be limited to the right and power to (i) invest such Liquidation Trust Assets (pending distributions in accordance with the Plan) in (a) short-term direct obligations of, or obligations guaranteed by, the United States of America, (b) short-term obligations of any agency or corporation which is or may hereafter be created by or pursuant to an act of the Congress of the United States as an agency or instrumentality thereof or (c) such other investments as the Bankruptcy Court may approve from time to time, including under § 345 of the Bankruptcy Code; or (ii) deposit such assets in demand deposits or certificates of deposit at any bank or trust company, which has, at the time of the deposit, a capital stock and surplus aggregating at least $1,000,000,000 (collectively, the "**Permissible Investments**"); *provided, however*, that the scope of any such Permissible Investments shall be limited to include only those investments that a liquidating trust, within the meaning of Treas. Reg. § 301.7701-4(d),

may be permitted to hold, pursuant to the Treasury Regulations, or any modification in the IRS guidelines, whether set forth in IRS rulings, other IRS pronouncements or otherwise.

Subject to the provisions of this Plan, the Liquidation Trustee shall distribute to the Beneficiaries all net cash income plus all net cash proceeds from the liquidation of the Liquidation Trust Assets (including as Cash for this purpose, all cash equivalents) at such time intervals as decided by the Liquidation Trustee in its discretion, pursuant to the terms of the Plan. The Liquidation Trustee may, in its sole discretion, cause the Liquidation Trust to retain an amount of net cash proceeds or net cash income reasonably necessary to maintain the value of its assets or to meet Claims and contingent liabilities (including Disputed Claims).

The Liquidation Trustee shall require any Beneficiary or other distributee to furnish to the Liquidation Trustee in writing his or its Employer or Taxpayer Identification Number as assigned by the Internal Revenue Service and the Liquidation Trustee may condition any distribution to any Beneficiary or other distributee upon receipt of such identification number.

E. Appointment of the Liquidation Trustee

The Trustee for the Liquidation Trust shall be designated by the Committee. The Committee shall designate the Liquidation Trustee five days prior to the Confirmation Hearing.

On the Effective Date, the Liquidation Trustee shall serve as trustee of the Liquidation Trust, and shall have all powers, rights and duties of a trustee. Among other things, the Liquidation Trustee shall (i) hold and administer the Liquidation Trust Assets, (ii) have the power and authority to retain, as an expense of the Liquidation Trust, attorneys, advisors, other professionals and employees as may be appropriate to perform the duties required of the Liquidation Trustee hereunder or in the Liquidation Trust Agreement, (iii) make distributions to the Beneficiaries as provided in the Liquidation Trust Agreement, (iv) have the right to receive reasonable compensation for performing services as Liquidation Trustee and to pay the reasonable fees, costs and expenses of any counsel, professionals, advisors or employees as may be necessary to assist the Liquidation Trustee in performing the duties and responsibilities required under the Plan and the Liquidation Trust Agreement, and (v) provide periodic reports and updates to the Adversary Board regarding the status of the administration of the Liquidation Trust. In the event the Liquidation Trustee is no longer willing or able to serve as trustee, or is otherwise removed pursuant to the terms of the Liquidation Trust Agreement, then the successor shall be appointed by a majority vote of the members of the Creditors Committee as of the Effective Date, or as otherwise determined by the Bankruptcy Court or the Liquidation Trust Agreement, and notice of the appointment of such Liquidation Trustee shall be filed with the Bankruptcy Court.

F. Appointment of the Advisory Board

No later than the Effective Date, the Committee may select up to three persons to serve as an Advisory Board to the Trustee (the "**Advisory Board**"). The Advisory Board shall have general oversight powers over the Liquidation Trustee and the Liquidation Trust. Each member of the Advisory Board will serve until death, resignation, or removal pursuant to the Liquidation Trust or applicable law.

G. **Retention of Professionals and Other Persons**

The Liquidation Trustee shall be authorized to retain and pay professionals and such other Persons the Liquidation Trustee determines in his sole discretion to be necessary to carry out his duties and responsibilities, or otherwise to accomplish the purposes of the Plan, the Confirmation Order and the Liquidation Trust Agreement, provided however, that the retention of legal counsel to pursue Causes of Action shall be compensated in the discretion of the Liquidation Trustee. The Liquidation Trustee shall have the right to pay the professionals from the Liquidation Trust Assets without further order of the Bankruptcy Court.

H. **Liquidation Trustee Standard of Care; Exculpation**

Neither the Liquidation Trustee, nor any director, officer, affiliate, employee, employer, professional, attorney, agent or representative of the Liquidation Trust shall be personally liable, in connection with affairs of the Liquidation Trust, to any claimholder or Beneficiary of the Liquidation Trust, or any other Person, except for such acts or omissions which shall constitute willful misconduct or gross negligence. The Liquidation Trustee is entitled to rely upon and shall have no liability in relying upon the advice of professionals retained by the Liquidation Trust. Any Person asserting a claim against the Liquidation Trust for the expenses of the Liquidation Trust, shall look only to the Liquidation Trust Assets to satisfy any such expense incurred by the Liquidation Trust, the Liquidation Trustee, or other Persons employed or retained by the Liquidation Trust to carry out the terms of the Plan, the Confirmation Order, and the Liquidation Trust Agreement.

I. **Termination of the Liquidation Trust**

The Liquidation Trust will terminate as soon as practicable, but in no event later than the fifth (5^{th}) anniversary of the Effective Date; *provided, however*, that, on or prior to the date of such termination, the Bankruptcy Court, upon motion by a party in interest, may extend the term of the Liquidation Trust for a finite period, if such an extension is necessary to liquidate the Liquidation Trust Assets or for other good cause. Notwithstanding the foregoing, multiple extensions may be obtained so long as Bankruptcy Court approval is requested prior to the expiration of each extended term; *provided, however*, that the Liquidation Trustee determines that any further extension would not adversely affect the status of the Liquidation Trust as a grantor trust for federal income tax purposes.

The Liquidation Trustee and the Liquidation Trust shall be discharged or dissolved, as the case may be, at such time as (a) all Disputed Claims have been resolved, (b) all Liquidation Trust Assets have been liquidated, and (c) all distributions required to be made and all claims and fees required to be paid by the Liquidation Trustee under the Plan have been made.

J. **Termination of Liquidation Trustee and Advisory Board**

The duties, responsibilities and powers of the Liquidation Trustee, and the Advisory Board shall terminate in accordance with the terms of the Liquidation Trust Agreement.

K. **Indemnification**

With respect to the Liquidation Trustee, the Trust shall (i) reimburse the Liquidation Trustee for all reasonable expenses incurred by him in connection with the execution and performance of his rights and duties hereunder (including reasonable fees and expenses of counsel and other experts); (ii) indemnify, defend and hold harmless the Liquidation Trustee (in both his individual and trustee capacities) and the officers, directors, employees and agents of the Liquidation Trustee (collectively, including the Liquidation Trustee in its individual capacity, the "Indemnified Persons") from and against any and all losses, damages, liabilities, claims, actions, suits, costs, expenses, disbursements (including the reasonable fees and expenses of counsel), taxes and penalties of any kind and nature whatsoever, to the extent that such expenses arise out of or are imposed upon or asserted at any time against one or more Indemnified Persons with respect to the performance of this Agreement, the creation, operation, administration or termination of the Liquidation Trust, or the transactions contemplated hereby (collectively, "Indemnified Expenses"); and (iii) advance to each Indemnified Person Indemnified Expenses (including reasonable legal fees) incurred by such Indemnified Person in defending any claim, demand, action, suit or proceeding, prior to the final disposition of such claim, demand, action, suit or proceeding, upon receipt by the Liquidation Trust of a written request therefor and of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall ultimately be determined that the Indemnified Person is not entitled to be indemnified therefor; provided however, that notwithstanding anything in the Liquidation Trust to the contrary, the Liquidation Trust shall not be required to reimburse the Liquidation Trustee for any expenses, indemnify an Indemnified Person for Indemnified Expenses, or advance any Indemnified Expenses to an Indemnified Person, to the extent any such obligation arose or was the result of the willful misconduct or gross negligence of such Indemnified Person.

L. Preservation of Records and Documents

Pursuant to the Asset Purchase Agreement, Buyer is required to preserve and provide access to the business records of the Debtors covering the period prior to the closing of the Asset Purchase Agreement. Buyer shall preserve and provide access to the business records of the Liquidation Trustee or his agents as required under the Asset Purchase Agreement.

M. Corporate Action

Upon the entry of the Confirmation Order by the Bankruptcy Court, all matters provided under the Plan involving the corporate structure of the Debtors shall be deemed authorized and approved without any requirement of further action by the Debtors, the Debtors' shareholders or the Debtors' boards of directors. After the Effective Date, the Debtors shall dissolve or otherwise terminate their existence in accordance with applicable law.

N. Cancellation of Notes, Instruments, Debentures and Equity Securities

On the Effective Date, except to the extent provided otherwise in the Plan, all notes, instruments, certificates and other documents evidencing Claims and all Equity Interests in the Debtor shall be canceled and deemed terminated.

O. Effect of Appeals

Unless the Confirmation Order is stayed pending appeal, at the option of the Debtors, in consultation with the Committee, this Plan may be consummated notwithstanding the pendency of an appeal from the Confirmation Order or the timely service or filing of a motion under Bankruptcy Rule 7052, 8002, 8003, 8015, 9023, or 9024.

VIII. SETTLEMENT WITH PENTLAND

Pentland is a member of Alset Owners and an unsecured creditor in the Debtors' estates. Pentland has filed the Pentland Unsecured Claim asserting unsecured claims against the Debtors in the amount of $5,153,365.46, including interest. As more fully set forth in a stipulation between the Debtors, the Committee and Pentland, annexed to the Plan as Exhibit 2 thereto (the **"Pentland Settlement"**), in an effort to resolve any issues related to the Pentland Unsecured Claim, the Unsecured Pentland Notes, and Pentland's investment in the Debtors, Pentland will receive $50,000 on account of the Pentland Unsecured Claim, provided however that Pentland shall receive additional distributions only in the event that holders of other Class 2 Claims are paid in full. The Pentland Settlement will allow other general unsecured creditors in Class 2 to receive a greater distribution in these Chapter 11 Cases.

Pursuant to Bankruptcy Rule 9019 and in consideration for the classification, distribution, releases and other benefits provided under the Plan, the provisions of this Plan shall constitute a good faith compromise and settlement of the Unsecured Pentland Loans and the Pentland Unsecured Claim and all Claims brought, or that could have been brought by Pentland, which shall be deemed settled pursuant to section 1123(b)(3)(A) of the Bankruptcy Code pursuant to the Pentland Settlement. The entry of the Confirmation Order shall constitute the Court's approval of the Pentland Settlement and the Court's findings shall constitute its determination that the Pentland Settlement is in the best interest of the Debtors, the Estates, the creditors and other parties in interest, and is fair, equitable and within the range of reasonableness. As set forth in the Pentland Settlement, upon the Court's entry of the Confirmation Order, subject to achievement of the Effective Date, the Debtors, the Liquidation Trust, the Committee, any holder of any Claim or Interest or any other party in interest shall be permanently enjoined from raising or asserting any claim brought, or that could have been brought against Pentland.

IX. EFFECT OF PLAN CONFIRMATION

A. Binding Effect

The Plan shall be binding upon and inure to the benefit of the Debtors, all present and former holders of Claims and Interests, and their respective successors and assigns, including, but not limited to, the Liquidation Trust.

B. Releases and Exculpation

On the Effective Date, the Debtors, the Committee and, solely in their respective capacities as members or representatives of the Committee, the Committee Members and (ii) each of the respective representatives, officers, directors, members, employees, advisors, accountants, investment bankers, consultants, attorneys and other representatives of the Debtors and Committee, solely in their respective capacities as such (collectively, the "Exculpated Parties"), and only with respect to their activities and conduct in connection with

the Chapter 11 Cases, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, that are based in whole or in part on any act or omission, transaction, event or other occurrence up to the Effective Date, shall have or incur any liability to any Person, and each Exculpated Party is hereby released from, any claim, cause of action or liability to any Person or entity or to any Holder of a Claim or Equity Interest, for any act or omission in connection with or arising out of their participation in the Chapter 11 Cases, including without limitation in the formulation, confirmation, consummation, and/or administration of this Plan or the property to be distributed under this Plan, except if such act or omission is determined in a Final Order to have constituted gross negligence or willful misconduct, and in all respects, each of such Persons shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities and shall be fully protected in acting or in refraining from action in accordance with such advice.

C. **Injunction Related to Releases/Exculpation**

The Confirmation Order will permanently enjoin the commencement or prosecution by any entity, whether directly, derivatively or otherwise, of any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action or liabilities released pursuant to the Plan.

D. **Discharge of Claims and Termination of Interests**

Pursuant to section 1141(d)(3) of the Bankruptcy Code, Confirmation will not discharge Claims against the Debtor; provided, however, that a holder of a Claim against the Debtor may not, on account of such Claim, seek or receive payment or other distribution from, or seek recourse against, the Debtor, the Liquidation Trust, or any of their affiliates, respective successors or their respective property, except as expressly provided herein.

E. **Injunction**

Except as otherwise provided in the Plan, the Confirmation Order shall provide, among other things, that from and after the Confirmation Date, all Persons who have held, hold, or may hold Claims against or Interests in the Debtors are (i) Permanently enjoined from taking any of the following actions against the estate, the Debtor, the Committee (or any of its members), the Liquidation Trust, the Liquidation Trustee, and any of the respective representatives, officers, directors, members, employees, advisors, accountants, investment bankers, consultants, attorneys and other representatives of any of the foregoing Debtor, Committee, Committee Members, Liquidation Trust and Liquidation Trustee, or any of their property on account of any such Claims or Interests and (ii) preliminarily enjoined from taking any of the following actions against the Debtor, the Committee (or any of its members), the Liquidation Trust, the Liquidation Trustee, and any of the respective representatives, officers, directors, members, employees, advisors, accountants, investment bankers, consultants, attorneys and other representatives of the foregoing Debtor, Committee, Committee Members, Liquidation Trust, Liquidation Trustee, or their property on account of such Claims or Interests: (A) commencing or continuing, in any manner or in any place, any action or other proceeding; (B) enforcing, attaching, collecting or recovering in any manner

any judgment, award, decree or order; (C) creating, perfecting or enforcing any lien or encumbrance; and (D) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan; provided, however, that (w) nothing contained herein shall preclude such Persons from exercising their rights pursuant to and consistent with the terms of the Plan, and (x) the preliminary injunction of actions against the Debtor, the Liquidation Trust, the Liquidation Trustee and their property (if any) shall be dissolved and terminate one (1) day following the termination of the Liquidation Trust Agreement in accordance with the terms of such agreement. By voting in favor of the Plan, each holder of an Allowed Claim voting in favor of the Plan will be deemed to have specifically consented to the injunctions set forth in the Plan, to the extent that such consent is necessary. Notwithstanding the foregoing, nothing herein shall be construed to enjoin the Liquidation Trust, and its representatives including the Liquidation Trustee from, among other things, pursuing Causes of Action and provided further that individual creditors are not enjoined from pursuing claims against parties other than the Debtors that are independent of such creditors' Claims against the Debtors. .

X. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption of Executory Contracts and Unexpired Leases

Pursuant to the Sale Order, certain leases of real property and other executory contracts were assumed and assigned to Buyer. A list of the leases that were assumed and assigned to Buyer is attached to the Sale Order as Exhibit B thereto.

B. Rejection of Executory Contracts and Unexpired Leases

Any executory contracts or unexpired leases that have not expired by their own terms on or prior to the Effective Date, which the Debtors have not assumed and assigned or rejected with the approval of the Bankruptcy Court or that have not been assumed or rejected by Motion and Order prior to Effective Date, shall be deemed rejected by the Debtors on the Effective Date and the entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such rejections pursuant to Sections 365(a) and 1123 of the Bankruptcy Code.

C. Rejection Claims; Cure of Defaults

Except to the extent contrary to the Bar Date Order, if the rejection of an executory contract or unexpired lease results in damages to the other party or parties to such contract or lease, any Claim for such damages, if not heretofore evidenced by a Proof of Claim that has been Filed, shall be forever barred and shall not be enforceable against the Debtors, the Liquidation Trust, or their properties, successors or assigns, unless a Proof of Claim is Filed and served upon (i) the Liquidation Trustee, and (ii) any counsel for the Liquidation Trustee, on or before thirty (30) days after the later to occur of (i) the Effective Date; and (ii) the date of entry of an order by the Bankruptcy Court authorizing rejection of the particular executory contract or unexpired lease.

XI. PROVISIONS REGARDING DISTRIBUTIONS

A. Time and Method of Distributions

Except as otherwise stated in the Plan, the Liquidation Trustee, on behalf of the Liquidation Trust, or such other Entity as may be designated in accordance with the Liquidation Trust Agreement, will make the distributions required under the Plan in accordance with Section 3.5 of the Liquidation Trust Agreement. Whenever any distribution to be made under the Plan or the Liquidation Trust Agreement is due on a day other than a Business Day, such distribution shall be made, without interest, on the immediately succeeding Business Day, but any such distribution will have been deemed to have been made on the date due.

B. **Reserve for Disputed Claims**

The Liquidation Trustee shall maintain a reserve for any distributable amounts required to be set aside on account of Disputed Claims and shall distribute such amounts (net of any expenses, including any taxes relating thereto), as provided herein and in the Liquidation Trust Agreement, as such Disputed Claims are resolved by Final Order, and such amounts shall be distributable in respect of such Disputed Claims as such amounts would have been distributable had the Disputed Claims been Allowed Claims as of the Effective Date.

C. **Manner of Payment under the Plan and Liquidation Trust**

Any payment in Cash to be issued hereunder shall, at the election of the issuer, be made by check drawn on a domestic bank or by wire transfer from a domestic bank.

D. **Delivery of Distributions**

Subject to the provisions of Bankruptcy Rule 2002(g), and except as otherwise provided herein, distributions and deliveries to Holders of record of Allowed Claims shall be made at the address of each such Holder set forth on the Debtor' books and records unless superseded by the address set forth on proofs of claim filed by any such Holders. By no later than the Effective Date, the Debtors and the Buyer shall provide the Liquidation Trustee with the addresses and other books and records relating to the Beneficiaries, including, without limitation, all taxpayer identification information.

E. **Undeliverable Distributions**

1. Holding of Undeliverable Distributions:

If any distribution hereunder to any Holder is returned as undeliverable, no further distributions shall be made to such Holder unless and until the issuer of the distribution is notified in writing of such Holder's then-current address. All Entities ultimately receiving undeliverable Cash shall not be entitled to any interest or other accruals of any kind. Nothing contained in the Plan or Liquidation Trust Agreement shall require the issuer of any distribution to attempt to locate any Holder of an Allowed Claim or an Allowed Interest.

2. Failure to Claim Undeliverable Distributions:

Any holder of an Allowed Claim that does not assert its rights pursuant to the Plan or Liquidation Trust Agreement to receive a distribution within ninety (90) days from and after the date such distribution is returned as undeliverable shall have such holder's Claim for such

undeliverable distribution discharged and shall be forever barred from asserting any such Claim against the Debtor, Liquidation Trust, the Liquidation Trustee and their respective professionals, or the Liquidation Trust Assets. In such case, any consideration held for distribution on account of such Claim or Interest shall belong to the Liquidation Trust for distribution by the Liquidation Trustee to the Beneficiaries in accordance with the terms of the Plan and Liquidation Trust Agreement.

F. **Compliance with Tax Requirements/Allocation**

The issuer of any distribution under the Plan or Liquidation Trust shall comply with all applicable tax withholding and reporting requirements imposed by any Governmental Unit, and all distributions pursuant to the Plan and Liquidation Trust shall be subject to any such applicable withholding and reporting requirements. For tax purposes, distributions received in respect of Allowed Claims will be allocated first to the principal amount of such Claims, with any excess allocated to unpaid accrued interest.

G. **Time Bar to Cash Payments**

Checks issued on account of Allowed Claims shall be null and void if not negotiated within ninety (90) days from and after the date of issuance thereof. Requests for reissuance of any check shall be made directly to the issuer of the check by the holder of the Allowed Claim with respect to which such check originally was issued. Any claim in respect of such a voided check shall be made within ninety (90) days from and after the date of issuance of such check. After such date, all Claims in respect of voided checks shall be discharged and forever barred and the Liquidation Trust shall be entitled to retain all monies related thereto for distribution to the Beneficiaries in accordance with the terms of the Plan and the Liquidation Trust Agreement.

H. **Distributions After Effective Date**

Distributions made after the Effective Date to Holders of Claims that are not Allowed Claims as of the Effective Date, but which later become Allowed Claims, shall be deemed to have been made on the Effective Date. Unless otherwise specifically provided in the Plan or the Liquidation Trust Agreement, no interest shall be payable on account of any Claim not paid on the Effective Date.

I. **Fractional Dollars; De Minimis Distributions**

Notwithstanding anything contained herein to the contrary, payments of fractions of dollars will not be made. Whenever any payment of a fraction of a dollar under the Plan or Liquidation Trust would otherwise be called for, the actual payment made will reflect a rounding of such fraction to the nearest dollar (up or down), with half dollars being rounded down. No payment shall be made on account of any distribution less than Fifty Dollars ($50) with respect to any Allowed Claim unless a request therefor is made in writing to the issuer of such payment on or before ninety (90) days after the Effective Date.

J. **Setoffs**

The Liquidation Trustee may, pursuant to Sections 502(d) or 553 of the Bankruptcy Code or applicable nonbankruptcy law, set off against any Allowed Claim or Allowed Administrative Claim and the distributions to be made pursuant to the Liquidation Trust Agreement on account thereof (before any distribution is made on account of such Claim), the Claims, rights and Causes of Action of any nature that it may hold against the Holder of such Allowed Claim or Allowed Administrative Claim; provided, however, that neither the failure to effect such a set-off nor the allowance of any Claim hereunder shall constitute a waiver or release of any such claims, rights and Causes of Action that the Liquidation Trust may possess against such Holder.

K. Preservation of Subordination Rights

Except as otherwise provided herein or in the Stipulation, all subordination rights and claims relating to the subordination by the Debtors or the Liquidation Trustee of any Allowed Claim shall remain valid, enforceable and unimpaired in accordance with Section 510 of the Bankruptcy Code or otherwise.

L. Settlement of Claims and Controversies

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of this Plan shall constitute a good faith compromise and settlement of claims or controversies relating to the contractual, legal and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim, or any distribution to be made on account of any such Allowed Claim.

XII. PROCEDURES FOR RESOLUTION OF DISPUTED, CONTINGENT AND UNLIQUIDATED CLAIMS OR EQUITY INTERESTS

A. Objections to Claims; Prosecution of Disputed Claims

1. The Debtors or the Committee, prior to the Effective Date, and thereafter the Liquidation Trustee in accordance with the Liquidation Trust Agreement, shall have the right to object to the allowance of Claims or Equity Interests Filed with the Bankruptcy Court with respect to which they dispute liability or allowance in whole or in part. The Liquidation Trustee (within any parameters as may be established by the Liquidation Trust Agreement) shall have the authority to file, settle, compromise or withdraw any objections to Claims, without approval of the Bankruptcy Court.

2. Notwithstanding the foregoing, the Liquidation Trustee, on behalf of the Liquidation Trust, shall have the right to object to the allowance of any Administrative Claims, Priority Claims, Class 1 and Class 2 Claims, and any other Claims asserted against the Liquidation Trust or the Liquidation Trust Assets, by no later than the Claims Objection Deadline.

B. Estimation of Claims

The Debtors or the Committee, prior to the Effective Date, and thereafter the Liquidation Trustee in accordance with the Liquidation Trust Agreement, may at any time request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to Section 502(c) of

the Bankruptcy Code regardless of whether the Debtors, the Committee or the Liquidation Trustee previously have objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. Subject to the provisions of Section 502(j) of the Bankruptcy Code, in the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, the amount so estimated shall constitute the maximum allowed amount of such Claim. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Debtors, the Committee or the Liquidation Trustee may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation and resolution procedures are intended to be cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

C. Payments and Distributions on Disputed Claims

1. Notwithstanding any provision hereof to the contrary, any issuer of a distribution hereunder may, in its discretion, pay the undisputed portion of a Disputed Claim. Notwithstanding the foregoing, the issuer of a distribution hereunder will set aside for each Holder of a Disputed Claim such portion of Cash as may be necessary to provide required distributions if that Claim were an Allowed Claim, either based upon the amount of the Claim as filed with the Bankruptcy Court or the amount of the Claim as estimated by the Bankruptcy Court.

2. At such time as a Disputed Claim becomes, in whole or in part an Allowed Claim, the issuer of a distribution hereunder shall distribute to the Holder thereof the distributions, if any, to which such Holder is then entitled under the Plan or the Liquidation Trust. Such distribution, if any, will be made as soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing such Disputed Claim becomes a Final Order. No interest will be paid on Disputed Claims that later become Allowed or with respect to any distribution in satisfaction thereof to a Holder.

D. Tort Claims

All Claims against the Debtors arising after the Petition Date asserting damages for personal injuries or property damage, are Disputed Claims unless and until Allowed by a Final Order. Any other claim asserting damages for personal injuries or property damage shall be determined and liquidated by a court of competent jurisdiction. Nothing contained in the Plan shall be deemed a waiver of any Cause of Action that the Debtors or the Liquidation Trust may hold against any entity, including, without limitation, in connection with or arising out of any tort claim.

XIII. RETENTION AND PRESERVATION OF CAUSES OF ACTION NOT EXPRESSLY SETTLED OR RELEASED

1. On the Effective Date, all Causes of Action shall vest in the Liquidation Trust, which shall hold and possess all rights on behalf of the Debtors, the Estates and the Liquidation

Trust and shall have the exclusive right, authority and discretion to commence, prosecute, abandon, settle or compromise any such Cause of Action not otherwise settled or released prior to the Effective Date.

2. The Debtors and the Committee, and, after the Effective Date, the Liquidation Trustee, on behalf of the Liquidation Trust, reserve all rights to pursue any and all Causes of Action. The Debtors hereby reserve the rights of the Liquidation Trust and the Liquidation Trustee, on behalf of the Liquidation Trust, to pursue, administer, settle, litigate, enforce and liquidate:

(a) Any and all actions arising under the Bankruptcy Code, including, without limitation, Sections 544, 545, 547, 548, 549, 550, 551, 553(b) and/or 724(a) of the Bankruptcy Code; and

(b) Any other Causes of Action that currently exist or may subsequently arise and which have not been otherwise set forth herein, because the facts upon which such Causes of Action are based are not currently or fully known by the Debtors (collectively, the **"Unknown Causes of Action"**). The failure to list or describe any such Unknown Cause of Action herein is not intended to limit the rights of the Liquidation Trustee, on behalf of the Liquidation Trust, to pursue any unknown Cause of Action.

3. Unless Causes of Action against a Person or Entity are expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order of the Bankruptcy Court, the Debtors (before the Effective Date) and the Liquidation Trustee, on behalf of the Liquidation Trust (post-Effective Date), expressly reserve all Causes of Action (including the Unknown Causes of Action) for later adjudication and therefore, no preclusion doctrine or other rule of law, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such Causes of Action upon, after, or as a result of the confirmation or Effective Date of the Plan, or the Confirmation Order. In addition, the Debtors and the Liquidation Trustee, on behalf of the Liquidation Trust, and any successors-in-interest thereto, expressly reserve the right to pursue or adopt any Claims not so waived, relinquished, released, compromised or settled that are alleged in any lawsuit in which any of the Debtors is a defendant or an interested party, against any Person or Entity, including, without limitation, the plaintiffs and co-defendants in such lawsuits.

XIV. CRAM DOWN

If necessary, the Proponents intend to request the Bankruptcy Court to confirm the Plan in accordance with Section 1129(b) of the Bankruptcy Code.

XV. MISCELLANEOUS PROVISIONS

A. Dissolution of Committee

Upon the Effective Date, the Committee shall dissolve, except with respect to any appeal of an order or other pending matter in the Chapter 11 Cases, and any applications for

Professional Fee Claims, and the Committee Members and the Committee's Professionals shall be relieved and discharged of all duties related to the Chapter 11 Cases.

B. Payment of Statutory Fees

After the Effective Date, all fees payable pursuant to Section 1930(a) of title 28 of the United States Code, as determined by the Bankruptcy Court at the hearing pursuant to Section 1128 of the Bankruptcy Code, shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed or closed, whichever occurs first.

C. Modification of Plan

Subject to the limitations contained in the Plan:

1. The Plan may be amended or modified in the manner provided for under Code § 1127(a) or (b). The Debtors or the Liquidation Trustee shall give notice of any proposed modification to the Office of the United States Trustee, the Committee, and any other parties designated by the Court. The Debtors and the Liquidation Trustee also reserve the right to make such modifications at any hearings on Confirmation as are necessary to permit this Plan to be confirmed under Code § 1129(b).

2. After the entry of the Confirmation Order, the Debtors or the Liquidation Trustee may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with Section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

XVI. CERTAIN FACTORS TO BE CONSIDERED

HOLDERS OF CLAIMS AGAINST THE DEBTORS SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH BELOW, AS WELL AS OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND THE DOCUMENTS DELIVERED TOGETHER HEREWITH AND/OR INCORPORATED BY REFERENCE HEREIN, PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN.

A. Certain Bankruptcy Considerations

Although the Debtors and the Committee believe that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Moreover, there can be no assurance that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate the resolicitation of votes.

B. Risks Relating to Plan

Although the Plan provides for a liquidation of the Debtors and the remaining assets of their estates, there are risks associated with the Plan. Holders of Claims should consider that the timing and amount of distributions under the Plan can be affected by (among other things): (i)

the costs and expenses incurred by the Debtors and the Liquidation Trustee and their professionals, agents or employees with respect to implementation of the Plan, including, without limitation, the costs and expenses of making Distributions pursuant to the Plan, and the costs and expenses of complying with applicable tax laws and other reporting requirements; (ii) litigation costs and expenses incurred by or on behalf of the Debtors; and (iii) the success in objecting to Disputed Claims.

XVII. CONFIRMATION OF THE PLAN

Under the Bankruptcy Code, the following steps must be taken to confirm the Plan.

A. Classification

The Debtors are required under Section 1122 of the Bankruptcy Code to classify the Claims and Equity Interests of the Debtors' Creditors and Interest holders into Classes that contain Claims and Interests that are substantially similar to the other Claims or Equity Interests in such Classes. The Plan can be confirmed so long as there is one consenting Class of Impaired Claims (not including the votes of insiders), and so long as the other requirements for Confirmation that do not involve voting are met.

B. Disclosure and Solicitation

This Disclosure Statement is presented to the holders of Claims in Impaired Classes that receive or retain property pursuant to the Plan to satisfy the requirements of Bankruptcy Code Sections 1125 and 1126. Bankruptcy Code Section 1125 requires that full disclosure be made to all holders of Claims and Equity Interests in Impaired Classes that receive or retain property pursuant to a plan at the time, or before, solicitation of acceptances of such plan is commenced.

C. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of a plan. As set forth above, by order of the Bankruptcy Court, the Confirmation Hearing has been scheduled for **February 22, 2010, at 10:00 a.m. Eastern Time**, in the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 6th Floor, Wilmington, DE 19801. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the Confirmation Hearing or any adjournment thereof.

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan. Any objection to Confirmation of the Plan must be in writing, conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, set forth the name of the objecting party, the nature and amount of Claim or interest held or asserted by the objecting party against the Debtors' estates or property, the basis for the objection and the specific grounds therefor, and be filed with the Bankruptcy Court, with a copy to chambers, together with proof of service thereof, and served upon counsel for the Debtors, the Committee and the Office of the U.S. Trustee at the addresses set forth in Section II.F. hereof, so as to be received no later than **4:00 p.m. (Eastern Time), on February 15, 2010**.

Objections to Confirmation of the Plan are governed by Federal Rule of Bankruptcy Procedure 9014. **UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.**

D. **Requirements for Confirmation of the Plan**

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if all of the requirements of Section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation are that the Plan (a) is accepted by all impaired Classes of Claims and Equity Interests or, if rejected by an impaired Class, that the Plan "does not discriminate unfairly" and is "fair and equitable" as to such Class, (b) is feasible and (c) is in the "best interests" of holders of Claims and Equity Interests impaired under the Plan.

1. Fair and Equitable Test

The Debtors may seek to confirm the Plan notwithstanding the non-acceptance of the Plan by any impaired Class of Claims or Equity Interests entitled to vote on the Plan. To obtain such confirmation, the Debtors must demonstrate to the Bankruptcy Court that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to each dissenting impaired Class. The Debtors believe that Claims in Class 2 are Impaired under the Plan. A plan does not discriminate unfairly if the legal rights of a dissenting impaired class are treated in a manner consistent with the treatment of other classes whose legal rights are substantially similar to those of the dissenting impaired class and if no class receives more than it is entitled to for its claims or equity interests. The Debtors believe that the Plan satisfies this requirement.

The Bankruptcy Code establishes different "fair and equitable" tests for secured claims, unsecured claims and equity interests, as follows:

(a) Secured Claims

Either (i) each holder of an impaired Secured Claim (a) retains the Liens securing such Claim to the extent of the Allowed amount of such Claim and (b) receives on account of such Claim deferred Cash payments totaling at least the Allowed amount of such Claim with a present value as of the effective date at least equal to the value of such holder's interest in the estate's interest in the property securing its Liens; (ii) property subject to the Lien of the impaired creditor is sold free and clear of that Lien, with the Lien attaching to the proceeds of the sale, and the Lien proceeds treated in accordance with clauses (i) or (iii) hereof, or (iii) the impaired secured creditor realizes the "indubitable equivalent" of its Claim under the Plan.

(b) Unsecured Claims

Either (i) each holder of an impaired Unsecured Claim receives or retains under the Plan property of a value equal to the amount of its Allowed Claim or (ii) the holders of Claims and Equity Interests that are junior to the Claims of the dissenting Class will not receive or retain any property under the Plan on account of such junior Claims or Equity Interests.

(c) Equity Interests

Either (i) each Interest holder will receive or retain under the Plan property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such Equity Interest or (b) the value of the Equity Interest, or (ii) the holders of Equity Interests that are junior to the dissenting class of Equity Interests will not receive or retain any property under the Plan on account of such junior Interest.

2. Feasibility and Best Interests Test

The Bankruptcy Code requires that in order to confirm the Plan, the Bankruptcy Court must find that confirmation of the Plan is not likely to be followed by liquidation or the need for further financial reorganization of the Debtors (the "**Feasibility Test**"), except as otherwise provided for under the Plan. In addition, the Bankruptcy Court must determine that the values of the distributions to be made under the Plan to each Class will equal or exceed the values which would be allocated to such Class in a liquidation under Chapter 7 of the Bankruptcy Code (the "**Best Interest Test**"). The Best Interest Test with respect to each impaired Class requires that each holder of a Claim or Equity Interest in such Class either (i) accept the Plan, or (ii) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code.

The Debtors and the Committee believe that the Plan meets the requirements of the Feasibility Test and of the Best Interest Test by providing for the liquidation of all of its assets and the Cash proceeds being distributed in accordance with the priority scheme set forth in the Bankruptcy Code.

XVIII. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN OF LIQUIDATION

If the Plan is not confirmed and consummated, the alternatives include: (i) preparation and presentation of an alternative plan of liquidation; or (ii) liquidation of the Debtors under Chapter 7 of the Bankruptcy Code.

A. Alternative Plans of Liquidation

The Debtors and the Committee believe that failure to confirm the Plan will inevitably result in additional administrative expenses being incurred which will reduce and delay the likelihood of distributions to holders of General Unsecured Claims. The Debtor and the Committee believe that the Plan, as described herein, fairly adjusts the rights of various Classes of Creditors consistent with the distribution scheme embodied in the Bankruptcy Code and enables Creditors to realize the most possible under the circumstances.

B. Liquidation Under Chapter 7

The Debtors and the Committee believe that a liquidation under Chapter 7 would result in a reduced recovery of funds by the Debtors' estates because of the additional administrative expenses involved in the appointment of a trustee for the Debtors and the employment of attorneys and other professionals to assist such trustee. Further, the Plan contemplates approval of the Pentland Settlement which will allow beneficiaries holding claims in Class 2 to receive a

greater distribution under the Plan than would otherwise be received under Chapter 7 of the Bankruptcy Code. Accordingly, the Debtors and the Committee believe that if holders of Claims could or would receive anything in a Chapter 7 liquidation, such holders of Claims may be expected to receive smaller distributions pursuant to a Chapter 7 liquidation than under the Plan. See Exhibit D for the Liquidation Analysis.

To determine what holders of Claims and Equity Interests in each impaired Class would receive if the Debtors were liquidated, the Bankruptcy Court must determine what funds could be generated from the liquidation of the Debtors' assets and property in the context of a Chapter 7 liquidation case, which would consist of the proceeds resulting from the disposition of the unencumbered assets of the Debtors, augmented by the Cash held by the Debtor at the time of the commencement of the liquidation case. Such Cash amounts would be reduced by post-petition Chapter 11 administrative costs, and costs incurred by the Chapter 7 trustee and any professional retained by the Chapter 7 trustee. To determine if the Plan is in the best interest of each impaired Class, the present value of the distributions from the proceeds of the liquidation of the Debtors' assets and property (after subtracting the amounts attributable to the aforesaid Claims) are then compared with the present value offered to such Classes of Claims under the Plan.

In applying the Best Interest Test, the Claims in the Chapter 7 case would be classified according to the same seniority of such Claims as provided in the Plan, in the absence of a contrary determination by the Bankruptcy Court, all pre-Chapter 11 general unsecured creditor Claims that have the same rights upon liquidation would be treated as one Class for the purposes of determining the potential distribution of the liquidation proceeds resulting from the Chapter 7 case of the Debtors. The distributions from the liquidation proceeds would be calculated ratably according to the amount of the aggregate Claims held by each Creditor. The Debtors believe that the most likely outcome of liquidation proceedings under Chapter 7 would be the application of the rule of absolute priority of distributions. Under that rule, no junior Creditor may receive any distribution until all senior Creditors are paid in full with interest.

The Debtors and the Committee believe that Confirmation of the Plan will provide each Creditor with a greater recovery than it would receive if the Debtors were liquidated under Chapter 7. This determination is based primarily upon the fact that (i) a Chapter 7 liquidation would increase the administrative costs that must be paid prior to the payment of distributions to Creditors, and (ii) Beneficiaries of allowed claims in Class 2 would receive reduced distributions absent the Pentland Settlement.

XIX. RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain such jurisdiction over any matter arising under the Bankruptcy Code, or arising in or related to the Chapter 11 Cases or the Plan after Confirmation and after the Effective Date, and any other matter or proceeding that is within the Bankruptcy Court's jurisdiction pursuant to 28 U.S.C. §1334 or 28 U.S.C. §157, including, without limitation, jurisdiction to:

1. Allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim or Equity Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the allowance or priority of Claims or Equity Interests;

2. Grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan, for periods ending on or before the Effective Date;

3. Resolve any matters related to the assumption, assumption and assignment or rejection of any executory contract and unexpired lease to which any of the Debtors is party or with respect to which any of the Debtors may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;

4. Ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions hereof;

5. Decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters, including all Causes of Action and objections or estimations to Claims or Equity Interests, and grant or deny any applications involving the Debtors that may be pending on the Effective Date, or that, pursuant to the Plan, may be instituted by the Liquidation Trustee, or the Liquidation Trust or any other Person or Entity after the Effective Date; provided, however that the Liquidation Trustee and the Liquidation Trust shall reserve the right to prosecute the Causes of Action in all proper jurisdictions;

6. Enter such orders as may be necessary or appropriate to implement or consummate the provisions hereof and all contracts, instruments, releases and other agreements or documents created in connection with the Plan, the Disclosure Statement or the Liquidation Trust Agreement;

7. Resolve any case, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Plan, the Liquidation Trust Agreement, the Confirmation Order, or any Person's or Entity's obligations incurred in connection with the Plan, the Liquidation Trust Agreement, or the Confirmation Order, including, relating to determining the scope and extent of the Liquidation Trust Assets;

8. Issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with consummation or enforcement of the Plan, except as otherwise provided herein;

9. Resolve any case, controversies, suits or disputes with respect to the provisions contained in Articles XII and XIII of the Plan and enter any orders that may be necessary or appropriate to implement such provisions;

10. Enter and implement any orders that are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

11. Determine any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement, the Confirmation Order, the Liquidation Trust Agreement or any contract, instrument, release, indenture or other agreement or document created in connection with the Plan or the Disclosure Statement or the Liquidation Trust Agreement; and

12. Enter an order and/or final decree concluding the Chapter 11 Cases.

XX. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN OF LIQUIDATION

A. Introduction

The following discussion summarizes certain U.S. federal income tax consequences of the transactions that are described herein and in the Plan that affect holders of certain Claims. This summary is based upon the Internal Revenue Code of 1986, as amended ("**Tax Code**"), the Treasury Department regulations promulgated thereunder ("**Treasury Regulations**"), judicial authority and current administrative rulings and practice now in effect. These authorities are all subject to change at any time by legislative, judicial or administrative action, and such change may be applied retroactively in a manner that could adversely affect holders of Claims or Equity Interests and the Debtors. The federal income tax consequences to any particular holder of a Claim or Equity Interest may be affected by matters not discussed below. For example, neither the impact of the Plan on foreign holders of Claims or Equity Interests nor the impact under any state or local law is discussed herein. Further, this summary generally does not address the tax consequences to Creditors who may have acquired their Claims from the initial holders nor does it address the tax considerations applicable to Creditors or Interest holders that may be subject to special tax rules such as financial institutions, insurance companies, dealers in securities or currencies, tax-exempt organizations or taxpayers subject to the alternative minimum tax. To the extent that the summary of payments to Creditors in this Section conflicts with other parts of this Disclosure Statement or the Plan, the discussion in such other parts of the Disclosure Statement or the Plan shall govern.

NO RULING WILL BE SOUGHT FROM THE INTERNAL REVENUE SERVICE ("**IRS**"), AND NO OPINION OF COUNSEL HAS BEEN OR WILL BE SOUGHT, WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN. THE DISCUSSION SET FORTH BELOW IS FOR GENERAL INFORMATION ONLY. THIS DESCRIPTION DOES NOT COVER ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT. EACH CREDITOR AND INTEREST HOLDER IS URGED TO CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PLAN.

IRS CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS, PLEASE BE ADVISED THAT ANY WRITTEN U.S. TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENT) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF (1) AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE OR (2) PROMOTING, MARKETING OR

RECOMMENDING TO ANOTHER PARTY ANY TRANSACTION OR MATTER ADDRESSED HEREIN.

B. **Consequences to Holders of Allowed Unsecured Claims**

Pursuant to the Plan, holders of Allowed Unsecured Claims will receive one or more distributions in satisfaction of their Claims (depending upon, among other things, the resolution of Disputed Claims).

1. Gain or Loss

In general, each holder of an Allowed Unsecured Claim will recognize gain or loss in an amount equal to the difference between (i) the amount of Cash received by such Creditor in satisfaction of its Claim (other than any Claim representing accrued but unpaid interest, and any amount required to be treated as imputed interest in respect of Distributions made after the Effective Date) and (ii) such Creditor's adjusted tax basis in such Claim (other than any Claim representing accrued but unpaid interest). For a discussion of the treatment of any Claim for accrued but unpaid interest, see "Distributions in Discharge of Accrued but Unpaid Interest" below.

Except as otherwise provided in the Plan, holders of Allowed Unsecured Claims may receive additional Distributions as provided in the Plan, as Disputed Claims are resolved. As a consequence, Creditors' ability to recognize a loss in respect of an Allowed Unsecured Claim may be limited if a reasonable prospect exists of recovering additional amounts in further satisfaction of the Allowed Unsecured Claim. Any loss, and a portion of any gain, realized by holders of Allowed Unsecured Claims may be deferred until the Final Distribution is made in respect of such Allowed Unsecured Claims. Creditors who are planning to take a bad debt deduction with respect to their unpaid Claims should consult their tax advisor in light of the Debtor's belief that there is a reasonable prospect that holders of Allowed Unsecured Claims will receive a Distribution on said Allowed Claim. Where gain or loss is recognized by a Creditor in respect of its Allowed Claim, the character of such gain or loss (i.e., long-term or short-term capital, or ordinary) will be determined by a number of factors, including the tax status of the Creditor, whether the Claim in respect of which Cash was received constituted a capital asset in the hands of the Creditor and how long it has been held, whether such Claim was originally issued at a discount or acquired at a market discount, and whether and to what extent the Creditor had previously claimed a bad debt deduction in respect of such Claim. A Creditor that purchased its Claim from a prior holder at a market discount may be subject to the market discount rules of the Internal Revenue Code. Under those rules, assuming that the Creditor had not made an election to amortize the market discount into income on a current basis with respect to any market discount instrument, any gain recognized on the exchange of such Claim (subject to a *de minimis* rule) would generally be characterized as ordinary income to the extent of the accrued market discount on such Claim as of the date of the exchange.

2. Distributions in Discharge of Accrued but Unpaid Interest

Pursuant to the Plan, all Distributions in respect of an Allowed Claim will be allocated first to the original principal amount of such Claim as determined for federal income tax

purposes to the extent thereof and thereafter to the remaining portion of such Claim. However, there is no assurance that such allocation will be respected by the IRS for federal income tax purposes. In general, to the extent that any amount received by a Creditor is received in satisfaction of accrued interest during its holding period, such amount will be taxable to the Creditor as interest income (if not previously included in the holder's gross income). Conversely, a Creditor generally recognizes a deductible loss to the extent any accrued interest claimed was previously included in its gross income and is not paid in full. Each Creditor is urged to consult its tax advisor regarding the allocation of consideration and the deductibility of unpaid interest for tax purposes.

3. Information Reporting and Withholding

All payments to Creditors are subject to any applicable withholding (including employment tax withholding). Under the Internal Revenue Code, interest, dividends and other "reportable payments" may, under certain circumstances, be subject to "backup withholding" at up to a 28% rate. Backup withholding generally applies if the Creditor (a) fails to furnish its social security number or taxpayer identification number ("**TIN**"), (b) furnishes an incorrect TIN, (c) fails properly to report interest or dividends or (d) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct number and that it is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax. Certain Persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions.

XXI. CONCLUSION AND RECOMMENDATION

The Debtors and the Committee believe that the Plan is in the best interests of all Creditors and urges the holders of all Claims who receive Ballots to vote to accept the Plan and to evidence such acceptance by returning their Ballots so that they will be actually received on or before **4:00 p.m. Eastern Time, on February 15, 2010**.

Dated: December 2, 2009

BLANK ROME LLP

Michael Z. Brownstein
Rocco A. Cavaliere
The Chrysler Building
405 Lexington Avenue
New York, NY 10174
Telephone: (212) 885-5000
Facsimile: (212) 885-5001

-and-

Bonnie Glantz Fatell (No. 3809)
David W. Carickhoff (No. 3715)
Victoria Guilfoyle (No. 5183)
1201 North Market Street, Suite 800
Wilmington, DE 19801
Telephone: (302) 425-6400
Facsimile: (302) 425-6464

Counsel to Alset Owners, LLC, *et al.*,
Debtors and Debtors in Possession

TABLE OF EXHIBITS

EXHIBIT A

PLAN

A COPY OF THE PLAN HAS BEEN FILED SEPARATELY WITH THE COURT

EXHIBIT B

BAR DATE ORDER

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	Chapter 11
ALSET OWNERS, LLC, *et al.*,[1]	:	Case No. 09-11960 (BLS)
	:	(Jointly Administered)
Debtors.	:	**Re: Docket No. 162**

ORDER (A) FIXING THE PROCEDURES AND DEADLINES TO FILE PROOFS OF CLAIM PURSUANT TO FED. R. BANKR. P. 2002 AND 3003 AND DEL. BANKR. L.R. 2002-1(e) AND TO MAKE REQUESTS FOR PAYMENT OF ADMINISTRATIVE EXPENSE CLAIMS AND (B) APPROVING THE FORM AND MANNER OF NOTICE OF BAR DATE

Upon the Motion[2] of the above-captioned debtors and debtors in possession (the "Debtors"), requesting entry of an order (i) establishing the deadline for filing certain Proofs of Claim against the Debtors pursuant to Rule 3003-1 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), (ii) establishing the deadline for filing certain Administrative Expense Claims against the Debtors, and (iii) approving the form and manner of notice thereof pursuant to Bankruptcy Rule 2002(a)(7) and Del. Bankr. L.R. 2002-1(e); and it appearing that the relief sought in the Motion and the entry of this Order is appropriate and necessary in order for the Debtors to determine the nature, scope and classification of all claims; and it appearing that the relief sought in the Motion is reasonable and in the best interests of the

[1] The Debtors and the last four digits of their respective tax identification numbers are: Alset Owners, LLC, a Delaware limited liability company (7520); Altes, LLC, a Delaware limited liability company (6927); Setla, LLC, a Delaware limited liability company (6752); and Checkers Michigan, LLC, a Delaware limited liability company (8016). The Debtors' service address is Altes, LLC/Setla, LLC, 1200 North Federal Highway, Boca Raton, FL 33432.

[2] Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

Debtors and their estates; and no adverse interest being represented, and sufficient cause appearing therefore, and upon due deliberation given,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted.

2. All claims, as defined in section 101(5) of title 11 of the United States Code (the "Bankruptcy Code"), **arising prior to the Petition Date,** including any claims against the Debtors' estate based on the Debtors' primary, secondary, direct, indirect, fixed, secured, unsecured, contingent, guaranteed, disputed, undisputed, liquidated, unliquidated, matured, unmatured, legal or equitable liability, or otherwise (each a "Prepetition Claim"), except as otherwise provided for or specifically excepted herein, shall be filed with BMC Group Inc. (the "Claims Agent"), in writing, together with supporting documentation, substantially conforming with Official Bankruptcy Form 10, or as otherwise prescribed or authorized under the Bankruptcy Rules so that the Proof of Claim is **actually received** on or before **December 15, 2009, at 4:00 p.m. prevailing Eastern time** (the "Bar Date"), at the office of the Claims Agent as set forth in the Bar Date notice. A Proof of Claim may not be filed by facsimile or electronic mail transmission.

3. Any Person asserting a Prepetition Claim by reason of the rejection of an executory contract or unexpired lease, pursuant to section 502(g) of the Bankruptcy Code and Bankruptcy Rule 3002(c)(4), must file a Proof of Claim on account of any claims such Person holds or wishes to assert against the respective Debtor, so that the Proof of Claim is **actually**

received by the Claims Agent on or before the later of (i) thirty days after the date of the rejection of such contract or lease, or (ii) the Bar Date.

4. All governmental units (which shall include all entities defined as such in section 101(27) of the Bankruptcy Code, including any such entities that hold a Claim arising from prepetition tax years or periods or prepetition transactions to which a Debtor was a party) holding or wishing to assert Claims against a Debtor arising before the Petition Date, are required to file a Proof of Claim on account of any claims such governmental unit holds or wishes to assert against the respective Debtor, so that the proof of Claim is **actually received** by the Claims Agent on or before **December 15, 2009 at 4:00 p.m. prevailing Eastern time.**

5. All parties asserting certain administrative expenses against a Debtor's estate arising between the Petition Date and December 15, 2009 (but excluding claims for fees and expenses of professionals retained in these proceedings and members of the Committee in these cases) or under Bankruptcy Code section 503(b)(9), **whenever arising**, shall file a motion for allowance of such administrative expense with the Court (the "Administrative Expense Claim") on or before **December 15, 2009 at 4:00 p.m. prevailing Eastern time**.

6. Any Person asserting a claim by reason of the recovery of a voidable transfer, pursuant to section 502(h) of the Bankruptcy Code and Bankruptcy Rule 3002(c)(3), must file a Proof of Claim on account of any claims such Person holds or wishes to assert against a Debtor, so that the Proof of Claim is **actually received** by the Claims Agent on or before the later of (i) the Bar Date, or (ii) thirty days after the consensual resolution or entry of final

judgment avoiding such transfer and payment of such recovered transfer to the respective Debtor's estate.

7. Following the notice of any amendment to the Schedules pursuant to Bankruptcy Rule 1009(a), which amendment (i) reduces the liquidated amount or changes the priority of a scheduled Prepetition Claim, or (ii) reclassifies a scheduled, undisputed, noncontingent Prepetition Claim to be disputed, unliquidated, undetermined, and/or contingent, or (iii) adds a Prepetition Claim that was not listed on the original Schedules, any Person affected by such amendment shall be permitted to file a Proof of Claim on account of any claims such Person holds or wishes to assert against a Debtor, so that the Proof of Claim is **actually received** by the Claims Agent on or before the later of (a) the Bar Date, or (b) the first business day that is at least thirty calendar days after the mailing of notice of such amendment. Any Person, entity, or governmental unit relying on the Debtors' Schedules will bear the responsibility for determining that all of its Claims against the applicable Debtor are accurately listed in the Schedules.

8. The following claims are ***excluded*** from the provisions of this Order and are not required to be filed on or before the Bar Date, unless otherwise ordered by the Court.

a. claims by any Person, entity, or governmental unit that has already properly filed a Proof of Claim with the Claims Agent, or with the Clerk of the Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, DE 19801;

b. claims by any Person or governmental unit if that Person or governmental unit's Prepetition Claim is listed in the Schedules (or any amendment thereto) and

is not scheduled as being contingent, unliquidated, or disputed, unless the Person or governmental unit believes that it is owed a different amount or its Prepetition Claim is entitled to a different priority than that reflected in the Schedules;

c. claims by any Person or governmental unit if that Person or governmental unit's Prepetition Claim previously has been allowed by order of the Court; and

d. claims with respect to administrative expense claims for fees and expenses of professionals retained in these proceedings and members of the Committee in these cases.

9. Pursuant to Bankruptcy Rule 3002(c)(2), any Person or governmental unit required to file a proof of Proof of Claim but does not do so in compliance with the date and procedures established herein shall not, with respect to any such claim, be treated as a creditor of the Debtors for the purposes of voting and distribution.

10. In accordance with Bankruptcy Rule 2002, the Debtors are hereby authorized and directed to cause the Official Form No. 10, and the notice of the Bar Date, in a form substantially of that annexed to the Motion as Exhibit A and incorporated herein, which form is hereby approved, to be given by first class mail, postage prepaid, on or before **October 9, 2009**, upon (i) the Office of the United States Trustee, (ii) counsel for the Committee, (iii) all Persons and governmental units on the Debtors' creditor matrix, (iv) all known holders of claims listed on the Debtors' Schedules and, as applicable, any amended Schedules, at the addresses stated therein, (v) all relevant taxing authorities, (vi) the District Director of Internal Revenue for

the District of Delaware, and (vii) all parties that have requested notice in this case pursuant to Bankruptcy Rule 2002.

11. The Debtors are hereby authorized, but not directed, to cause notice of the Bar Date to be published by no later than **October 15, 2009** in a national newspaper.

12. Nothing contained herein shall limit, abridge or otherwise affect the Debtors' right to request that the Court fix a date by which the holder of a Claim that is specifically excluded from the requirements of this Order must file a proof of claim or interest.

13. The provisions of this Order apply to all Claims of whatever nature or character against any of the Debtors or their property, whether such Claims are secured or unsecured, administrative, priority or non-priority, liquidated or unliquidated, matured or unmatured, fixed or contingent.

14. The Debtors are authorized to take such steps and do such things as they deem to be reasonably necessary to fulfill the notice requirements established by this Order, including the expenditure of all sums reasonably necessary to implement the provisions of this Order.

15. This Court shall retain jurisdiction to interpret, implement and enforce the terms and provisions of this Order.

Dated: September 29, 2009

The Honorable Brendon Linehan Shannon
United States Bankruptcy Judge

EXHIBIT C

CHAPTER 7 LIQUIDATION ANALYSIS

Alset Owners
Schedule of Projected Liquidation Recoveries

	Chapter 7 Liquidation Recovery				Plan of Reorganization Recovery			
	Percent Recovery				Percent Recovery			
	High	Low	High	Low	High	Low	High	Low
Proceeds from liquidation								
Cash and cash equivalents	100%	100%	$ 486,106	$ 486,106	100%	100%	$ 486,106	$ 486,106
Expected receivables/other assets	100%	47%	264,000	125,000	100%	47%	264,000	125,000
Real estate tax escrow	100%	0%	170,542	-	100%	0%	170,542	-
Total proceeds from liquidation			920,648	611,106			920,648	611,106
Allocation of proceeds								
Wind-down expenses			32,000	32,000			32,000	32,000
Chapter 7 trustee fees			27,619	18,333				
Chapter 7 trustee professional fees			125,000	175,000			-	-
Total wind-down expenses			184,619	225,333			32,000	32,000
Proceeds available for payment of administrative and priority claims			736,029	385,773			888,648	579,106
Administrative and priority claims								
Chapter 11 administrative claims			150,000	150,000			210,000	225,000
Priority claims			-	-			-	-
Total administrative and priority claims			150,000	150,000			210,000	225,000
Plan of reorganization disbursements								
Liquidation trust fees and expenses							75,000	100,000
Total plan of reorganization disbursements							75,000	100,000
Proceeds available for payment of general unsecured creditors			586,029	235,773			603,648	254,106
Pentland unsecured claim distribution							50,000	50,000
General unsecured claims:								
Pentland unsecured claim			5,185,000	5,185,000				
Other unsecured creditors			800,000	1,800,000			800,000	1,800,000
Total general unsecured claims	10%	3%	5,985,000	6,985,000	69%	11%	800,000	1,800,000
Total projected deficiency			$ (5,398,971)	$ (6,749,227)			$ (246,352)	$ (1,595,894)

Summary of Significant Liquidation Analysis Notes and Assumptions
Based on Projected Financial Position at December 1, 2009

Pursuant to Section 1129(a)(7) of the Bankruptcy Code (often called the "Best Interest Test"), each holder of an impaired claim or Equity Interest must either (a) accept the Plan or (b) receive or retain under the Plan property of a value as of the Plan's Effective Date, that is not less than the value such non-accepting holder would receive or retain if the Debtor were to be liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date.

In preparing the Liquidation Analysis, the Debtor has projected an amount of Allowed Claims. The Liquidation Analysis was prepared before the deadline for filing Claims against the Debtors' estate. As such, claims may be filed after the date of which this Liquidation Analysis was prepared. Also, filed claims have not been fully evaluated by the Debtors and no order or finding has been entered by the Bankruptcy Court estimating or otherwise fixing the amount of Claims at the projected amounts of Allowed Claims used in the Liquidation Analysis. Accordingly, the estimate of the amount of Allowed Claims used in the Liquidation Analysis should not be relied upon for any purpose, including, without limitation, any determination of the value of any distribution to be made on account of Allowed Claims under the Plan. The actual amount of Allowed Claims could be materially different than the amount estimated in the Liquidation Analysis.

Underlying the Liquidation Analysis are a number of estimates and assumptions regarding proceeds that, although developed and considered reasonable by the Debtors' management and financial advisors, are inherently subject to significant business, economic, regulatory and competitive uncertainties and contingencies beyond the control of the Debtors' and their management. The Liquidation Analysis has not been examined or reviewed by independent accountants with standards promulgated by the American Institute of Certified Public Accountants. **ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE VALUES REFLECTED IN THE LIQUIDATION ANALYSIS WOULD BE REALIZED IF THE DEBTORS WERE, IN FACT, TO UNDERGO SUCH A LIQUIDATION, AND ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE SHOWN HERE.** Variances from the estimates may be caused by the following:

General Assumptions

Alset Owners was a franchisee of Rally's restaurants. The operations were sold during the course of these bankruptcy cases as described in the Disclosure Statement which this Liquidation Analysis accompanies.

The primary assets to be liquidated are accounts receivable and real estate tax escrow monies. See below for a discussion of these items. There has been no review of the Debtors' other assets, including tangible and intangible assets, it is assumed for purposes of this analysis, that they will bring little or no proceeds to the estate in a liquidation. Additionally, the Liquidation Analysis assumes no recoveries from potential insurance recoveries or any litigation, including, but not limited to Avoidance Actions.

No assumption is made for the interest income that could be earned on liquidation proceeds being held prior to distribution. Such amounts would not alter materially the results of the Liquidation Analysis.

No assumption is made for the income tax effect of liquidation since the Debtors have available substantial tax attributes.

Cash and cash equivalents

Cash and cash equivalents consist of all cash in banks or operating accounts, and liquid investments with maturities of three months or less and are assumed to be fully recoverable.

Accounts Receivable

Accounts receivable consist of trade accounts receivable and includes outstanding amounts due from third parties. The recovery of accounts receivable is based on management's estimate of collections given such factors as the aging, contract terms, and the effects, if any, of the liquidation on collections. These recoveries are before consideration of liquidation expenses, if any.

Real Estate Tax Escrow

The real estate tax escrow consists of approximately $185,000 of cash deposited in an escrow account upon the closing of the sale. The estates' entitlement to these monies has not yet been settled.

Wind-down Expenses

Wind-down expenses consist of general and administrative expenses, rent, postage, labor, storage and other incidentals.

Trustee Fees and Professional Expenses

Trustee fees are estimated at 3% of the total proceeds from liquidation of the Debtors. Chapter 7 professional fees represent the estimated cost of legal and financial advisors. Fees were based on an expeditious wind-down of the Debtors' estates, including the resolution of claims, and with an allocation for potential litigation of the Pentland unsecured claim if a plan is not consummated. There is no additional litigation costs assumed for the pursuit of other causes of action.

Administrative and Priority Claims

Administrative and priority claims consist of payable c laims that are not subject to compromise. The Chapter 11 administrative claims represent accrued and projected professional fees through the effective date of the plan of reorganization. The Debtors believe that all scheduled and filed priority claims will be reclassified as general unsecured claims.

General Unsecured Claims

General unsecured claims include essentially pre-petition trade payables and accrued expenses and other general unsecured claims per the Debtors Schedules, as amended and or settled. The Liquidation Analysis includes a broad range between high and low estimates as the claim bar date has not passed as of the date of this analysis.

Pentland has asserted a general unsecured claim for $5,185,000 which pursuant to the plan of reorganization would be settled for $50,000. The Chapter 7 liquidation analysis includes the claim at its full amount.

Liquidation Trust Fees and Expenses

The plan of reorganization provides for the establishment of the Liquidation Trust to complete the liquidation of assets and possibly pursue causes of action to recover additional funds. The range of estimated fees and other expense costs of the trust does not include the costs of litigation.

Avoidance and Other Adversary Actions

No assumption for avoidance action or other adversary action recoveries are factored into this liquidation analysis.

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EXHIBIT B

NOTICE OF MOTION TO APPROVE DISCLOSURE STATEMENT AND SOLICITATION AND VOTING PROCEDURES

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	Chapter 11
	:	
ALSET OWNERS, LLC, *et al.*,[1]	:	Case No. 09-11960 (BLS)
	:	
	:	(Jointly Administered)
Debtors.	:	

NOTICE OF MOTION FOR ORDER (A) APPROVING ADEQUACY OF DISCLOSURE STATEMENT, (B) ESTABLISHING PROCEDURES FOR SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT THE PLAN, (C) FIXING A RECORD DATE FOR DISTRIBUTION AND (D) FIXING DATE, TIME AND PLACE FOR CONFIRMATION HEARING

TO: (a) the Office of the United States Trustee; (b) counsel to the Official Committee of Unsecured Creditors; (c) the Office of the United States Attorney General for the District of Delaware; (d) the Internal Revenue Service; (e) the Securities and Exchange Commission; and (f) those persons who have requested notice pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure

PLEASE TAKE NOTICE that the debtors and debtors in possession (the "Debtors"), in the above-captioned cases filed the Motion of Debtors For An Order (I) Approving Disclosure Statement; (II) Establishing Voting Deadline And Procedures For Filing Objections To Confirmation Of Plan; (III) Approving Form Of Ballot; (IV) Establishing Solicitation And Tabulation Procedures; And (V) Setting A Hearing Date To Consider Confirmation Of Plan (the "Motion"), with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 6th Floor, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE that any response or objection to the relief sought in the Motion must be filed with the Bankruptcy Court on or before **January 6, 2010, at 4:00 p.m. prevailing Eastern time** (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE that at the same time, you must also serve a copy of the response or objection upon: (a) counsel to the Debtors, Blank Rome LLP, 405 Lexington Avenue, New

[1] The Debtors and the last four digits of their respective tax identification numbers are: Alset Owners, LLC, a Delaware limited liability company (7520); Altes, LLC, a Delaware limited liability company (6927); Setla, LLC, a Delaware limited liability company (6752); and Checkers Michigan, LLC, a Delaware limited liability company (8016). The Debtors' service address is Altes, LLC/Setla, LLC, 1200 North Federal Highway, Boca Raton, FL 33432.

York, NY 10174,, Attn: Michael Z. Brownstein, Esq., and Rocco A. Cavaliere, Esq., and 1201 Market Street, Suite 800, Wilmington, DE 19801, Attn: David W. Carickhoff, Esq., (b) the Office of the United States Trustee, 844 N. King Street, Suite 2207, Wilmington, DE 19801, Attn: Jane Leamy, Esq.; and (c) counsel to the Official Committee of Unsecured Creditors, Klehr Harrison Harvey Branzburg & Ellers, 919 North Market Street, Suite 1000, Wilmington, DE 19801, Attn: Joanne B. Wills, Esq.

PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE RELIEF SOUGHT IN THE MOTION WILL BE HELD ON **January 13, 2009,** at **2:00 P.M. PREVAILING EASTERN TIME** BEFORE THE HONORABLE BRENDAN L. SHANNON AT 824 MARKET STREET, 6TH FLOOR, WILMINGTON, DELAWARE 19801.

Dated: December 2, 2009

BLANK ROME LLP

By: */s/ Victoria Guilfoyle*
Bonnie Glantz Fatell (3809)
David W. Carickhoff (No. 3715)
Victoria Guilfoyle (No. 5183)
1201 North Market Street, Suite 800
Wilmington, DE 19801
Telephone: (302) 425-6400
Facsimile: (302) 425-6464

-and-

Michael Z. Brownstein
Rocco A. Cavaliere
The Chrysler Building
405 Lexington Avenue
New York, NY 10174
Telephone: (212) 885-5000
Facsimile: (212) 885-5001

Attorneys for Debtors and
Debtors in Possession

EXHIBIT C

CONFIRMATION HEARING NOTICE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	Chapter 11
	:	
ALSET OWNERS, LLC, *et al.*,[1]	:	Case No. 09-11960 (BLS)
	:	
	:	(Jointly Administered)
Debtors.	:	

NOTICE OF HEARING TO CONSIDER
CONFIRMATION OF DEBTORS' JOINT CHAPTER 11 PLAN

PLEASE TAKE NOTICE THAT:

1. On June 5, 2009 (the "Petition Date"), the above captioned debtors (the "Debtors") commenced cases under title 11 of the United States Code, 11 U.S.C. §101 *et seq.* (as amended, the "Bankruptcy Code") by filing voluntary petitions for relief.

2. No trustee or examiner has been appointed in these cases.

3. On June 24, 2009, the Office of the United States Trustee appointed an Official Committee of Unsecured Creditors (the "Committee").

4. On or about August 31, 2009, the Debtors closed on the Sale of substantially all of their assets. The Debtors' assets are now primarily comprised of cash proceeds from non-core assets and potential causes of action.

5. On December 2, 2009, the Debtors filed with the Bankruptcy Court a joint chapter 11 plan (as may be amended from time to time, the "Plan") and a disclosure statement providing information with respect to the Plan (as may be amended, the "Disclosure Statement").[2]

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[1] The Debtors and the last four digits of their respective tax identification numbers are: Alset Owners, LLC, a Delaware limited liability company (7520); Altes, LLC, a Delaware limited liability company (6927); Setla, LLC, a Delaware limited liability company (6752); and Checkers Michigan, LLC, a Delaware limited liability company (8016). The Debtors' service address is Altes, LLC/Setla, LLC, 1200 North Federal Highway, Boca Raton, FL 33432.

6. On January __, 2010, the Bankruptcy Court entered an order, among other things, (i) approving the Debtors' Disclosure Statement as containing adequate information within the meaning of section 1125 of the Bankruptcy Code, (ii) setting January __, 2010 as the voting record date, (iii) approving the procedures for solicitation of votes to accept or reject the Plan, (iv) fixing [____], 2010 at 4:00 p.m., Prevailing Eastern Time, as the date and time by which all votes to accept or reject the Plan must be received, and (v) scheduling a hearing to consider confirmation of the Plan (the "Confirmation Hearing") and a deadline for filing and serving objections to the Plan (as provided below).

Hearing on Confirmation of the Plan

7. A hearing on confirmation of the Plan will be held before the Honorable Brendan L. Shannon, United States Bankruptcy Judge, 824 Market Street, Wilmington, Delaware (the "Bankruptcy Court") on February 22, 2010 at 10:00 a.m., Prevailing Eastern Time. This hearing may be adjourned from time to time without further notice, other than an announcement of the adjourned date or dates at the hearing or at any adjourned hearing(s).

Objections to Confirmation of the Plan

8. Any objections to the confirmation of the Plan (including any supporting memoranda) (a) shall be in writing, (b) shall comply with the Bankruptcy Code, Bankruptcy Rules and any orders of the Bankruptcy Court, (c) shall set forth the name and contact information of the objector and the nature and amount of any Claim or interest asserted by the objector against the estates or property of the Debtors, (d) shall state with particularity the legal

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[2] All capitalized terms not defined herein shall have the meaning ascribed to them in the Plan.

and factual basis for such objection, and (e) shall be filed with the Bankruptcy Court, together with proof or service thereof, and served upon the following persons so as to be received no later than 4:00 p.m., Prevailing Eastern Time, on February 15, 2010:

(i) Counsel for the Debtors

BLANK ROME LLP
Michael Z. Brownstein
Rocco A. Cavaliere
The Chrysler Building
405 Lexington Avenue
New York, NY 10174
Telephone: (212) 885-5000
Facsimile: (212) 885-5001

- and -

BLANK ROME LLP
Bonnie Glantz Fatell (3809)
David W. Carickhoff (No. 3715)
1201 North Market Street, Suite 800
Wilmington, DE 19801
Telephone: (302) 425-6400
Facsimile: (302) 425-6464

(ii) Official Committee of Unsecured Creditors

KLEHR, HARRISON, HARVEY,
BRANZBURG & ELLERS, LLP
Joanne B. Wills, Esq.
Richard M. Beck, Esq.
919 Market Street, Suite 1000
Wilmington, DE 19801
Telephone: (302) 426-1189
Facsimile: (302) 426-1189

(iii) The United States Trustee

OFFICE OF THE UNITED STATES TRUSTEE
844 King Street, Suite 2207
Wilmington, Delaware 19801
Facsimile: (302) 573-6497
Attn: Jane Leamy, Esq.

PURSUANT TO THE ORDER APPROVING THE DISCLOSURE STATEMENT, UNLESS A CONFIRMATION OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT

Dated: January __, 2010

BLANK ROME LLP

Bonnie Glantz Fatell (No. 3809)
David W. Carickhoff (No. 3715)
Victoria Guilfoyle (No. 5183)
1201 North Market Street, Suite 800
Wilmington, DE 19801
Telephone: (302) 425-6400
Facsimile: (302) 425-6464

-and-

Michael Z. Brownstein
Rocco A. Cavaliere
The Chrysler Building
405 Lexington Avenue
New York, NY 10174
Telephone: (212) 885-5000
Facsimile: (212) 885-5001

Counsel for the Debtors and Debtors in Possession

EXHIBIT D

NOTICES OF NON-VOTING CLASSES

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	Chapter 11
	:	
ALSET OWNERS, LLC, *et al.*,[1]	:	Case No. 09-11960 (BLS)
	:	
	:	(Jointly Administered)
Debtors.	:	

NOTICE OF NON-VOTING STATUS TO UNIMPAIRED CLASS: CLASS 1 (SECURED CLAIMS)

PLEASE TAKE NOTICE THAT on January __, 2010, the United States Bankruptcy Court for the District of Delaware (the "Court") entered an order (the "Order") approving the Disclosure Statement for the Debtor's Joint Plan of Liquidation, dated as of December 2, 2009 (as it may be amended, the "Disclosure Statement") filed by Alset Owners, LLC and its affiliated debtors and debtors in possession (the "Debtors"). The Order authorizes the Debtor to solicit votes to accept or reject the Debtors' Joint Plan of Liquidation, dated as of December 2, 2009 (as it may be further amended, the "Plan"), a copy of which is annexed as Exhibit A to the Disclosure Statement.

UNDER THE TERMS OF PLAN, YOUR CLAIM(S) AGAINST OR INTEREST(S) IN THE DEBTORS IS NOT IMPAIRED, AND THEREFORE, PURSUANT TO SECTION 1126(f) OF TITLE 11 OF THE UNITED STATES CODE, YOU ARE (i) DEEMED TO HAVE ACCEPTED THE PLAN AND (ii) NOT ENTITLED TO VOTE ON THE PLAN. IF YOU HAVE ANY QUESTIONS ABOUT THE STATUS OF YOUR CLAIM(S) OR INTEREST(S), YOU SHOULD CONTACT THE DEBTORS' VOTING AGENT, BMC GROUP INC., ATTN: ANNE CARTER OR BY TELEPHONE AT (888) 909-0100 OR UNDERSIGNED COUNSEL. COPIES OF THE PLAN AND DISCLOSURE STATEMENT CAN ALSO BE ACCESSED ONLINE AT: www.deb.uscourts.gov FOR THOSE IN POSSESSION OF A PACER PASSWORD. THE VOTING AGENT IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE. PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT.

[1] The Debtors and the last four digits of their respective tax identification numbers are: Alset Owners, LLC, a Delaware limited liability company (7520); Altes, LLC, a Delaware limited liability company (6927); Setla, LLC, a Delaware limited liability company (6752); and Checkers Michigan, LLC, a Delaware limited liability company (8016). The Debtors' service address is Altes, LLC/Setla, LLC, 1200 North Federal Highway, Boca Raton, FL 33432.

Dated: Wilmington, Delaware
January ___, 2010

BLANK ROME LLP

By: _____

Bonnie Glantz Fatell (No. 3809)
David W. Carickhoff (No. 3715)
Victoria Guilfoyle (No. 5183)
1201 North Market Street, Suite 800
Wilmington, DE 19801
Telephone: (302) 425-6400
Facsimile: (302) 425-6464

-and-

Michael Z. Brownstein
Rocco A. Cavaliere
The Chrysler Building
405 Lexington Avenue
New York, NY 10174
Telephone: (212) 885-5000
Facsimile: (212) 885-5001

Attorneys for Debtors and
Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	Chapter 11
	:	
ALSET OWNERS, LLC, *et al.*,[1]	:	Case No. 09-11960 (BLS)
	:	
	:	(Jointly Administered)
Debtors.	:	

NOTICE OF NON-VOTING STATUS TO IMPAIRED
CLASS: CLASS 3 (EQUITY INTERESTS)

PLEASE TAKE NOTICE THAT on January __, 2010, the United States Bankruptcy Court for the District of Delaware (the "Court") entered an order (the "Order") approving the Disclosure Statement for the Debtors' Joint Plan of Liquidation, dated as of December 2, 2009 (as it may be amended, the "Disclosure Statement") filed by Alset Owners, LLC and its affiliated debtors and debtors in possession (the "Debtors"). The Order authorizes the Debtor to solicit votes to accept or reject the Debtors' Joint Plan of Liquidation, dated as of December 2, 2009 (as it may be further amended, the "Plan"), a copy of which is annexed as Exhibit A to the Disclosure Statement.

UNDER THE TERMS OF THE PLAN, YOU ARE NOT ENTITLED TO RECEIVE OR RETAIN ANY PROPERTY ON ACCOUNT OF YOUR CLAIM(S) AGAINST, OR INTEREST(S) IN, THE DEBTOR. THEREFORE, PURSUANT TO SECTION 1126(G) OF TITLE 11 OF THE UNITED STATES CODE, YOU ARE (I) DEEMED TO HAVE REJECTED THE PLAN AND (II) NOT ENTITLED TO VOTE ON THE PLAN. IF YOU HAVE ANY QUESTIONS ABOUT THE STATUS OF YOUR INTEREST(S), YOU SHOULD CONTACT THE DEBTORS' VOTING AGENT, BMC GROUP INC., ATTN: ANNE CARTER, BY TELEPHONE AT (888) 909-0100 OR UNDERSIGNED COUNSEL. COPIES OF THE PLAN AND DISCLOSURE STATEMENT CAN ALSO BE ACCESSED ONLINE AT: www.deb.uscourts.gov FOR THOSE IN POSSESSION OF A PACER PASSWORD. THE VOTING AGENT IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE. PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT.

[1] The Debtors and the last four digits of their respective tax identification numbers are: Alset Owners, LLC, a Delaware limited liability company (7520); Altes, LLC, a Delaware limited liability company (6927); Setla, LLC, a Delaware limited liability company (6752); and Checkers Michigan, LLC, a Delaware limited liability company (8016). The Debtors' service address is Altes, LLC/Setla, LLC, 1200 North Federal Highway, Boca Raton, FL 33432.

Dated: Wilmington, Delaware
January __, 2010

BLANK ROME LLP

By: _____

Bonnie Glantz Fatell (No. 3809)
David W. Carickhoff (No. 3715)
Victoria Guilfoyle (No. 5183)
1201 North Market Street, Suite 800
Wilmington, DE 19801
Telephone: (302) 425-6400
Facsimile: (302) 425-6464

-and-

Michael Z. Brownstein
Rocco A. Cavaliere
The Chrysler Building
405 Lexington Avenue
New York, NY 10174
Telephone: (212) 885-5000
Facsimile: (212) 885-5001

Attorneys for Debtors and
Debtors in Possession

EXHIBIT E

FORM OF BALLOT

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	Chapter 11
	:	
ALSET OWNERS, LLC, *et al.*,[1]	:	Case No. 09-11960 (BLS)
	:	
	:	(Jointly Administered)
Debtors.	:	

BALLOT FOR ACCEPTING OR REJECTING PLAN OF REORGANIZATION

BALLOT FOR VOTING CLASS 2
UNSECURED CLAIMS

The Debtors ("Debtors" or the "Plan Proponents") have filed the Proposed Joint Plan of Liquidation for Debtors dated December 2, 2009 (the "Plan") with the Bankruptcy Court. The Plan is Exhibit 1 to the Plan Proponents' Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code, dated December 2, 2009 (the "Disclosure Statement"), which accompanies this Ballot. If you are, as of January 13, 2010, the holder of an Unsecured Claim against any of the Debtors which arose prior to the commencement of such Debtor's chapter 11 case on June 5, 2009 (the "Commencement Date"), please use this Ballot to cast your vote to accept or reject the Plan. The Bankruptcy Court has approved the Disclosure Statement, which provides information to assist you in deciding how to vote on the Plan. Bankruptcy Court approval of the Disclosure Statement does not indicate approval of the Plan by the Bankruptcy Court, If you do not have a Disclosure Statement, you may obtain a copy by contacting Debtors' Voting Agent, BMC Group Inc. Attn: Alset Owners, LLC, P.O. Box 3020 Chanhassen, MN 55317-3020 (if by regular mail) or BMC Group Inc., Attn: Alset Owners, LLC, 18750 Lake Drive East, Chanhassen, MN 55317 (if by overnight mail), Telephone: (888) 909-0100.

IMPORTANT

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the classification and treatment of your claim or claims under the Plan. All of your Unsecured Claims against the Debtors have been placed in Class 1 under the Plan.

VOTING DEADLINE: 4:00 P. M. EASTERN TIME ON FEBRUARY 15, 2010.

If your vote is not received by the Voting Agent at BMC Group Inc. Attn: Alset Owners, LLC, P.O. Box 3020 Chanhassen, MN 55317-3020 (if by regular mail) or BMC Group Inc., Attn: Alset Owners, LLC, 18750 Lake Drive East, Chanhassen, MN 55317, on or before the Voting Deadline and such deadline is not extended, your vote will not count as either an acceptance or rejection of the Plan.

Ballots will not be accepted by facsimile transmission.

If the Plan is confirmed by the Bankruptcy Court, it will be binding on you whether or not you vote.

This Ballot is not a letter of transmittal and may not be used for any purpose other than to cast votes to accept or reject the Plan.

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[1] The Debtors and the last four digits of their respective tax identification numbers are: Alset Owners, LLC, a Delaware limited liability company (7520); Altes, LLC, a Delaware limited liability company (6927); Setla, LLC, a Delaware limited liability company (6752); and Checkers Michigan, LLC, a Delaware limited liability company (8016). The Debtors' service address is Altes, LLC/Setla, LLC, 1200 North Federal Highway, Boca Raton, FL 33432.

HOW TO VOTE

1. COMPLETE ITEM 1 AND ITEM 2.
2. REVIEW THE CERTIFICATIONS CONTAINED IN ITEM 3.
3. **SIGN THE BALLOT.**
4. RETURN THE BALLOT IN THE PRE-ADDRESSED POSTAGE-PAID ENVELOPE (SO THAT IT IS RECEIVED BEFORE THE VOTING DEADLINE).
5. YOU MUST VOTE THE FULL AMOUNT OF YOUR SECURED CLAIM REPRESENTED BY THIS BALLOT EITHER TO ACCEPT OR TO REJECT THE PLAN AND MAY NOT SPLIT YOUR VOTE.
6. ANY EXECUTED BALLOT RECEIVED THAT (A) DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN OR (B) THAT INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN, WILL NOT BE COUNTED.

Item 1. Amount of Unsecured Claim Voted. The undersigned certifies that as of the record holder date (January 13, 2010), the undersigned held an unsecured Claim against the Debtors in the following unpaid amount, which arose prior to the Debtors' Commencement Date (insert amount in the box below):

$

Item 2. Vote. The holder of the Unsecured Claim identified in Item 1 votes as follows (check one box only - if you do not check a box your vote will not be counted; if you check both boxes, your vote will not be counted):

☐ to **Accept** the Plan. OR ☐ to **Reject** the Plan.

Item 3. Certification. By returning this Ballot, the holder of the Unsecured Claim identified in Item 1 certifies that (a) this Ballot is the only Ballot submitted for such Unsecured Claim, (b) it has full power and authority to vote to accept or reject the Plan with respect to the Unsecured Claim listed in Item 1, (c) it was the holder of the Unsecured Claim described in Item 1 as of the record holder date (January 13, 2010), and (d) it has received a copy of the Disclosure Statement (including the exhibits thereto) and understands that the solicitation of votes for the Plan is subject to all the terms and conditions set forth in the Disclosure Statement and Plan.

Name of Creditor: _____
(Print or Type)

Social Security or Federal Tax ID. No.:_____
(Optional)

Signature: _____

Print Name: _____

Title: _____
(If Appropriate)

Street Address: _____

City, State, Zip Code: _____

Telephone Number: ( ) _____

Date Completed: _____

This Ballot shall not constitute or be deemed a proof of claim or equity interest, an assertion of a claim or equity interest, or the allowance of a claim or equity interest.

YOUR VOTE MUST BE FORWARDED IN AMPLE TIME FOR YOUR VOTE TO BE RECEIVED BY THE VOTING AGENT BY 4:00 P. M., EASTERN STANDARD TIME, ON FEBRUARY 15, 2010, OR YOUR VOTE WILL NOT BE COUNTED.

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, OR IF YOU NEED A BALLOT OR ADDITIONAL COPIES OF THE DISCLOSURE STATEMENT OR OTHER ENCLOSED MATERIALS, PLEASE CALL BMC GROUP INC. (ANNE CARTER) AT (888) 909-0100.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	Chapter 11
	:	
ALSET OWNERS, LLC, *et al*.,[1]	:	Case No. 09-11960 (BLS)
	:	
	:	(Jointly Administered)
Debtors.	:	

ORDER PURSUANT TO SECTIONS 1125, 1126, 1128 AND 105 OF THE BANKRUPTCY CODE, BANKRUPTCY RULES 2002, 3017, 3018 AND 3020, AND LOCAL RULE 3017-1 (A) APPROVING ADEQUACY OF DISCLOSURE STATEMENT, (B) ESTABLISHING PROCEDURES FOR SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT THE PLAN, (C) FIXING A RECORD DATE FOR VOTING, AND (D) FIXING DATE. TIME AND PLACE FOR CONFIRMATION HEARING

Upon the motion (the "Motion") of Alset Owners, LLC and its affiliates, debtors and debtors in possession, for entry of an order (the "Order") pursuant to sections 1125, 1126, 1128 and 105 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (the "Bankruptcy Code"), Rules 2002, 3017, 3018 and 3020 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 3017-1 of the Local Rules for the United States Bankruptcy Court for the District of Delaware (the "Local Rules") (a) approving the adequacy of the Disclosure Statement[2] with respect to the Debtors' joint plan of liquidation, pursuant to section 1125 of the Bankruptcy Code, (b) establishing procedures for solicitation and tabulation of votes to accept or reject the proposed chapter 11 plan (as may be amended, the "Plan"), (c) fixing a record date for voting purposes and (d) fixing the date, time, and place to consider approval of the Plan; and it appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C.

[1] The Debtors and the last four digits of their respective tax identification numbers are: Alset Owners, LLC, a Delaware limited liability company (7520); Altes, LLC, a Delaware limited liability company (6927); Setla, LLC, a Delaware limited liability company (6752); and Checkers Michigan, LLC, a Delaware limited liability company (8016). The Debtors' service address is Altes, LLC/Setla, LLC, 1200 North Federal Highway, Boca Raton, FL 33432.

[2] Capitalized terms not defined herein shall have the meaning ascribed to them in the Plan.

§§ 157 and 1334 and that it is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Debtors having filed the Plan with the Disclosure Statement relating thereto on December 2, 2009, and this Court having scheduled the date, time, and place for the hearing to consider approval of the Debtors' Disclosure Statement (the "Disclosure Statement Hearing"); and it appearing that proper and adequate notice of the Disclosure Statement Hearing has been given to all parties in interest in accordance with the Motion; and the Disclosure Statement Hearing having been held on January 13, 2010; and all parties in interest having been given an opportunity to be heard at the Disclosure Statement Hearing, and all objections to the Motion having been overruled or otherwise disposed of:

NOW, THEREFORE, the Court hereby finds as follows:

A. The Disclosure Statement complies with due process, the requirements of the Bankruptcy Code and the Bankruptcy Rules and contains "adequate information" as such term is defined in Section 1125 of the Bankruptcy Code;

B. Proper and adequate notice of the Disclosure Statement Hearing and the time fixed for filing objections to the Disclosure Statement has been given to all parties in interest, and such notice complies with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules;

C. The Solicitation Procedures proposed in the Motion are reasonable, provide a fair and equitable voting process, and are consistent with section 1126 of the Bankruptcy Code;

D. The procedures for transmitting the Disclosure Statement, the Plan, the Ballots (as defined below) and the voting instructions are fair, reasonable and adequate and comply with the requirements of Bankruptcy Rule 3017(e); and

E. The relief requested in the Motion and granted herein is warranted under the circumstances and is in the best interests of the Debtors' estates and their creditors.

ACCORDINGLY, after due deliberation, and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is GRANTED, as modified herein.

2. The Disclosure Statement attached as Exhibit A to the Motion is APPROVED,

3. The Debtors are authorized to (a) make non-material changes to the Disclosure Statement and related documents (including, without limitation, the exhibits thereto) and (b) revise the Disclosure Statement and related documents (including, without limitation, the exhibits thereto) to add further disclosure concerning events occurring at or after the Disclosure Statement Hearing, prior to distributing it to each entity that is required to receive the Disclosure Statement.

4. On or before **January 16, 2010**, the Debtors, through their voting agent, BMC Group Inc. (the "Voting Agent") are directed to transmit by first-class mail copies of (i) this Order, (ii) the Disclosure Statement, (iii) the Plan, (iv) the notice of the confirmation hearing (the "Confirmation Hearing Notice") substantially in the form attached as Exhibit C to the Motion, and (v) the Ballot and the voting instructions (collectively, the "Solicitation Packages") to the holders of unsecured claims in Class 2 (the "Voting Class"); provided, that such holders' claims (a) are listed in the Debtors' Schedules as not contingent, unliquidated or disputed (excluding scheduled claims that have been superseded by filed claims) or (b) are the subject of a filed proof of claim that has not been objected to prior to the Record Date (as defined below) and that is not the subject of a pending objection on the Record Date; provided, further, that with respect to a holder of claims that has timely filed multiple proofs of claims on account of a single claim, the Debtors will provide such holder with only one set of Solicitation Packages. The Debtors will also serve the Solicitation Packages (without the Ballot) to (i) the U.S. Trustee, (ii) counsel to the

Committee, (iii) all parties requesting notice pursuant to Bankruptcy Rule 2002, and (iv) the Internal Revenue Service.

5. The Debtors are not required to resend any Solicitation Packages (including Ballots) to those persons or entities to whom the Debtors or its Voting Agent mailed a notice of the Disclosure Statement Hearing that was returned by the United States Postal Service as undeliverable with no forwarding address.

6. On or before **January 16, 2010** in lieu of mailing the Solicitation Packages to holders of claims and equity interests in unimpaired classes or classes that are impaired but will receive no distribution under the Plan, the Debtors, by their Voting Agent, shall deposit in the United States mail, postage prepaid, a Notice of Non-Voting Status, substantially in the forms annexed to the Motion as Exhibit "D", to each holder of a claim and equity interest in an unimpaired class or in a class that is impaired but will receive no distribution under the Plan.

7. The voting instructions and the form of Ballot substantially in the form attached as Exhibit E to the Motion, are hereby approved.

8. Pursuant to Bankruptcy Rule 3017(d), **January 13, 2010** shall be the record date (the "Record Date") for purposes of determining which holders of claims are entitled to vote on the Plan and are entitled to receive the Solicitation Packages.

9. All Ballots accepting or rejecting the Plan must be received by BMC Group Inc. (the "Voting Agent") by **4:00 p.m.**, prevailing Eastern Time, on **February 15, 2010** (the "Voting Deadline") at the following address:

If By Regular Mail:

BMC Group Inc.
Attn: Alset Owners, LLC
P.O. Box 3020
Chanhassen, MN 55317-3020

If By Messenger Or Overnight Mail:

BMC Group Inc.
Attn: Alset Owners, LLC
18750 Lake Drive East
Chanhassen, MN 55317

The Debtors shall have the ability to extend the Voting Deadline in their sole discretion.

10. For voting purposes only and not for the purpose of determining who has an allowed claim or who is entitled to receive a distribution under the Plan, each holder of a claim in the Voting Class shall have an allowed claim, solely for the purpose of voting on the Plan, in an amount equal to the greater of (i) the amount of such claim as set forth in the Debtors' Schedules and (ii) the amount of such claim as set forth in a timely filed proof of claim, provided, however, that the assignee of a transferred and assigned scheduled or filed General Unsecured Claim shall be permitted to vote such claim only if the transfer and assignment has been reflected on the Court's docket as of the close of business on the Record Date, and provided further that

(a) if a claim is not listed in the Debtors' Schedules but is the subject of a timely filed proof of claim, such claim shall be allowed for voting purposes only and not for the purpose of allowance or distribution in the amount set forth in such proof of claim;

(b) if a claim for which a proof of claim has been timely filed is listed on the Debtors' Schedules as contingent, unliquidated or disputed, such claim shall be allowed for voting purposes only and not for the purpose of allowance or distribution, in an amount equal to $1.00;

(c) if a claim in a Voting Class in listed in the Debtors' Schedules as contingent, unliquidated, or disputed and a proof of such claim was not timely filed, such claim shall have no voting rights;

(d) if a claim has been estimated or otherwise allowed for voting purposes by order of the Court, such claim shall be allowed for voting purposes only in the amount estimated or allowed by the Court, unless, prior to the Voting Deadline, the Court enters an order disallowing such claim;

(e) if a claim is deemed allowed pursuant to the Plan and the holder of the claim is entitled to vote on the Plan, the claim shall be allowed for voting purposes in the amount deemed allowed pursuant to the Plan;

(f) if a holder of claims has timely filed multiple proofs of claims on account of a single claim, such holder shall have only one allowed claim for voting purposes; and

(g) each holder of any claim shall be entitled to vote all of the non-duplicative claims it holds, but may only vote a single ballot as to all claims within a particular class.

11. Unless a claim has been estimated or otherwise allowed for voting purposes, if the Debtors have served and filed an objection to a claim in the Voting Class within five days of the Voting Deadline, such claim shall be disallowed for voting purposes only and not for the purpose of allowance or distribution, provided that any undisputed portions of such claim shall be allowed for voting purposes only and, pending final resolution of such objection, not for the purpose of allowance of distribution.

12. The following procedures shall be followed in connection with tabulating ballots:

(a) only original Ballots returned to the Voting Agent bearing original signatures will be counted;

(b) any unsigned Ballot shall not be counted;

(c) any Ballot that is illegible or contains insufficient information to permit the identification of the holder shall not be counted;

(d) any Ballot cast by a person or entity that does not hold a claim in a Voting Class shall not be counted;

(e) any Ballot that is properly completed, executed and timely returned to the Voting Agent that does not indicate an acceptance or rejection of the Plan shall not be counted;

(f) any Ballot that is properly completed, executed and timely returned to the Voting Agent that indicates both acceptance and rejection of the Plan shall not be counted;

(g) whenever a holder in the Voting Class returns more than one Ballot voting the same claim prior to the Voting Deadline, only the last Ballot timely returned to the Voting Agent shall be counted;

(h) each holder of a claim in the Voting Class shall be deemed to have voted the full amount of its claim;

(i) holders of claims in the Voting Class shall not split their vote within a claim, but shall vote their entire claim within a particular class either to accept or reject the Plan;

(j) any Ballot received by the Voting Agent by facsimile or other electronic communication shall not be counted; and

(k) any Ballot received after the Voting Deadline shall not be counted, unless the Debtors shall have granted an extension of the Voting Deadline in writing with respect to such Ballot.

The Debtors and the Voting Agent shall be under no duty to provide notifications of any of the foregoing defects and irregularities. Further, the Debtors and the Voting Agent (after consultation with the Committee) shall have the right to waive any defect in any Ballot at any time, whether before or after the Voting Deadline and without notice to the Court or any parties in interest.

13. The hearing to consider confirmation of the Plan (the "Confirmation Hearing") shall be held before The Honorable Brendan L. Shannon, United States Bankruptcy Judge, 824 Market Street, Wilmington, Delaware on **February 22, 2010 at 10:00 a.m.**, or such later date as may be scheduled therefor by this Court. The Debtors shall not be required to give any further notice of any adjournment of the Confirmation Hearing announced in open Court at the Confirmation Hearing or at any continuation thereof.

14. Objections, if any (including any supporting memoranda), to confirmation of the Plan (a) shall be in writing, (b) shall comply with the Bankruptcy Code, Bankruptcy Rules and any orders of this Court, (c) shall set forth the name and contact information of the objector and the nature and amount of any claim or interest asserted by the objector against the estates or property of the Debtors, (d) shall state with particularity the legal and factual basis for such objection, and (e) shall be filed with this Court, together with proof of service thereof, and served

upon the following persons so as to be received, no later than **4:00 p.m.**, prevailing Eastern Time, on **February 15, 2010**:

(i) Counsel for the Debtor and Debtor in Possession

BLANK ROME LLP
Michael Z. Brownstein
Rocco A. Cavaliere
The Chrysler Building
405 Lexington Avenue
New York, New York 10174
Tel: (212) 885-5000

- and -

BLANK ROME LLP
David W. Carickhoff
1201 North Market Street, Suite 800
Wilmington, DE 19801
Telephone: (302) 425-6400

(ii) Official Committee of Unsecured Creditors

KLEHR, HARRISON, HARVEY,
BRANZBURG & ELLERS, LLP
Joanne B. Wills, Esq.
Richard M. Beck, Esq.
919 Market Street, Suite 1000
Wilmington, DE 19801
Telephone: (302) 426-1189
Facsimile: (302)426-1189

(iii) The United States Trustee

OFFICE OF THE UNITED STATES TRUSTEE
844 King Street, Suite 2207
Wilmington, Delaware 19801
Facsimile: (302) 573-6497
Attn: Jane Leamy, Esq.

15. The Debtors are authorized to file a reply to any objections to confirmation on or before **February 20, 2010** at **12:00 p.m. (noon),** prevailing Eastern Time.

16. Unless an objection to confirmation of the Plan is timely served and filed in accordance with this Order, it may not be considered by the Court.

17. This Court shall retain jurisdiction over all matters related to or arising from the Motion or the interpretation or implementation of this Order.

Dated: January __, 2010
Wilmington, Delaware

THE HON. BRENDAN L. SHANNON
UNITED STATES BANKRUPTCY JUDGE